Lessons Learned from Ethics in the Classroom: Exploring Student Growth in Flexibility, Complexity and Comprehension

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ABSTRACT. This study shows the link between teaching ethics in a college setting and the evolution of student thinking about ethical dilemmas. At the beginning of the semester, students have a rigid "black and white" conception of ethics. By the end of the semester, they are thinking more flexibly about the responsibilities of leaders in corporate ethical dilemmas, and they are able to appreciate complex situations that influence ethical behavior. The study shows that education in ethics produces more "enlightened" consumers of ethics information who are able to make sound determinations about responsibility in ethical dilemmas.

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Introduction

During the past decade the number of Business and Society Ethics courses or Ethics in Management courses, workshops and symposiums has escalated even though Collins and Wartick (1995) noted that the continuing introduction of ethics into graduate and undergraduate courses "is at a crossroads." Further, they said there is little "consensus, much less unanimity, about who we are and what we are doing." Despite this alert, teachers and trainers continue to share course syllabi and foster nationwide discussion on ethics in the classroom.

The ethics dialogue is being encouraged by the actions of professional associations in all sectors: public, private and non-profit. Major professional groups, such as the American Management Association (AMA), American Society for Public Administration (ASPA), the American Accounting Association (AAA) and many others also contributed by creating ethics committees, establishing Codes, and developing cases. The professional organizations' ethics committees have set standards which were often translated into basic requirements for the teaching of ethics by each profession's national accreditation organization.

Faculty, for instance, under requirements of the American Assembly of Colleges and Schools of Business (AACSB) and the National Association of Schools of Public Administration and Affairs (NASPAA) are encouraged to establish specific ethics courses which include codes of ethics and implementation activities currently used by corporations and governmental units. In

addition, accreditation agencies (American Association of Colleges and Schools of Business (AACSB), National Association of Schools of Public Administration and Affairs (NASPAA), etc.) also urged schools to incorporate ethics modules within all courses whether Computer Information Systems, International Finance, or Marketing Principles.

Setting goals for ethics education

However, in spite of wide-spread encouragement for ethics instruction, the goals of teaching ethics to students in schools of business and public management are still murky. Clouding the issue is the persistent question of whether ethics can be taught to adults at all (Wilkes, 1989). Lester Thurow, while Dean of MIT's Sloan School of Management, stated on *60 Minutes* (1988) that:

> . . . people, by the time they come here (MIT), are 27, 28 years of age, that's when we let them in, that's a kind of very peculiar time in life to start teaching ethics. If you haven't learned it before you're 27, I don't think you're going to learn it." (p. 5)

Again, when John S. R. Shad, former head of the Security and Exchange Commission, was questioned as to what effect his $23 million donation, which is dedicated to ethics education at the Harvard Business School, would have on adults, he replied:

> I think it is a valid question to ask: 'Is it too late to try to teach ethics to people in their 20's?' No school, no matter how good, is going to rehabilitate criminals. But what this ethics course can do is to sensitize the students to conflicts of interest in business decisions they may never have considered.[1]

Professor John Rohr (1978), focusing this question on public managers, early suggested that teaching ethics to adults means bureaucrats must be trusted. Moreover, he suggested fairly minimal goal-setting for any adult ethics instruction:

> The best we can do – at least in schools of public administration – is to encourage bureaucrats to reflect upon our values, suggest a method for doing so, and then trust them to exercise their discretion along lines compatible with these values (p. 75).

There is serious disagreement on both when and how to teach ethics to adults in programs and schools of management. However, there is a strong consensus, even without empirical evidence, that an ethics course and course modules must be included. Professor Briggs (1993) suggests that ethics modules, at a minimum, expose students, including those who have not received formal moral education in religious instruction or in lower school settings because of demographic and societal changes, to a common method of resolving ethical dilemmas. The real questions are in what ways and to what extent is ethics education effective. A profusion of classroom objectives for ethics courses, beyond consciousness raising and awareness training has been suggested by Brown (1994). The acquisition of a cognitive skill in solving ethical problems, according to Kavthatzopoulos (1993) is important. Further, some literature suggests that there is little evidence that business ethics courses have a permanent positive effect on students' attitudes and actions (Abell, 1990; Davis and Welton, 1991; Weber, 1990). The literature also notes that age, gender and professionalism are important for attitude formation (Kraft and Singhapakdi, 1991; Arlow, 1991). The current study was done at a school of management which seeks, as do all such schools, to encourage professional attitudes.

