ASSESSING CHARACTER DEVELOPMENT USING A DIRECT-APPROACH BUSINESS ETHICS EXERCISE

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ABSTRACT

This paper presents a relatively straightforward exercise to encouraging business students to articulate their core personal values, and then apply them to a real-life situation that they have encountered. It also presents two models for categorizing ethical statements. In this report, models are used to categorize responses from the aforementioned exercise. We consider whether the models and the type of exercise described can aid teachers in enhancing character development.
Key terms: business ethics exercises, moral development, categories of moral development

INTRODUCTION AND BACKGROUND

This paper focuses on teaching business ethics. The business education field has shown a relatively continuous concern for business ethics for the past thirty or so years. That concern has increased recently with the advent of the recent Enron and WorldCom scandals and the Sarbanes-Oxley legislation that followed. Even without the atmosphere of compliance and responsibility, many argue that it makes sense to groom future business leaders to be more ethical while they are in college. Many argue that Business Schools should increase their emphasis on ethics including Giacalone (2004), Koehn, 2005), Narvaez (2006), Ricci & Markulis (1992), and Teach, Christensen & Schwartz (2005). Some of the arguments are prescriptive. Giacalone (2004) and Koehn (2005) contend Business Professors have an obligation to attempt to instill in their students a world-view that that wealth creation and transcendent concerns are not incompatible.

The argument to increase pedagogical emphasis on Business Ethics in universities is supported by the observation (Acevedo, 2001; Glenn, 1992; Narvaez, 2005; Ricci & Markulis, 1992; Rest, 1988; and Stead & Miller, 1988) that significant cognitive moral development can and often does occur in one's late teens and early 20's.

There is some evidence supporting the effectiveness of courses that deal with ethical issues to help students develop cognitive moral efficacy. Stead and Miller (1998) found that a Business and Society course increased student awareness and perceived importance of social issues, Glenn (1992) found significant changes in responses towards thirteen of 53 attitude statements as a result of taking a course in Social Responsibility, and Spain Engle and Thompson (2005) found that the greatest gains in students self-reported understanding of business ethics was present when multiple pedagogical methods were used in an ethics awareness week embedded in a semester long focus on business ethics.

There many ways to teach business ethics, and course methodologies probably vary extensively. If what is reported in the literature is indicative, many use the experiential method to teach business ethics. Of these, perhaps the most common method is to place the student into an already conceived situation, whether created by the instructor, a case writer, a simulation author, (like cheating on taxes or a plant shutdown). These are indirect, in that they seek opinions or actions on the part of students in the context of an already conceived situation, rather than (seeking) a direct request of the learner's values in situations real to the learner. The benefits of this indirect approach according to Marturano (2005) include the development of moral imagination and critical thinking skills, helping the student feel immersed in a real ethical dilemma, and

creating empathy with the protagonist's problem. In addition author or instructor vignettes are almost always accompanied by classifiable choices so it is relatively easy to determine and classify what the respondent is thinking.

An alternative is to encourage learners to articulate their personal values and to do so directly. This is the method we used for this paper. Instead of drawing out moral values indirectly by eliciting them in the context of a hypothetical situation, this direct method simply asks the students what their moral values are and asks them to try to authenticate them for themselves by describing a real situation where they either act on them on them, act contrary to them, make decision based on them, or ignore them.

If honest, the values explored with our more direct method are likely to be an accurate for that person, because the learner is encouraged to explore real values in the context of actual experiences. In the indirect method, values may not be accurate for the learner because the situations the learner is exposed to are created by someone else. The direct method also has potential pitfalls. The values articulated by a learner when asked directly for them might be influenced by social desirability (Miner and Capps, 1996; Edwards, 1970). At the extreme, a learner may just make up their values to look good or to avoid expressing one's own beliefs. In addition classification of value statements and action in the context of moral dilemmas can be confusing due to the potential complexity, ambiguity of responses, as well as social desirability.

There are some examples from the literature describing this more direct method, that is, asking students to explore their own ethical values in the context of their own lives and behavior. For example, Koehn (2005) asked his students to list five things that money means to them. Andrews (2000) asked his students to identify ethical dilemmas that they have experienced at work in attempt create a classification scheme of ethical dilemmas and ultimately a set of student-created ethical policies.

