

An Evaluation of Business Ethics Training through DIT and Content Analysis

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Abstract

The evaluation of business ethics training initiatives has relied heavily on measuring advances in Cognitive Moral Development (CMD) through quantitative methods such as the Defining Issues Test (DIT), but has tended to focus only on moral development and not on actual decision-making. The proposed study will attempt to confirm the usefulness of this measure in a real organizational context by using it to measure change after a CMD training initiative and using content analysis of interview responses to identify any decision making change that has occurred in individuals. Results of the two separate measures will be compared to determine if real change in decision-making processes has taken place after such CMD training.

Introduction

There is a rapidly growing body of literature related to business ethics as more and more companies attempt to raise their ethical profile (Wells and Schminke, 2001). The amount of literature more specific to ethical training programmes or ethical business solutions that attempt to increase awareness of ethics or increase the frequency of ethical behaviour relating to management decision making is small despite the proliferation of such programmes. Crane (1999) suggests that much of this literature prematurely attempts to build models of ethical decision-making with a lack of

empirical support. He also claims that too much research into this area has been normative, with a failure on the part of researchers to understand or describe what managers actually do in practice and to recognise that the ethics, dilemmas and responses studied can mean profoundly different things to different people in different organizations. This suggests that a great deal of literature relating to business ethics is flawed and ignores important factors that will affect the success of any training programme.

Common Theory and the Factors that are known to affect Training Success

Wells and Schminke (2001) and Weber (2007) both suggest using cognitive moral development (CMD) as a basis for training and argue that this approach, involving inductive learning and discussions based around scenarios, is effective in advancing the moral development of trainees. Although both offer convincing logical arguments, neither has firm empirical support for this assertion (although a range of literature does claim to offer support, e.g. Fraedrich et al. 2005). Wells and Schminke (2001) consider the target of their training to be 'individual choices in an organizational context' (p. 136), thus acknowledging the role of context in determining behaviour. They note that trainee characteristics (e.g. prior experience and integrity) before training will also impact on outcome, although they suggest that this should guide selection of training candidates, so that only those most likely to develop are trained. Most training initiatives appear to focus on changing individuals, with the basic assumption that ethical training will not turn an immoral person into a moral person, but that training will enable a generally moral person to behave consistently with their own perception of themselves (Izzo, Langford and Vitell, 2006).

The work of Bart Victor (e.g. Victor and Cullen, 1988) has shown that an ethical climate exists within organizations and that this will impact on decision-making processes, and it has also been shown using Victor and Cullen's Ethical Climate Questionnaire (ECQ) that national characteristics appear to affect the nature of ethical climates and therefore decision-making processes (Beekun et al. 2003). It does not appear that any of the research has used the ECQ to inform the construction of training programmes, nor to measure ethical climate change, and it is expected that this will be a major factor in the success of any individual-level interventions, and possibly vice-versa. This may be of immense importance but falls outside the scope of the present study.

Wells and Schminke (2001) suggest that research into the evaluation of business ethics training should look at what evaluation systems organizations *should* employ, given that individual-level attitude and behaviour measures are inadequate, and it is optimal to look at organizational-level improvements as well (also suggested by Weber, 2007), again beyond the scope of the proposed study.

Traditional Instruments to measure CMD and suggested Alternative Approaches

Much of the literature relating to evaluation of CMD-type training has used the Defining Issues Test (DIT, now DIT2, Rest et al. 1999). The DIT and DIT2 have been used to measure cognitive moral development before and after ethics training with students (e.g. Fraedrich et al. 2005), and the results indicate that significant but small change occurs. Even this small change in moral development seems unlikely to be clearly reflected in organizational behaviour and may merely lead to what Fraedrich et

al. (2005) identify as increased self-criticism, noting that this may be because the actual ethical decisions made did not change significantly. Fraedrich et al. (2005), like Crane (1999) suggest that a move away from a 'yes or no' approach will more fully capture any effects of the training intervention, and it seems that any move away from measuring general reasoning ability towards actual decision-making is likely to yield more meaningful results. Most of the research reviewed here involving the DIT fails to recognise that trainees may merely be answering questions according to an increased ethical vocabulary and a new ability to recognise in response options the ethical ideas they have encountered during training, for example, the ability to identify a 'utilitarian' statement and rank it according to what they have learned in training or believe to be in line with organizational culture (e.g. Fraedrich et al. 2005).