While much literature has been published about methods of teaching ethics, very little empirical evidence has been reported. A review of the literature on learning about learning indicates few empirical studies.[2] In "Teaching Business Ethics" Schaupp and Lane (1992) substantiated that using real issues from newspaper articles fostered student understanding that "business issues are not simply black and white." Over time students understood the need to evaluate and distill the often-conflicting data into viable recommendations. In the current study, similar findings of increased complexity and process distillation are strongly evident. Solberg,

Strong and McGuire (1995) recommend that ethics instruction should allow students to "live ethics rather than learn" ethics so as to "cultivate the discovery process." This diversity of suggestions is a sound start for a more comprehensive approach to teaching business ethics. However, at this stage, the authors agree that the teaching of business ethics continues to be "indiscriminate, unorganized and undisciplined in most North American schools of business" (Brown, 1994).

Classifying teaching goals

In order to begin the exploration of whether an ethics course makes a difference, the authors reviewed their students' perceptions and understanding over the period of a semester of ethics instruction. The specific purpose of the present study is to determine whether taking a course in ethics has any effect on the way students think about, talk about, and resolve ethical dilemmas. The study tests change through the presentation of an ethics case which is drawn from the real world and which deals with managerial decision making. The case includes both ethical and legal concerns with the ethical dimension heightened.

Research by Dennis (1987) was adopted for its classification of twelve teaching goals (Burke, 1990). These goals indicate that, in ethics education, instructors most often state their objectives as striving:

1. To develop an *awareness* of ethical issues and problems.
2. To build *analytical skills* in ethical decision making.
3. To cultivate an *attitude* of moral obligation and personal responsibility in pursuing a career.
4. To *stimulate* the moral imagination.

The first four items, listed above, show that educators agree that building conceptual models and giving students a basis for reasoning in an ethical dilemma are most important. In addition, other, more sophisticated goals were identified by the educators. Few students in the current study showed evidence of assimilating Dennis's

mid-range goals – those numbered 5 through 8. These focus on discretionary power, cultivating moral character, a knowledge of Western tradition and professional standards.[3]

The last four goals on her list, however, were clearly achieved by students in the current study. These items are:

9. To build capacity to deal with ambiguity and differences of opinion.
10. To convey knowledge of democratic values and the obligations of public administrators operating in the framework of the American Constitution.
11. To develop practical understanding of the constraints on and expectations of administrators – knowledge of codes of ethics, conflict of interest statutes, organizational norms and rules, etc.
12. To develop skills in managing ethics by influencing organizational culture and bureaucratic norms; modeling ethical conduct as a leader.

It is important to note that these items increase in complexity of assimilation and understanding as one moves from the first item to the last. Students quickly achieve the simplest of objectives. They also begin early on to become cognizant of the complexities of ethical decision making. Internalizing the items toward the end of the list, however, is more difficult and time consuming. The results of the current study specifically show that the students achieved not only the first four, but also the last four, more difficult, objectives by the end of the semester.

Methodology

This exploratory study is based on data that was collected from undergraduate students during the fall semester of 1994 at a small private university in a large metropolitan area on the East coast. The ethics case is based on a real situation that happened at Bath Iron Works in Maine.

Bath Iron Works Case[4]

Bath Iron Works, located in Maine, is the country's largest shipbuilding firm and Maine's largest

employer. A Navy consultant left a confidential report at the Bath Iron Works' office while visiting there in May 1991. The file contained cost information about the Aegis guided-missile destroyer program and also included information about the competition's costs.

Bath Iron Works' Chairman William Haggett found the file and had it photocopied. Haggett then concluded he had made "an inappropriate business-ethics decision".[5] The file was returned to the Navy and while the Navy was investigating, Haggett resigned because he "failed to set a strong moral example".[6]

A total of 74 students participated in the study at the beginning of the semester; 67 students remaining in the course gave answers at the end of the semester.

Data sets

Students were asked both at the beginning and at the end of the semester whether the behavior of the corporate executive in the Bath Iron Works case was appropriate or not. The responses to whether the CEO's behavior was appropriate or not − yes or no − constitute the first set of data. The students then were asked at the same two points in time to state reasons the behavior was appropriate or inappropriate. These responses constitute the second set of data. The second set of data was developed by subjecting the student reasoning to a blind coding process. The coding was accomplished using one of the three methods suggested by the Miles and Huberman overview of coding (1984). The method chosen suggests that coding categories be generated after the data is collected and employs the empirically grounded approach recommended by Strauss (1987). The advantage of this method is that it results in data that are well molded to the codes.

