



Education and training in ethical decision making: comparing context and orientation

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Abstract

Purpose – The purpose of his paper is to present a teaching methodology for improving the understanding of ethical decision making. This pedagogical approach is applicable in college courses and in corporate training programs.

Design/methodology/approach – Participants are asked to analyze a set of eight ethical dilemmas with differing situational contingencies and to choose from among alternatives for handling the dilemma. Group discussion then focuses on a comparison of participants' choices relative to their personal ethical orientations as measured by a standardized self-report instrument.

Findings – The experiences of the authors with this methodology indicates that participants are able to gain a better understanding of the factors, both individual and situational, that frame an ethical dilemma. This methodology can also show how individuals can be influenced to make unethical choices based on the presence of certain contextual factors.

Originality/value – This paper describes a novel instructional approach for improving the understanding of the factors that frame and influence ethical decision making. This approach is innovative in that it uses vignettes describing real-life ethical dilemmas in conjunction with an assessment of individual differences in ethical orientation.

Keywords Education and training, Ethics, Decision making

Paper type Research paper

Introduction

The business climate of the past decade, wherein several high-profile US-based corporations and their audit firms have succumbed to inappropriate ethical judgments, has challenged businesses, business schools, and universities throughout the world to create training programs that improve the understanding of ethical decision making. The pressure on corporations and universities to implement ethics training has emanated from within these institutions, in recognition of the serious consequences of moral and ethical lapses, and has been reinforced by accrediting bodies, professional organizations, and the government. For example, the Association to Advance Collegiate Schools of Business – International (AACSB) has given ethics education a more prominent placement in its accreditation standards by reaffirming its importance for business graduates and emphasizing its position among curricular requirements. In addition, the Sarbanes-Oxley Act (that was signed into law in the United States in 2002) mandated the enactment of strengthened internal controls, which would typically involve more extensive professional ethics training both for employees and for members of boards of directors. Further, the 2004 expansion in US Sentencing Guidelines related to criminal acts within organizations has increased interest in ethics training and compliance programs in large and small companies (Verschoor, 2007).



While the need for ethics training is apparent and imperative (Crane, 2004; Giacalone, 2007), the approaches used are varied in terms of motivation, method, and impact. Corporate orientation programs for new employees typically contain an overview of the organization's code of ethics, the communication of messages from executives reinforcing the need for ethics, and an explanation of internal policies and procedures covering expected behaviors, methods for reporting unethical actions, and related sanctions for violations. Specific techniques used in corporate ethics training programs include case analyses, the exploration of frameworks for making decisions, as well as various cognitive choice approaches (Harrington, 1991).

Coverage of ethics at colleges and universities is usually provided either through a stand alone course or as part of a more general course dealing with the relationship between business and society. Specific coursework in ethics normally includes a presentation and discussion of the underlying moral philosophies and principles that have developed over many centuries, including topics such as utilitarianism (most benefit for the most people), personal rights, categorical imperative (act as if everyone would act as you did), distributive and procedural justice, and others.

There are several novel ways to teach ethics and the factors that influence ethical decision making. For example, Laditka and Houck (2006) describe a pedagogical approach whereby students develop their own case studies based upon their workplace experiences. The students then discuss how they handled the situation and how they might handle the same dilemma given their experiences since the original event. Hartman (2006) advocates the use of case studies as the preferred method for developing the "moral imagination" of students and giving them the opportunity to find and understand warning signs that portend the possibility of unethical decisions. Radtke (2004) outlines a teaching method where students are first classified according to ethical orientation using a questionnaire. The students then discuss ethical issues in small groups composed of members with a mix of ethical orientations.

This paper describes another novel instructional approach for improving the understanding of the factors that frame and influence ethical decision making. The approach is intended for use both in college courses and in training sessions with working adults. This method uses vignettes describing real-life ethical dilemmas in conjunction with an assessment of individual differences in ethical orientation. In essence, it allows for a comparison between an individual's decisions involving eight different real-life ethical situations, with varying contextual elements, in contrast with their own ethical ideology as measured by a standard instrument.