THE FIRST STUDY.

Last year (Gosen and Werner, 2006) two of the present study's authors designed and implemented an exercise asking students to describe 1) their core moral values and 2) a real ethical dilemma that they faced where these core moral values came into play. We used this approach with 64 students in two Business classes.

In both classes, students took the exercise seriously. All but a few articulated a set of personal values, and a clear majority was able to explain how they used (or did not use) their personal values to cope with an ethics-related dilemma. Peer pressure was present in about a quarter of the reported cases, and a third of the students violated their core values in dealing with their dilemma. In one of the classes, four students shared with the instructor that this was the first time in their lives that they had ever been asked to articulate their personal values.

THE EXERCISE USED FOR THIS STUDY

We administered the exercise in three different classes, two sections of an Organizational Behavior class (71 students) and one Social Responsibility section (37 students). Organizational Behavior (OB), is a core course in the College of Business, and Social Responsibility (SR) class is an elective for the College Business and one of the courses that counts for completion of the General Management Major. The exercise was a part of an assigned ethics unit in the OB class. In the SR class, an individual values unit was not on the course syllabus. Therefore the assignment, announced ten days before it was due, was a surprise to the students.

The methodology we used for this project was relatively simple. Basically it was an assignment to be written outside of class. Students were assigned to discuss their core personal values, an ethical dilemma that they have faced, and how both personal and societal values influenced their behavior and decisions. It was graded in the OB class and given extra credit in the SR class. The OB grade was not based on the content of responses, but on the ability to: 1) clearly articulate core personal values; 2) thoroughly and clearly explain the difficult ethical dilemma faced by the student (either at work or school), and how it was resolved; and 3) and discuss clearly how both personal and societal values affected the resolution of the issues with ethical ramifications. The assignment was to be written partially because it is easier to grade papers than presentations, partially because the main purpose for the exercise was for individuals to explore their values, rather than share them, and partially because we felt it might invade privacy for some to share value-laden issues.

SYSTEMS FOR CATEGORIZING RESPONSES

The major difference between last year's study and this year's is that we attempted to categorize both expressed values and responses to the ethical dilemmas reported by the study's participants into categories established by moral judgment models. We used two systems to categorize responses. The first is Kohlberg's stages of moral development (Kohlberg, 1976, 1981, 1984), and the second is the defining issues model developed by Rest, Narvaez, Bebeau and Thoma (1999a, 1999b).

Kohlberg's is a stage theory built on the general ideas of Jean Piaget arguing that we go thru identifiable stages of moral development as we mature. According to Kohlberg, there are three levels of moral development, each with two identifiable stages, meaning that his model proposes six identifiable stages.

LEVEL	STAGE
Pre-conventional	1. Obedience and Punishment
	2. Self-Interested, Individualism, Instrumentation and Exchange
Conventional	3. Need for Approval/ "Good girl/boy"
	4. Law and Order
Post-conventional	5. Concern for the Welfare of Others
	6. Principled

According to Barger (2000), the first level is found at the elementary school level. In the first stage, people behave according to socially acceptable norms, compelled by the threat of punishment. In the second stage, 'right' behavior means acting in ones own self-interest. The second level consists of values seemingly typical in society, hence the name 'conventional.' Stage three is characterized by behavior designed to gain the approval of others, and stage four reflects abiding by the law and responding to the obligations of duty. Level three is called, "Post-conventional." Stage five reflects an understanding of maturity and a genuine interest in the welfare of others. Stage six is based on respect for universal principles and the demands for individual conscience. Kohlberg (Barger, 2000) felt that most adults had not reached level three (stages five and six) and that very few people ever reach stage six. Kohlberg also believed that a person could only progress through the stages one at a time and could not jump stages.

The second model used to categorize responses to our ethical exercise is the defining issues model developed by Rest, Narvaez, Bebeau and Thoma (1999a, 1999b). This model is empirically developed in that it was built upon data from tens of thousands of responses from around the world to the Defining Issues Test (DIT)(Rest, Narvaez, Bebeau and Thoma , 1999a, 1999b; Narvaez, 2005). This test consists of dilemmas, sets of circumstances, and reactions for respondents to rate and rank according to how important they are to the respondent for making decisions about a given dilemma.