Coding was done in a rigorous manner that involves "double coding." Double coding means that each researcher codes the same data and then the codes are discussed until the researchers come to an "unequivocal and common vision" (Miles and Huberman (1984), p. 63) of what the codes signify thereby obtaining the best classification for each block of data.

Student responses were coded using the following categories (items in quotation marks are direct quotes from student responses):

A. The CEO's behavior was wrong, ("incorrect, immoral, illegal behavior").
B. The CEO was conscious of a larger community (wanted to protect "employees, jobs, government, the company").
C. The CEO's behavior is explained by the fact that his conscience is bothering him ("He felt guilty and wanted to make it right").
D. The CEO acted out of self interest (he wanted to "increase his chances of getting another job", "He took the easy way out," "He would have been punished anyway").
E. "This is business" (Two subcategories were noted: *tolerance* and *nuances*. By tolerance the students noted that "no one is perfect," and "extenuating circumstances explain his actions". The nuances conveyed by the students encouraged examining more closely what he did, "perhaps he did nothing wrong," and "resigning is too harsh a punishment," "he could have done other things to rectify the situation").
F. The CEO was in a leadership position and should set a good example.

Objective criterion

In order to be more focused on professional criteria the student responses were compared with an objective standard developed by the researchers. The interpretation of the case, agreed upon by the researchers before any comparison with the coded student results, elaborated on the reasons which would most likely be cited by the greater ethics community. The standard statement established by the researchers is as follows:

Most professional ethicists would say that the CEO acted properly by resigning. This reasoning is based on the following three points:
1. Professional principles such as "Maintain confidentiality and integrity in the practice of my profession," an example from the Code of

Ethics of American Society for Training & Development (ASTD).

2. Standards of Accountability and Responsibility: "The people are sovereign and those in public service are ultimately responsible to them" one of the principles of the American Society for Public Administration (ASPA).

3. Obtaining additional information and data fraudulently would undermine the company's reputation and viability: "We must provide competent management and their actions must be just and ethical." The Johnson & Johnson Credo.

Both researchers agreed the CEO, as head of the company, is fully accountable for the future of the company. Further, if the CEO had not resigned, a negative image would follow the company. Based on leadership principles and practices, the actions of the executive are crucial to the implementation of ethics principles where attitude and action emanates from the top down.

Analysis

Analysis of the first data set (appropriate/inappropriate CEO behavior)

Our first surprising result was in the response to the question: "Did the CEO act appropriately by resigning after he photocopied the confidential material?" Analysis of the first data set, in which student responses of "yes" or "no" were recorded, revealed that at the beginning of the semester 73% of the students thought the CEO had acted appropriately; that he should have resigned. At the end of the course, only 63%, or 10% fewer students, thought his action was appropriate. This decreased support for resignation is surprising since the two researchers had agreed that most ethicists would believe that his resignation was appropriate. This means that more students agreed with the ethicists at the beginning than at the end of the semester. The second data set allowed the researchers to investigate the reasons for this change.

Analysis of the second data set (student reasoning)

The analysis of the reasons students gave to support their choices of "yes" or "no" led the researchers to identify and begin to understand the ways in which student thinking evolved during the semester. Using the grounded theory approach, coding categories noted above were gradually refined to allow researchers to develop a representation of a pattern of behavior which is relevant for those involved. The coding described in the paper was developed in this manner and used to interpret patterns of behavior showing an increase in flexibility and complexity on the part of student reasoning.

Flexibility. There was a discernible shift of reasons from statements of moral principles or "This is wrong" (category A) to identifying the role models or leaders (category F) who set the standards and give top down ethical messages. Original responses, supported by socialization studies, indicated that students were influenced by what they brought to the course: i.e. their religious background, their family environment, their value system for differentiating right from wrong, as well as their previous formal education through the interpretation of former teachers. During the study semester students were exposed, in an explicit, systematic, pedagogical manner, to formal frameworks for analysis, tools for ethical decision making, and equally importantly, to the enriched discussion, thoughts, and opinions of their classmates. Each student started the semester with a set of individual values which may have differed from those of their classmates. According to our first survey, many of the students had primarily two pathways for moral behavior – right and wrong. In fact, 31% of the responses indicated just that – the case showed wrong actions on the part of the CEO for which he deserved to be punished by resigning from his job. This 31% drops 12 points to only 19% in the responses of the students when the semester is completed. This shift is mirrored by an increase in the percent of reasons that involve category F (leadership). The percent of reasons that fall into this category at the beginning of the semester is 16; by the end of the semester 12% more

responses fall into this category of Leadership, 28% in all.