Weber (2007) argues that it is essential for stakeholders to be involved in the selection of methods for evaluation, and that this should be done transparently in a before-after monitoring process, but like other researchers fails to acknowledge the effect of demand characteristics (for example when telling participants they will sit the same test before and after the training) or possible political pressures. Despite illustrating his training programme with quantitative examples of evaluation, Weber (2007) advocates the "careful content-analysis of answers to post-initiative open-ended queries" (p. 76). It has also been noted that perceptions of the behaviour of *others* within the company vary wildly, with subordinates more likely to rate a manager's behaviour as unethical (Morgan, 1993), supporting the assertion of Parker (2003) that business ethics and organizational politics cannot be viewed as mutually exclusive concepts.

Crane (1999) suggests that “there may be significant dangers in attempting to cling dogmatically to any single paradigm when making methodological decisions” (p. 239) when approaching the area of ethics and suggests that in general an interpretive paradigm, case study approach may be more appropriate than more positivist methodologies as, for example, a questionnaire is open to biases, and “the spectrum of organizational life is filtered through the researcher’s preset categories” (p. 243). With this in mind, the proposed study remains essentially positivist but by including content analysis, allows for an interpretive element.

To measure CMD, the existing DIT instrument will be used despite its flaws as it is essentially positivist and will have more face validity for participants and other stakeholders, and allows for a straight-forward quantitative measure of change. It will also allow for the testing of a large number of participants (expected to be 15-20 in number). A sample DIT item is available on the Center for the Study of Ethical Development website (referenced below). DIT2 scores are analysed by The Center for the Study of Ethical Development (viewed online 4/2007) although the older version of DIT can be scored using the manual. For this reason, the older version may be preferred to allow for full manipulation of data and to meet project requirements. The DIT tests give a P score, or more recently an N score, which represents the level of moral development of an individual. Regardless of the final decision about whether to use DIT or DIT2, a before-after comparison of mean P (or N) scores (representing level of moral development) as measured by the DIT system can be conducted using a paired samples t-test (as this study uses repeated measures). This will indicate whether any change is significant.

Focus of the Proposed Study

The area of business ethics training appears to be rich for study as there are many gaps in the evaluation literature, and there has been so far a tendency to evaluate moral change rather than changes in decision-making. The study proposed will attempt to focus on the effectiveness of a training initiative that is based partly on the work of Weber (2007), thus including elements of CMD and inductive learning, and focused on *individual cognitive moral development*. This initiative will be run in several organizations after July 2007 by a training organization that has requested an appropriate measure of effectiveness to feed back to their clients. When the range of factors that influence effectiveness, as briefly outlined above, are considered, it seems that none of the existing measures in isolation are logically capable of measuring change. If we accept that previous research indicates that scores on CMD measures improve with this type of training, even slightly, we can use this as a bench-mark to measure other change. More interesting is the apparently as yet unexplained *content* of changes in decision-making. I am therefore interested in

- a) DIT2 scores before and after training
- b) The content of any change in how decisions are made (*not* simply changes in what decisions are made).
- c) Any thematic relationship between DIT scores and how decisions are made after training

While I am also interested to see if this is accompanied by a greater climatic change, and **will** investigate this at the same time, this will fall outside the scope of this proposed study, which will more narrowly focus on individual change.

It seems that b) above can best be realised through content analysis of responses to the type of stimulus material typically used in training and evaluation and interview questions about the effects of the programme, and avoiding the use of simple questionnaires, as suggested by Weber (2007).