Framing ethical decision making

In a classic Three Stooges short from 1935 titled "Hoi Polloi", two professors make a \$10 thousand wager over what creates gentlemen. One professor argues that being a gentleman is part of one's makeup or character and thus is a function of heredity, while the other argues that it is a product of one's environment and therefore can be taught. In the episode, the Stooges disprove the latter theory with comedic consequences.

In the world of education and training, a similar debate has been playing out as to whether ethical decision making is primarily a product of one's "inner moral compass", or whether it can be taught or influenced by one's environment (Brown, 2007; Fraedrich *et al.*, 2005; Hartman, 2006; Jones, 1989; Klimoski, 2006; Treviño *et al.*, 2006). An underlying assumption regarding business education courses and corporate training

programs in ethics is that ethical decision making can be taught and learned. But is this a valid assumption? As Patsuris (2002) notes, even Socrates believed virtue could not be taught. Many researchers are of the opinion that by the time a person enters the business world his or her predisposition toward ethical behavior is largely formed (Halbesleben *et al.*, 2005). Thus, any attempt to change one's ethics might be at best temporary or, at worst, an inefficient use of individual time and training resources.

Central to this argument is the belief that ethical ideology is an explanatory variable predicting individual differences in ethical judgment and behavior (Barnett *et al.*, 1996). Indeed, findings from past empirical research indicate that individual differences in idealism and relativism influence how people reason about ethical issues and can cause them to reach different conclusions about the morality of particular actions (Barnett *et al.*, 1996). Idealism indicates the degree to which one believes that favorable outcomes will result from morally appropriate actions (Davis *et al.*, 2001). Highly idealistic individuals have a significant concern for the welfare of others, while individuals with low idealism are more pessimistic, believing that ethical acts will result in favorable outcomes for some and unfavorable outcomes for others (Barnett *et al.*, 1996).

The second factor representing ethical ideology is relativism. It assesses the extent to which one rejects the applicability of a universal code of moral behavior or conduct (Davis *et al.*, 2001). Individuals who are highly relativistic in their moral philosophy tend to view moral standards as fluid in determining whether an act is ethical or unethical; whereas individuals with a low degree of relativism believe strongly in absolute moral principles when determining whether an act is ethical or unethical (Barnett *et al.*, 1996).

The opposing idea that one's ethical reasoning develops over time and can thus be learned or honed is based on Kohlberg's (1969) cognitive moral development approach. Briefly stated, Kohlberg's theory posits that ethical reasoning becomes more sophisticated and improved as the individual ages and becomes more cognitively aware of moral and ethical principles. By extending Kohlberg's theory, it could be inferred that moral awareness and development could be enhanced through education and training. But any form of education and training should include coverage of the situational factors that can influence moral decision making. In support of this point, Treviño *et al.* (2006), in their extensive discussion of the correlates of moral judgment, note that circumstances within certain organizations or professions can undermine moral judgments, irrespective of the stage of an individual's moral development. In one particular study, older and more experienced managers, who presumably would display a higher level of moral reasoning, actually showed lower moral judgment scores when compared to lower level and less tenured employees (Elm and Nichols, 1993). In another study, accounting students and accounting professionals displayed lower moral reasoning scores than students and professionals in other areas (Lampe and Finn, 1992). Treviño *et al.* (2006) also note that ethical judgments are impacted by characteristics of the moral dilemma itself, which includes factors such as the magnitude of the consequences of the decision as well as the potential benefits (or harm) to the individual.

Given the ongoing uncertainty over the individual bases and circumstances under which individuals make ethical (or unethical) decisions (Sonenshein, 2007), it seems reasonable that education and training in ethical decision making should, at the very

least, incorporate both coverage of situational factors that frame an ethical dilemma and the underlying orientation that potentially influences an individual's ethical choices. The pedagogical approach outlined in this paper incorporates both of these dimensions.