This movement from "It is wrong" (category A) to principles such as "The CEO has leadership responsibilities" (category F) indicates an expansion of student ability to appreciate additional reasons for behavior. The rigid black and white category is replaced by one that shows more flexibility and appreciation of gray areas. It shows that students are searching beyond the dictates of a strict code of conduct towards an understanding of the principles upon which the code is based.

Complexity. The ability of students to appreciate complex situations evolved during the semester. An analysis of categories E ("This is business") and F (leadership) shows the evolution of student appreciation.

Analysis of category E ("This is business"). Students in September wrote sentences such as "This is a business matter" and "Everyone makes mistakes" to justify their responses. These statements show unidimensional reasoning, they do not explore the complexity of the situation. The statements do not indicate an appreciation of the "gray" areas involved in making moral choices. By the end of the semester, the student's responses had changed, but in a way that surprised us. They seemed to be less emphatic in their reasons and more complex in their reasoning. The students added such statements as "We are not sure if he used the photocopies" and "He could have corrected the situation by not using the information for the bid." They also seemed to understand better that the pressure

from significant others in the organization may have influenced the CEO's decision, since this was also a reason given at the end of the semester that did not appear at the beginning. Another dimension appeared when students discussed levels of punishment. Statements such as "admitting what he did was enough" show students' discernment that some transgressions are more serious than others, and the punishment should match the crime.

Analysis of category F (Leadership). Students made such statements as "The CEO should set a good example" and "He should take responsibility for his actions" at the beginning of the semester. By the end of the semester, new ideas appeared. These ideas led students to examine exactly what the example of the CEO would show employees. Statements such as "He shows employees they should quit if they make a mistake" illustrate this additional level of analysis. More sophistication in answers also evolved as students made comments such as "Top management affects corporate culture." Their second set of answers seemed to be weighing the natural desire for someone who did "wrong" to be punished with the responsibility of that person to "do the harder" thing by sticking it out under fire and guaranteeing that the reputation of the company was protected by putting into place safeguards so this type of thing would never happen again.

TABLE I
Differences from beginning to end of semester

Category		Pre (%)	Post (%)	Difference
A	wrong	31	19	−12
B	larger community	18	15	−3
C	conscience	12	8	4
D	self interest	9	13	+4
E	business	14	17	+3
F	leadership	16	28	+12

Summary

The results of the study were unexpected. As teachers and researchers, we had thought the responses would reflect classic ethical thinking: the writings of Aristotle, Kant, and Machiavelli, or "ethics as virtue, consequence, principle, and responsibility" (Richter, Burke and Doig, 1990). The students, however, apparently used what the faculty and other students had discussed in class to develop their own ways of dealing with ethical dilemmas. They developed flexibility, complexity, and a relatively high level of sophistication about ethical concerns.

In order to understand the results we examined how their reasoning changed. Students focused on the duties of leadership, just as classical ethicists would have, except that their analysis contained elements not evident in classical thought.

Students clearly knew that some "appearance of wrong doing" had occurred. They initially condemned this and followed what might be described as a "classical" approach. As the semester advanced, emphasis was placed on individual principles and collective/organizational responsibility. They learned the importance of top management to the ethical climate of organizations. The framework they were taught included the influence of significant others, organizational culture, individual factors, and opportunity.[7] As their ability to appreciate the importance of those who surround them increased they also became aware of the importance of top management in organizational culture.

By the end of the semester, they became more discriminating consumers of ethical material. The fact that the top executive had the "appearance of wrong doing" was not enough for them to condemn him. The class wanted to give him the benefit of the doubt. At the end, students had given up a "right" or "wrong" approach for a position on the importance of leadership. Students had evolved from the classic "set a good example" to "top management affects corporate culture." They saw the importance of taking individual responsibility for actions and they were also seriously considering the responsibilities of the CEO to avoid quitting just because he made a mistake.