The DIT model proposes three different kinds of thinking or schemas (Narvaez, 2005). The first is the Personal Interest Schema. Using this kind of thinking, the person filters moral stimulus information on the basis of its effects on matters of personal interest. Even relationship matters are filtered through the stake that the decision maker has in the situation. So even if the person is considering others, there is an underlying concern for prudence and personal advantage, which in the personal interest schema are virtues. Statements about the value of responsibility and reciprocity fall in this category, as long as satisfying personal interest is the valued result. The second way of thinking is Maintaining Norms. In this schema, respect for

others and relationship quality are less important than upholding the system. This is law and order not out of fear but out of respect for roles, hierarchy, a society wide view, and a uniform categorical application.

The third schema is called the Post Conventional Schema and is characterized by the primacy of ideals and moral criteria, moral obligation based not on prudential perspectives but shared ideals, and full reciprocity which means accepting the law only when it is just and fair.

Because it is empirically derived, the DIT is sufficiently validated. It differentiates groups with different levels of expertise (Narvaez, 2001); longitudinal studies show gains on the Post Conventional Schema (Narvaez, 2005); DIT scores are sensitive to interventions designed to improve moral judgment (Schlaefli, Rest and Thoma, 1985); and DIT scores predict real life moral behavior such as community involvement and civic responsibility (Rest, 1986).

RESULTS

Seventy-one of 73 enrolled Organizational Behavior Students turned in values statement-ethical dilemma assignments. In the Social Responsibility class, eleven of 38 students turned in an assignment. The assignment was required and graded in the OB class and extra credit in the SR class. Of the 82 participants who turned in an assignment, 76 made value statements and 72 of the statements reflected personal moral values. The ones that did not included statements such as flexibility and determine right and wrong.

Table 1 shows the more frequent values articulated by the students in this study. The most frequently expressed values were honesty, hard working, family, dependability, and those saying not to steal hurt, cheat, or judge. Ten students expressed faith or religion as values and ten expressed money, grades, or success as values. Although not in the table one student said, "don't get caught."

Table 2 shows a list of the more frequent kinds of ethical dilemmas articulated. The most frequently reported situation involved being exposed to co-worker unethical behavior, and the dilemma was whether to confront, fink, or do nothing. Note that a plurality finked, but almost as many confronted the co-worker or did nothing. The second most frequent situation involved peer pressure. . In last year's study (Gosen and Werner, 2006), about a quarter of the respondents reported dilemmas involving pressure from peers to do something unethical. A majority succumbed. In this year's sample, the percentage of students reporting dilemmas involving pressure from peers was much lower and only one of 17 facing that kind of dilemma succumbed, while the vast majority resisted. Thirteen students reported being tempted to do something unethical, and a majority resisted. Three students faced pressure from their employer to behave unethically, a phenomenon employees often experience (Thompson, Strickland and Gamble, 2007). No one succumbed. Five students faced unethical behavior on

Table 1 Student Values

	Frequency OB	Frequency SR
Value Statements	71	11
Honesty	36	7
Integrity	5	
Trust	8	
Do the right thing	5	2
Golden Rule	9	3
Compassion	2	
Family	14	1
Friends, Social	11	
Loyalty	3	1
Harding working	17	4
Dependable, responsible	14	1
Do best, dedicated	3	1
Respect	8	2
Helpful, service	8	
Fairness	4	
Do not hurt, steal, cheat, insult, judge	15	
Faith Religion	10	2
Money, success grades	10	1
Happiness	5	2
Follow Rules	3	

the part of their boss, and four the five did something about it. Other dilemmas expressed included whether to stand up for a boss who was being discriminated against by other managers, what to do about a roommate that was behind in his rent, whether to provide helpful information to a competitor, and whether to confront a business owner whose friends were making employees uncomfortable. Sixteen of the 82 reports described a dilemma that really did not put the reporter on the spot. For example a boss suspected a coworker of the report writer to be stealing. The reporter hadn't seen anything and said so.