Developing ethics-based scenarios

A critical element in the development of this teaching approach was the creation of scenarios that presented real-life ethical choices and which contained varying degrees of certain contextual variables. For purposes of this exercise, three contextual variables were isolated for their influence on ethical decision making. The first of these contextual factors is the perceived opportunity to commit an unethical act, which represents the degree to which one sees (or does not see) impediments to the completion of a personal act or behavior (Fang, 2006). Prior research has demonstrated a link between perceived opportunity and willingness to commit an unethical act (Fang, 2006; Ferrell and Gresham, 1985; Jensen and Wygant, 1990). In addition, the accounting profession has recognized perceived opportunity as a critical risk factor in the commission of fraudulent activity (Albrecht *et al.*, 2006).

The second situational factor embodied in the scenarios is the perceived incentive to the individual for committing an unethical act. This variable refers to the magnitude of personal gain that might be realized if the unethical act is committed. Following Jones' (1991) model, benefit to the individual would create a greater intensity to commit an unethical act because of the perceived magnitude of the potential pay-off. As indicated earlier, Treviño *et al.* (2006) concluded that the magnitude of the consequences of a particular unethical act influence individual behavior.

The third contextual dimension included in the scenarios is the perceived chance of getting caught, which represents the degree to which there is evidence or a probability that the unethical will be found out, which could have harmful consequences to the individual. The perceived chance of getting caught as a contextual factor is aligned with Jones' (1991) model which states that the probability of a causal effect emanating from an unethical act will influence whether the decision is made to commit that act. Prior research supports the linkage between the potential harm to the individual from an unethical act and the decision to commit the act (Singer and Singer, 1997). Accordingly, a relatively higher perceived chance of getting caught reduces the likelihood that the individual will decide to commit the unethical act.

Clearly, the three situational decision variables discussed above should not be viewed as the sum total of factors that can influence an individual's ethical decision making. Indeed, Barnett *et al.* (1994), Barnett *et al.* (1998), Beu *et al.* (2003), Brady and Wheeler (1996), Buchan (2005), Butterfield *et al.* (2000), Kidwell and Kochanowski (2005), Laditka and Houck (2006), Premeaux (2004), Radtke (2004), and others identify a wide array of contextual variables that could influence the choice in ethical dilemmas. However, these three variables do provide broad categorizations of contextual variables that have an influence in framing a given ethical dilemma, are easily understood in a teaching and training session, and have research support for inclusion.

The Appendix contains the full text of the ethical decision choice scenarios numbered No. 1 through No. 8. Each scenario represents one of the eight different combinations of the three situational factors as described above. Table I summarizes the level (high or low) of the contextual factors embodied in each of the eight scenarios.

| Scenario number | Brief description of scenario | Opportunity High/Low? | Personal incentive High/Low? | Chance of getting caught High/Low? |
|-----------------|---|-----------------------|------------------------------|------------------------------------|
| 1 | Taking home office supplies for personal use | H | L | L |
| 2 | Redeeming, for personal gain, train tickets purchased by the company | L | L | L |
| 3 | Falsifying a payroll timesheet for the monetary gain of a subordinate | H | L | H |
| 4 | Improperly booking sales commissions into a later accounting period | L | H | H |
| 5 | Improperly using the company's internet service | L | L | H |
| 6 | Improperly accepting a gift from a sales rep | H | H | L |
| 7 | Improperly copying company-owned software for personal use | L | H | L |
| 8 | Not including payments due to a software vendor | H | H | H |

Note: H = High, L = Low

Table I.
Summary of ethical
decision choice scenarios

For example, as indicated in Table I, Scenario No. 1 describes a situation where the opportunity to commit the unethical act is high, the personal incentive is low, and the chance of getting caught is low.

The eight ethical scenarios included in the Appendix are based on the experiences of the authors during their tenures as executives with large banking and software organizations. Although not all of the organizations described in the scenarios relate to banking or software, the fundamental conflict issues are all based on actual events. The eight scenarios were pilot tested in 2006 with a group of 20 working professionals who were students in a Masters of Business Administration program at a medium sized university in the Mid-Atlantic region of the United States. The students were asked to assess the realism of each of the eight scenarios. Feedback from the students indicated that all eight of the ethical decision making scenarios were viewed as highly realistic.