Thus the proposed study follow an experimental design in a single organization with the following basic format:

- a) Administer DIT2 before training to two groups: those who will be trained (group X) and a similarly sized control group who will not receive training (Group Y)
- b) Analyse thematic content of responses to stimulus material and interview questions before training (X only)
- c) Allow results of DIT2 scores and content analysis to inform development of training programme
- d) Administer DIT2 3 months after training (X and Y)
- e) Analyse thematic content of responses to stimulus material and interview questions after training (X only)

If there is time and opportunity, a small number of structured interviews will be held to inform conclusions made about the effectiveness of the training programme.

Hypotheses

H1: DIT2 scores will change in the direction of more advanced moral development after training

H2: Thematic content of structured interviews related to ethical decision-making will change after training

Both before and after scores of both the experimental group and the control group can be compared using independent samples t-tests in order to examine whether there are significant differences in P (or N) scores before training and after training (relates to H1). These t-tests are appropriate as the data is continuous and there two levels of a single independent variable being tested.

The second aspect of the study, the content analysis of responses to questions relating to the training experience and decision-making will begin with structured interviews of a sample of 5 people who are willing to volunteer to complete the interview before and after the training. Content analysis is appropriate because it addresses many of the criticisms made by Crane (1999) and Fraedrich et al. (2005) regarding the loss of meaning through measurement, yet the data can be quantified and compared statistically. The proposed questions to be asked in the interview are based on the suggestions of Weber (2007) and include items such as “Do you feel that receiving ethical training will influence your moral decisions in the future?”. The interview will begin with the participant giving an answer to one stimulus item before the training and a different stimulus after the training. Responses to the ‘before’ interview will be used to establish categories of responses that can then be compared with responses to the corresponding questions from the ‘after’ interview using chi-squared tests as the data is categorical rather than continuous. Any significant differences detected by chi-squared tests will resolve H2. Responses to the new questions in the after interview will be summarised using descriptive statistics only and will be used to inform conclusions about what the effect of the training programme was and why.

It is anticipated that there will be few ethical problems with this study, and given the topic area, every attempt must be made to keep the study ethical. Participants will be

selected by the company to participate in the training programme and their completion of DIT is expected to be requested but not demanded by the training provider and organization, as participation must remain voluntary. Even where it may be compulsory for the training programme, participants will be allowed to exclude their data from the project. Volunteers will be sought to complete before and after interviews and full informed consent will be obtained from all participants who wish to volunteer. All participants will be informed that the training initiative is being evaluated as part of an MSc project and that their data will be removed from the study at any time if they request this. Confidentiality will be guaranteed to individuals, and interview volunteers will be specifically informed that their identity will be protected.

Conclusion

As described in the introduction, the DIT has been successfully used to measure change after business ethics training in the past, but has been judged inadequate by some who have used it (e.g. Fraedrich et al. 2005) and others (e.g. Crane 1999). It fulfils the immediate need to supply a measurement instrument with face validity, but is unable to capture the entire picture of what is changed in ethics training programmes in particular relating to areas of ethical decision making.. The content analysis approach encouraged by Weber (2007) comes close to meeting Crane's call for more interpretive research in this area.

The conclusions drawn from this research will have three main contributions to research and practice:

- a) It will test the usefulness of the DIT in a genuine organizational context to measure CMD change.
- b) It will examine *what* exactly is changed by CMD training programmes in a more concrete rather than abstract way that relates more closely to actual decision-making than moral development.
- c) It will help inform practitioners as to what the content of effective business ethics training should be, through identifying some reasons why change has or has not occurred.

There are several drawbacks to the methods chosen. Primarily, it is anticipated that there will be only slight changes measured by DIT, and this will limit the power of further conclusions drawn. In addition, it is expected that demand characteristics will limit the reliability of results as participants may feel that the results of the evaluation will somehow have personal impact within the organization. A more serious problem is that despite the interpretive concessions made, this is still essentially a positivist approach to measuring change, and will fail to capture the full experience of those who go through the training programme.