Table 2: Ethical Dilemmas

Dilemma type	How handled	OB class	SR class
Coworker does something unethical		19	4
	Finked	11	0
	Confronted	3	3
	Avoided	6	1
Temptation to do something wrong		10	3
	Resisted	8	2
	Succumbed	1	0
	Asked boss	1	0
Doing something illegal		0	2
	Lied about it	0	1
	Stopped	0	1
Peer Pressure		16	1
	Resisted	12	0
	Succumbed	0	1
	Problem solved	3	0
Pressure from company to behave unethically		2	1
	Succumbed	0	0
	Resisted	1	0
	Quit	1	1
Faced unethical boss		5	
	Did nothing	1	
	Confronted	2	
	Quit	1	
	Finked	1	

Note: not all dilemmas accounted for in the table.

The assignment asked the respondents to say how their personal and societal values influenced their reactions to their ethical dilemmas. In last year's study, about a quarter violated their personal values. This year, of the 57 responses in which both core ethical values and an ethical dilemma was described, eight or 13% of the people violated core values and 35 or 62% followed their core values. Five student responses were in the middle, following one value (like loyalty) while violating another (for example honesty); one student violated his values at first and then followed them; and in eight cases the dilemma described was not related to the person's core values.

CATEGORIZING RESULTS IN TERMS OF THE MORAL CATEGORY MODELS.

It should be noted that classifying emergent values and descriptions of value-loaded dilemmas is difficult to do reliably. For example if a person claims honesty as a value, is that claim from a quest for approval (Kohlberg's stage 3) or a reflection of principle (Kohlberg's stage 6)? Thus it is difficult the validity of the classification of responses in this study. In this study, only one of the authors undertook the content analysis and classification. This author was not one of the teachers in this sample, and it is our intention for the other author who was not a teacher in this sample to also conduct the content analysis before this article is published in the proceedings. Even with a second analyzer, we make no claims for the validity of content analyses of this study's value-laden responses. Table 3 shows the content analysis results of categorizing responses into the Kohlberg and the DIT classification systems.

The author who content analyzed placed responses in multiple categories when warranted, and this explains why table 3 contains grater frequencies than the number of participants in this study. Consider the example of a person listing honesty and getting good grades as values. Given the Kohlberg model, the honesty response might be classified as principled, level 6, and the seeking good grades might be classified as self-interested, level 2, and approval seeking, level 3. In the DIT system the same response would be classified as category 3, primacy of ideals (for honesty) and categories 2, maintaining norms, and 1a, personal interest, (for getting good grades).

Caution was exercised in classifying a responses to the post conventional categories in each of the models (levels 5, Welfare of Others, and 6, Principled, in the Kohlberg model, and level 3, Primacy of Ideals, in the DIT system). The following value statements were classified as Kohlberg's level 5, Welfare of Others: serve society, treat people fairly,

Table 3: Classification of values and Dilemmas according to Kohlberg and DIT Models

Category	Values	Response to Dilemma
Kohlberg Stages		
6 Principled contract	5	4
6 Principled contract questionable	20	21
5 Welfare of others	7	18
5 Welfare of others questionable	16	15
4 Law and order	11	21
3 Approval	31	47
2 Self-interest	31	46
1 Obedience	18	27
DIT categories		
3 Post conventional – primacy of ideals	6	3
3 Post conventional – primacy of ideals questionable	24	20
2 Maintaining Norms	18	27
2 Maintaining Norms questionable	9	2
1b Personal Interest: other focus	35	29
1a Personal Interest: self focus	35	48

help others, contribute to the welfare of others. The following values were classified in the Kohlberg system as level 6, Principled and in the DIX system as category 3, Primacy of Ideals: be honest about who you are, do what's right even if it is painful, kindness to those weaker than you, respect for all, integrity and decency. These kinds of statements were categorized this way because they reflected thought about values and seemed more complex than just 'honesty' or 'do the right thing.' For value statements such as 'honesty' where the reflected thought was not apparent, we used a questionable category. As for classifying dilemmas, when a student paid the rent of a temporarily out of money roommate, it was classified as Concern for Others, and when a student gave information to a competitor which helped the competitor beat the student in a contest, it was classified as Principled and Primacy of Ideals.