Measuring individual differences in ethical orientations

In addition to responding to the eight scenarios, participants in the session also complete the Ethical Position Questionnaire (Forsyth, 1980), a standard self-report ethical ideology measurement instrument. In terms of content, the EPQ is designed to measure the two factors associated with ethical ideology, idealism and relativism. It contains 20 items (10 for idealism and 10 for relativism) which are responded to on a nine-point Likert-scale ranging from (1) strongly disagree to (9) strongly agree. The idealism scale includes such items as "A person should make certain that their actions never intentionally harm another even to a small degree" and "If an action could harm an innocent other then it should not be done." The relativism scale includes such items as "What is ethical varies from one situation to another." and "Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the

individual.” The EPQ has shown acceptable construct validity in a number of studies including Forsyth (1980), Barnett *et al.* (1994) and Davis *et al.* (2001).

Description of the teaching approach

The training session involves a series of steps that facilitate the comparison between the participants’ choices on the eight scenarios and the idealism and relativism scores that result from the EPQ. In terms of expected outcomes, participants in the session should become more self-aware concerning their own ethical orientation. Further, as current or future corporate managers, participants should gain a better understanding of the value of ethics testing in the screening of potential new employees. Finally, participants should become more sensitized to the environmental conditions which can lead to unethical behavior. Thus, the approach presented here underscores that corporate managers need to understand employee ethical orientation, as well as manage, to the degree possible, the internal organizational conditions that could influence unethical behavior. The specific steps in the teaching session are described below.

Step No. 1 – Advanced preparation

In preparation for the session, each participant is asked to read each of the eight scenarios and then select the most appropriate response from among the four alternatives. Participants should be told to respond to the scenarios with complete honesty, i.e. as if they were encountering and responding to the scenario in real life. In addition, each participant is asked to complete the EPQ (Forsyth, 1980). Participants should be told to answer the EPQ honestly and should be cautioned to not discuss or share results of the scenarios and the EPQ with fellow participants prior to the actual session. Further, the scenarios and the EPQ should be completed prior to actual coursework or instruction in ethics and ethical decision making. In this way, participant responses would not be influenced by formal instruction in ethics.

Step No. 2 – Review and discussion of responses to the scenarios

The instructor presents each of the scenarios by first asking for and then recording the responses from the class. The students need to be encouraged to respond openly about their choice without fear of being judged. Once the responses are recorded, the instructor then solicits from the class the reasons why certain responses were made and the factors that influenced the choices. It is at this point that the instructor can inform the class as to the contextual factors embodied in the scenario (see Table I for the variation in contextual factors).

Normally, participant feedback on why they chose a certain response will cite one or more of the contextual factors embodied in the scenario. For example, with Scenario No. 1, our experience indicates that most of the participants will take the box of pencils because they have an immediate opportunity to do so and their chance of getting caught is negligible. Similarly, with Scenario No. 6, the majority of participants will accept the gift from the sales rep because the opportunity is high, the incentive is high, and the risk of getting caught is low. In contrast, with Scenario No. 5, most of the participants will choose to not improperly use the company’s Internet service because the opportunity to do so is low, the incentive is relatively low, and the chance of getting caught is high. Once the instructor presents each scenario, the class can engage in a

broader discussion of what factors influence individuals in making ethical or unethical decisions. Our experience indicates that students often will rationalize their decisions by pointing to the presence of the three contextual factors and the degree to which they were “optimizing” their own self-interests given the perceived degree of risks associated with the situational factors. The instructor can ask the class to discuss the roles of rationalization, optimization of self-interest, and risk in making ethical (or unethical) decisions and can also ask the class to identify other contextual factors that can affect these decisions that are beyond the three embodied in the scenarios.