It is also expected that relatively little change in individuals can be sustained in organizational climates that do not support such change. This is likely to be the focus of future studies, and my intention is that its findings will not only motivate the content and structure of future ethical training programmes but will also define more clearly changes in ethical decision making that result after such training.

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The Center for the Study of Ethical Development Website

<http://www.centerforthestudyofethicaldevelopment.net/> viewed on April 4, 2007.

Appendix 1 – Sample DIT item (from the Center for the Study of Ethical Development website)

Heinz and the Drug

In Europe a woman was near death from a special kind of cancer. There was one drug that doctors thought might save her. It was a form of radium that a druggist in the same town had recently discovered. The drug was expensive to make, but the druggist was charging ten times what the drug cost to make. He paid \$200 for the radium and charged \$2,000 for a small dose of the drug. The sick woman's husband, Heinz, went to everyone he knew to borrow the money, but he could only get together about \$1,000, which is half of what it cost. He told the druggist that his wife was dying, and asked him to sell it cheaper or let him pay later. But the druggist said, "No, I discovered the drug and I'm going to make money on it." So Heinz got desperate and began to think about breaking into the man's store to steal the drug for his wife. Should Heinz steal the drug?

Please rate the following statements in terms of their importance in making a decision about what to do in the dilemma. (1=Great importance, 2=Much importance, 3=Some Importance, 4=Little importance, 5=No importance)

1. Whether a community's laws are going to be upheld.
2. Isn't it only natural for a loving husband to care so much for his wife that he'd steal?
3. Is Heinz willing to risk getting shot as a burglar or going to jail for the chance that stealing the drug might help?
4. Whether Heinz is a professional wrestler, or had considerable influence with professional wrestlers.
5. Whether Heinz is stealing for himself or doing this solely to help someone else.
6. Whether the druggist's rights to his invention have to be respected.
7. Whether the essence of living is more encompassing than the termination of dying, socially and individually.
8. What values are going to be the basis for governing how people act towards each other.
9. Whether the druggist is going to be allowed to hide behind a worthless law which only protects the rich anyhow.
10. Whether the law in the case is getting in the way of the most basic claim of any member of society.
11. Whether the druggist deserves to be robbed for being so greedy and cruel.
12. Would stealing in such a case bring about more total good for the whole society or not.

Now please rank the top four most important statements. Put the number of the statement in the blank:

- ____ Most important item
____ Second most important item
____ Third most important item
____ Fourth most important item

Appendix 2 – Proposed interview questions for content analysis (adapted from Weber, 2007)

A: The ‘Before’ Interview

1. Explain your answer to the dilemma.
2. How relevant is this dilemma to your role in this organization?
3. How important is it to this organization that you make ethical decisions?
4. Do you feel you will have the support of the organization if you choose to make a decision that you feel is ethically right, but that may have an adverse affect on an individual or the organization as a whole?
 - a) What evidence do you have for this feeling?
5. Do you feel that receiving ethical training will influence your moral decisions in the future?

B: The ‘After’ Interview

1. Explain your answer to the dilemma.
2. How relevant is this dilemma to your role in this organization?
3. How important is it to this organization that you make ethical decisions?
4. Do you feel you will have the support of the organization if you choose to make a decision that you feel is ethically right, but that may have an adverse affect on an individual or the organization as a whole?
 - a) What evidence do you have for this feeling?
5. Why did you receive training in business ethics?
6. What did you learn through interactions and team-work with your small group and the larger overall group?
7. Did you change your ‘personal code’ of conduct as a result of participation?
 - a. What specific changes occurred?
 - b. Why?
8. What would you do differently if you began this training over again
 - a. Why?
9. Do you think this training will influence your moral business choices in the future?
 - a. Why or why not?