The end-of-semester responses show more perception, more willingness to read between the lines, more sensitivity to the ambiguities, and more curiosity as to exactly what happened. A number of students indicated that the important action is what the CEO actually did with the photocopies. If neither he nor anyone else read them, his fault was minor.[8]

Pre and Post Semester Categories
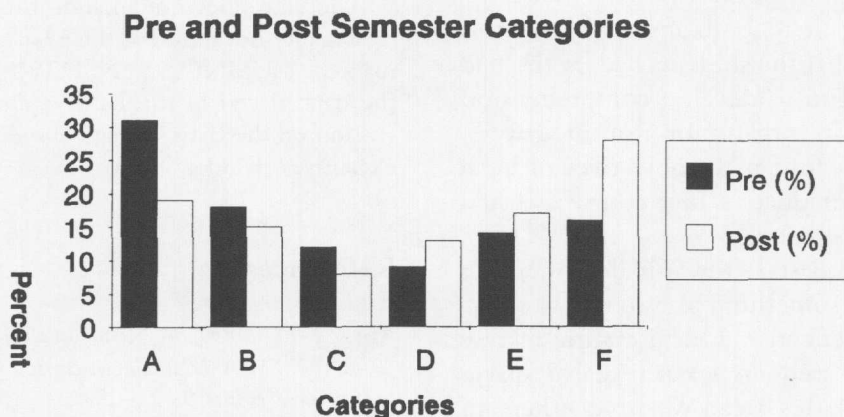
Key: A – wrong; B – larger community; C – conscience; D – self interest; E – business; F – leadership.

Graph I. Graph of differences from beginning to end of semester.

Conclusion

This analysis has shown that there are some effects of teaching ethics to adults, particularly in regard to increased analytical ability of students. The graph below, illustrating the table, shows that the students changed in their reasoning during the semester. They clearly were higher on the "wrong" dimension (A on the graph) at the beginning of the semester, and they were clearly higher on the "leadership" dimension (F on the graph) at the end of the semester.

The shift from "right/wrong" to leadership responsibility is an important thought change for students to make. A concomitant shift from the simple to the more complex showed a strengthened appreciation of the role of the CEO in corporate culture at the end of the semester. The students, at the end, needed to probe how the purloined information was used within the company. Again, this suggests that the students had gone beyond a quick-easy reaction to examining ethical concerns more carefully and more fully.

Applying the Dennis list of goals, students had begun to use analytical and conceptual skills to deal with the complexities of ethical dilemmas. By the end of the semester they felt more comfortable with ambiguity (Dennis point 9), and had developed an understanding of constraints (Dennis point 11) as well as sensed the value of managing ethics to influence organizational culture (Dennis point 12).

Equally important to both instructors of this course is the fact that the students had, at the end of the course, begun to develop comprehension of "how to build an 'organization of integrity'". This is one of the four main objectives of both instructor's undergraduate ethics course as listed on each student's syllabus.

This research is a start towards documenting whether teaching something as essential as management ethics is effective. Our literature review of how and what students learn revealed sparse empirical work in this area. We urge others to review our exploratory effort and join in building a body of knowledge on ethics educational efforts.

Notes

[1] Paul Wilkes, 'A Program for "The Top of the Pyramid"', *The New York Times*, January 22, 1989.

[2] A thorough search of the literature over the last two years was done using the ERIC, ABI INFORM, and INFOTRAC databases. We found sparse research materials on learning indicators, measurements, and outcomes. As an example, of the six articles included in the *Journal of Business Ethics* on teaching ethics in the last 2 years, only one contained empirical evidence 'Development of a Cognitive Skill in Solving Business Ethics Problems: The Effect of Instruction', Iordanis Kavathatzopoulos (1993).

[3] The Dennis study lists mid-range goals five through eight specifically as follows:
  5. To recognize the discretionary power of the administrator's role.
  6. To cultivate moral character and foster moral conduct.
  7. To become familiar with Western tradition in moral philosophy and political thought.
  8. To gain knowledge of the ethical standards of public administration.

[4] Reprinted by permission from page 32 of *Case Studies in Business Ethics* by Marianne M. Jennings; Copyright © 1993 by West Publishing Company. All rights reserved.

[5] 'Unbecoming An Officer', *Time*, Sept. 30, 1991, Vol. 52.

[6] Ibid.

[7] The course text book is Ferrel, O. C. and John Fraedrich, *Business Ethics: Ethical Decision Making and Cases*, 2nd edition (Houghton Mifflin Co., Boston, MA, 1994).

[8] The case does not include this information, but in actuality not only was the 67-page Navy document marked "BUSINESS SENSITIVE" read, copied, and the data placed in the BIW computer, but full discussion on the Bath strategy ensued among Company executives (Kidder, 1995).

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