Step No. 3 – Highlighting the influence of ethical ideology in making ethical choices

The instructor guides the students through the process of scoring their responses on the EPQ to determine their ethical orientation as measured by their level (high or low) of idealism and their level (high or low) of relativism. A median split is typically used to differentiate high versus low for both scales. In this regard, our experience indicates that a cut point of 6.5 can be used for idealism while a cut point of 5.5 can be used for relativism. The instructor reviews the interpretation of the orientations with the group, noting that individuals who differ in terms of their level of idealism and relativism reason differently about ethical issues, and often reach different conclusions about the morality of a particular action (Barnett *et al.*, 1996).

The instructor then can go back and review the responses to the scenarios in light of the ethical orientation results. One option could involve asking people who scored in the higher ranges for either idealism or relativism if their scenario responses went against the majority responses from the full class. Another option would be to split the class into two groups based on high and low idealism scores and then determine whether the responses to the scenarios differ significantly between the two groups. The same approach is then used for the relativism scores.

Still another option is to split the class into four groups based on the high/low differentiation for idealism and relativism in a fashion described by Forsyth(1992). With this approach the instructor can compare the results from the high idealism/low relativism group (presumably the most “moral” participants) with the low idealism/high relativism group (presumably the least “moral” participants) to ascertain whether differences in scenario responses are apparent between these two groups. The class can also explore those instances where the contextual factors seemed to override the influence of ethical ideology and vice versa.

Step No. 4 – Summarization

At this point, the instructor should summarize the lessons learned from the experience. It is important for the participants to recognize that a potential or current employee’s ethical behavior, while potentially predicted by a standard ethics or integrity test, can not be predicted solely based on the results of that test. Specific contextual elements, such as a perceived high opportunity to commit an unethical act or a perceived low chance of getting caught should the unethical act be made, can and do affect the ethical decision making of individuals. As a result, current and future corporate managers need to understand and measure potential employee ethical orientation, as well as manage, to the degree possible, the internal organizational conditions that could influence unethical behavior. In this regard, the instructor can ask the participants to identify mechanisms that the organization could implement to limit the opportunity for

unethical behaviors to occur and also identify and discuss the pros and cons of these potential actions. As one example, the participants could suggest that an organization invest in increased employee surveillance to deter improper acts, yet this might be seen as an infringement on employee rights and have a negative effect on employee morale.

The total time needed for the session as described above is somewhat flexible depending on the timing of general coursework dealing with ethics and the degree of depth in the discussion of each of the scenarios. Our experience indicates that the session will take at least 90 minutes, but could be expanded to three hours. Ideally, the scenario-based approach described in this paper would be used in conjunction with a full lecture or discourse on business ethics and ethical ideology.

Discussion

The novel teaching session described in this paper provides a framework for helping individual participants understand the factors, both individual and situational, that frame an ethical dilemma and influence decision making. Students participating in ethics discussions in business courses and training sessions in the United States and throughout the world will hopefully learn, via the use of these scenarios, that individuals can and do make unethical decisions based on the influence of certain contextual factors. The contextual factors included in these scenarios (perceived opportunity to commit an unethical act, the perceived incentive to the individual, and the perceived chance of getting caught) are encountered regularly within organizations and represent important influences on an individual's ethical decision choice. In addition, this teaching approach allows students to gain an appreciation of how an individual's ethical orientation can serve to influence ethical choice.

As current or future corporate managers, we believe that students can use this training to gain a better appreciation of the value of ethics and integrity testing in the screening of potential new employees and can be sensitized to the environmental conditions under which unethical decisions and behaviors occur. Selecting employees who exhibit low relativism and high idealism is one potential step in improving the ethical profile of a company's employees, but leadership is also needed to manage the contexts under which employee decision making occurs.

The ultimate objective of this pedagogical approach is to assist individuals to become more aware of the complexities surrounding ethical decision making and more conscious of their own ethical orientation. It is our belief that this enhanced understanding can lead to increased moral sensitivity and improved moral judgment. Hopefully, training of this type will keep the inner moral compasses" (Brown, 2007) of business students and business leaders pointed in an ethical direction.