RESULTS IN TERMS OF MORAL CATEGORY MODELS

Table 3 shows the results in terms of categorizing responses in terms of the two moral classification systems. It seems highly possible that summarizing the details of the table may be more confusing than valuable, so we will reveal only the general outcomes, here.

First very few of the results, either value statements or responses to dilemmas could be classified *with some certainty* in the Kohberg stage 5 or 6 or in DIT category 3,

the stages reflecting the welfare of others or principles. Relatively few values reflected a law and order or a maintaining norms focus, but when it came to responding to dilemmas many more of the respondents revealed a law-and-order/maintaining norms priority. A high proportion of respondents expressed values and responses to dilemmas suggesting strong focus on attaining approval and satisfying personal interests. More responses fell into these two categories than any of the others, and often the same responses fell into both of these categories. For example the somewhat surprising number of students who finked on co-workers who were breaking rules suggests seeking approval and recognition from authorities as a motivator. A much higher number of responses reflected needs for approval and satisfying personal interests than the need to obey and avoid punishment. This suggests that most of the students from this sample have reached development stages beyond the lowest of Kohlberg's levels.

DISCUSSION

In this study we have developed an exercise that asks participants to reveal core moral values and explain how these were used in resolving an ethical dilemma they had faced. The direct result of this exercise is a rich set of data about the moral lives of the undergraduates we teach, at least those enrolled at our university. In particular, we've

been able to identify the kinds of ethical problems that our students face. It appears that many of our students have encountered unethical behavior on the part of co-workers and some have had to face unethical bosses. Apparently, deciding what to do when others are behaving incorrectly is a fairly typical problem for these people. In addition, many have felt pressure to act unethically by their peers, a few have felt pressure to act unethically by their employers, and at least some have been tempted to act unethically without external pressure. This kind of data is rare in the literature and in and of itself makes this study valuable.

The question worth discussing is whether there's pedagogical value for the kind of information generated in this study. Narvaez (2005) is an advocate of active intervention to develop moral expertise in individuals. She is one of the co-developers of the DIT (Rest, Narvaez, Bebeau and Thoma (1999a, 1999b) and advocates the use moral categories and the analysis of moral dilemmas to help people attain moral expertise. She equates moral expertise with musical expertise. She says that most people can sing and play music, but it's only with focused study that one becomes an expert. Likewise, she argues that one can learn a lot about morals from every day life, but in order to reach the highest levels one must undergo deliberate focused study (Narvaez, 2005, pg. 133). She is not alone. Giacalone (2004) and Koehn (2005) are among those that believe that active pedagogical intervention is desirable to help students develop morally.

The Exercise in this study and its results might contribute to the development of moral expertise. It brings the learner's reality to the effort to build expertise. It brings to the so-called moral expertise curriculum the learner's own values in the context of her own experience. We at ABSEL believe in learning from experience and we also believe that reflection adds to learning. Given this logic, guided thinking about ones own values in the context of one's own experience should help build expertise.

In the present study, students wrote about their values, but they were not discussed. That might be a next step. But for many this is treading on dangerous ground. Once values are encountered and are open to discussion, opportunities for value changes and attempts to influence arise. Whether individual values should be fodder for classroom discussion is a controversial issue. Many if not most think that professors have no right to influence the values of their students, but if values are open to discussion, temptation to influence accompanies. This is clearly controversial, but so is even asking students to analyze their values in the context of a graded course. Even among the group that wrote this paper, we do not all agree on whether a course should focus on values articulation and development.

One of the major flaws of this paper concerns the fact that the content analysis of this study's responses is not valid. This should not significantly diminish the value of this article. Our purposes of communicating this model are to help people explore their own values and to use moral classification systems and individuals' own experiences to help in this exploration. Whether a disinterested outsider classifies correctly is relatively unimportant and would or should not interfere with an individual's self-exploration. What is important are the learner's reflections and perceptions. Outside perceptions can help, but it's more important that the learner understand than the outsider be accurate.

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