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Appendix

Scenario No. 1

You are a senior financial analyst for a mid-sized insurance company. It is a Monday evening in early September and you have just put in a long, 11-hour day. Just as you are about to leave the office and head for home your spouse calls and tells you that your seven year old child will need a box of number 2 pencils for the first day of school tomorrow. You know that stopping at a store to pick up a box of pencils will be a hassle and will add at least 20 minutes to your commute home.

In your department's supply cabinet there are several boxes of pencils. Given the circumstances, do you go into the supply cabinet and take a box of pencils home with you?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably N. _____
4. Definitely No _____

Scenario No. 2

You work as an analyst in the compensation and benefits section of a large consumer products company located in southeastern Pennsylvania. Your manager has just informed you that you and one of the other newer analysts in the division will be sent to New York City for a week of software training. When inquiring about travel arrangements, you find out that the company will provide you with Amtrak tickets for your daily travel between Philadelphia and New York City. The value of the round trip Amtrak tickets is about \$130 per day.

Two days before you are to leave for your training, your fellow trainee proposes an alternative approach for getting to New York. This new option involves driving to the Trenton, New Jersey train station, taking New Jersey transit to Newark, and then riding the subway into Manhattan. Your co-worker says that the daily expense of this approach would only be about \$30 per day. Your co-worker says that if you use this approach to get to the training you could cash in the Amtrak tickets and pocket about \$100 per day. Of course, you and the co-worker would need to keep this alternative approach a secret from the company.

Given the circumstances, do you go along with your co-worker's plan?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely N. _____

Scenario No. 3

You are an Assistant Vice President in the Accounting Department of a large insurance company. Your Administrative Assistant (AA) has been working for you for three years and has proven to be an outstanding employee for you and the department. Recently, your AA spoke to you about the possibility of a wage increase. Your AA is a single parent with a young child. Since the AA joined the company at a young age and with little experience, the AA's hourly wage is well below the market compensation rate.

With difficult economic conditions and a tight compensation budget within the company, it would be nearly impossible for you to get your AA an increase in wage rate. Further, you are concerned that the comparatively low wage might force your AA to seek employment elsewhere. Since you are responsible for approving weekly employee time sheets, one way around the budget constraint is to give your AA an additional 3 or 4 hours of overtime each week without requiring that the hours actually be worked. In this way you could increase your AA's compensation without going through any formal approval process. You have spoken with the AA about this approach and the AA has no problem with the idea as long as you are willing to go forward with the approach. Your Department is subject to an annual internal audit during which time there is a possibility that compensation for hourly staff might be scrutinized.

Given the circumstances, do you give your AA additional overtime hours each week?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely No _____

Scenario No. 4

You are the Chief Operating Officer (COO) of a large manufacturing company. Today, you met with the Chief Financial Officer (CFO) to review earnings projections. At the meeting the CFO projected that annual earnings goals will not be met. However, the CFO has a plan to achieve the earnings target. You know that making the earnings target will avoid a dramatic stock price plunge and hopefully alleviate the need for employee layoffs. Also, you have a substantial bonus tied to making the earnings target.

The CFO's plan is to postpone current year expenses into future years by deferring the recognition of sales commissions. Under the CFO's plan, if the sales people are paid only 90 percent of what their sales commission procedures specify, the dollar savings would allow the earnings target to be achieved. The company can "make it up" to the sales team at some time in the future. Your company's lawyers have examined the sales commission rules and have verified that the company has the power to "change the deal" as business conditions dictate, although such power has never been used and will certainly upset the sales team. In addition, standard accounting practices state that it would be appropriate to recognize the deferred sales commissions as part of the current year's compensation expenses even though the actual expenditure would occur in a future period.

The company's legal team has agreed to carefully craft the process of deferring the commissions so that the deferred commissions would not be treated as part of this year's expenses. Nonetheless, the scheme is complicated to execute and will surely negatively impact the sales team and their families. Further, the accounting maneuver would likely be seen as an unacceptable practice should the Securities and Exchange Commission (SEC) ever look into the matter.

Given the circumstances, do you direct the CFO to put the plan in action?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely No _____

Scenario No. 5

You are an accountant working for a construction firm. You have a computer in your office but it does not have a connection to the Internet. The only Internet-equipped computer is located in the conference room next to your office. Company policy dictates that the Internet is to be used for business purposes only.

You are in the process of buying a new house and you need to research various lenders to finance your purchase. Since mortgage rates are predicted to climb within the next few days, you are interested in finding the best possible rate. You estimate that it will take about 45 minutes to do a search on the various mortgage lenders if you use the company's computer with the Internet connection. Your Internet connection at home uses a dial-up, so doing the research at home would take much longer than 45 minutes.

You see that no one is presently using the computer with the Internet connection and since it is almost lunch time, it is unlikely that anyone will need to use it for at least the next hour.

Given the circumstances, would you use the company's computer with the Internet connection to file your mortgage application?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely No _____

Scenario No. 6

You are the General Manager of a large retail store. Numerous sales representatives visit you each week to encourage the placement of their products in prime areas where shoppers are most likely to see the merchandise. There is fierce competition for the most valued product placement locations.

This morning a sales representative stopped by your office. As a way of thanking you for allocating them a new display near the front of the store, and knowing that you are a big fan of the hometown professional football team, the sales rep offers you a ticket to the football team's next home game. Although your organization prohibits any employee from accepting gifts beyond a value of \$20, there is almost no chance that anyone would find out about you accepting the ticket from the sales rep. The face value of the ticket is \$80.

Given the circumstances, would you accept the offer?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely No _____

Scenario No. 7

You are the office manager for a large law firm specializing in corporate litigation. Your spouse, who is self-employed, just purchased a new personal computer. Your spouse asks you to copy and load software that resides on your laptop computer onto the newly purchased computer. Your laptop was provided to you by your company and is for your work assignments only. Further, company policy dictates that the software cannot be copied and is to be used for company-owned personal computers only.

You and your spouse have been struggling recently to make ends meet and you really don't have the money to go out and buy the expensive software. However, the software would not be easy to copy and would take quite a bit of time and effort to get it from your laptop and loaded onto your spouse's personal computer. Since you are the office manager, there is little chance that anyone would ever find out that you copied the software.

Given the circumstances, do you copy the software and load it onto your spouse's personal computer?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely No _____

Scenario No. 8

You are a Vice President for a medium-sized Information Technology company. Your company provides software products to customers throughout the United States. Many of your company's products include "embedded" software that is supplied by a third-party vendor. One of your responsibilities is the acquisition and application of these commercial software products that are supplied by the third-party vendors. According to standard vendor contracts, your company should be recording the number of copies of the vendor's software that are being used in your company's products and then making appropriate licensing payments to the vendor on a quarterly basis.

During a recent review of vendor payments, you discover that your company has been embedding copies of a particular vendor's software without properly compensating the vendor. While it is apparent that your company's failure to make these payments was an honest mistake, the contracts are clear in terms of what the vendor is owed. By your calculations, your company owes the software vendor in excess of \$250,000 covering the prior 12 month period. Your company has recently experienced difficulty making quarterly earnings goals and pressure is being placed on every unit to hold the line on costs. Any "surprise" expenditure of this magnitude would reflect poorly on you and would have a significant negative effect on the company's stock price.

Presently, the software vendor is unaware of the miscount on the usage of its products and the money it is rightfully owed. However, there is an upcoming internal audit and although the monies owed are related to software products sold months ago, there is a possibility that the oversight could be discovered. At this point, you are the only person in your company who is aware of the oversight.

Given the circumstances, do you decide to not disclose the payment to your Accounting Department?

Alternatives. Please indicate your choice from among the following alternatives by placing a check mark in the space provided.

1. Definitely Yes _____
2. Probably Yes _____
3. Probably No _____
4. Definitely No _____

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