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Kinship and Bystander Effect: The Role of Others in Ethical Decisions

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INTRODUCTION

For over a decade, we have witnessed outrageous business scandals. Some have actually helped topple the financial industry (e.g. Bears & Sterns, AIG, and Country Wide Mortgage), and may change the way businesses are managed. These scandals demand a change in the way that ethics and ethical actions are viewed not only by citizens, but also by business schools and academia. As early as 1987, there were calls for citizens, academia, and businesses to step up and become more moral. *Time* Magazine ran an exposé and cover story about the state of ethics, pairing it with a PBS series about American Ethics.[1] A decade later, Bailey[2] argued that it is parents, schools, and accountability from leaders that will lead to morally responsible citizens.

The Association to Advance Collegiate Schools of Business (AACSB) and the Association of Collegiate Business Schools and Programs (ACBSP) assert that ethics is an important element in management education[3], and there are appeals to do even more[4]. Yet, a study by Jewe[5] indicates that the completion of a business ethics course provides no significant effect on the participants' ethical attitudes, and *Newsweek* asserts that business students lack ethics.[6] Further, there is little evidence that employees gain ethical competencies. Perhaps this lack of ethical competencies is due to level of development in the employees, as illustrated through Kohlberg's moral reasoning developmental stages.[7] Sekerka[8] states that organizations rely upon initial hiring to screen for ethics; consequently, employees lack the development of moral competencies through longitudinal training once hired.

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[1] Ezra Bowen et al., "Looking to Its Roots," *Time*, May 25, 1987.

[2] Steve Bailey, "Moral Education: Whose Responsibility?," *The New York Jewish Week*, September 5, 1997.

[3] Mark C. Baetz and David J. Sharp, "Integrating Ethics Content into the Core business Curriculum: Do Core Teaching Materials Do the Job?," *Journal of Business Ethics* 51, no. 1 (2004): 53-62.

[4] Diane L. Swanson and Morgan Fisher, "The 2nd Language of Leadership," *International Journal of Organizational Analysis* 9, no. 2 (2001): 211.

[5] Ronald D. Jewe, "Do Business Ethics Courses Work? The Effectiveness of Business Ethics Education: An Empirical Study," *Journal of Global Business Issues*, no. suppl. Conference Edition (2008): 1-6.

[6] Barrett Sheridan and Adam B. Kushner, "B-School Backlash: Some Critics have Blamed the Crash on the M.B.A.s. How to Fix Business Education," *Newsweek*, August 17, 2009.

[7] Lawrence Kohlberg, Charles Levine, and Alexandra Hewer, *Moral Stages : A Current Formulation and a Response to Critics* (New York: Karger, 1983).

[8] Leslie E. Sekerka, "Organizational Ethics Education and Training: A Review of Best Practices and their Application," *International Journal of Training and Development* 13, no. 2 (2009): 77-95.

The lack of a successful pedagogy for ethical training, through various developmental levels, makes it clear that ethics pedagogy is fraught with obstacles. One obstacle has to do with understanding the motives behind ethical actions, particularly the conflict between personal and organizational values, while a second obstacle is the role of "others." Bystander Effect theory[9] is one way to confront these obstacles, because it recognizes that bystander status can alter those involved, moving them along a continuum from innocence to guilt; from observer to participant. This study examines these motivations and orientations to ethical action in an attempt to understand how to improve ethics education and pedagogy.

UNDERSTANDING ETHICAL MOTIVES

There are numerous influences on the ethical decisions. Two that undergird this study are social values (relationship, especially kinship between self and ethical situation) and what others may do (Bystander Effect).

Social Values and Kinship

Various studies have focused on incorporating values in ethical decision making. Marsh[10] found four values: mindfulness, engagement, authenticity, and sustainment, as a framework for executives in their ethical leadership. Maddalena[11] proposed nine steps in an ethical decision making process, including ensuring the consistency of the decision with values: personal, business, professional, and community values. These studies demonstrate that values come into play in decision making; however, there is little agreement on the type or form of these values in the resolution of ethical dilemmas.

All decisions are value based[12] and need to be understood and prioritized to gain a full awareness of ethical implications. Perhaps recognizing this fact, organizations attempt to impose values standards, seeking to obtain value

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[9] Stelios C. Zyglidopoulos and Peter J. Fleming, "Ethical Distance in Corrupt Firms: How Do Innocent Bystanders Become Guilty Perpetrators?," *Journal of Business Ethics* 78, no. 1-2 (2008): 265-274.

[10] Catherine Marsh, "Business Executives" Perceptions of Ethical Leadership and its Development: Implications for Higher Education and Human Resource Development" (Doctoral Dissertation, Illinois: Northern Illinois University, 2008).

[11] Victor Maddalena, "A Practical Approach to Ethical Decision-making," *Leadership in Health Services (Bradford, England)* 20, no. 2 (2007): 71-75.

[12] Joel E. Urbany, Thomas J. Reynolds, and Joan M. Phillips, "How to Make Values Count in Everyday Decisions," *MIT Sloan Management Review* 49, no. 4 (2008): 75-80.

congruence between the employee and the company, which is defined as a similarity between individual and organizational values.

Attempts to achieve individual to organizational congruence and compliance ignore the complexity of values alignment within individual decision making. Personal values express at least six different orientations:[13] theoretical, economic, aesthetic, social, political, and religious.

> Theoretical values focus on the discovery of truth, knowledge, and order whereas economic values focus on the useful and practical and on material acquisition. We express esthetic values in our concerns for artistic experiences and in our desire for form and harmony. We express social values in our relationships with others and our love and service commitments. Political values relate to needs for power, influence, leadership, and domination, and religious values relate to needs for unity and meaningful relationships to the world.[14]

Teachers and trainers often rely on cases that illustrate economic values. For example, actions by Pepsi and the syringe scare, or Johnson & Johnson's Tylenol decision of 1982, illustrate "Value-Based Decision Making"[15] Unfortunately, without a connection between the student and the case, the values remain external, not internal to the ethical decision maker.[16] Therefore, failure to formulate and promulgate values that guide the society of an organization increases the likelihood that organizational members will rely on personal value systems and codes of conduct to resolve ethical problems in the organization.[17] In addition, some research[18] indicates that ethical values are primarily social. Therefore, without more than passing attention to identification of organizational values

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[13] Gordon W. Allport, Philip E. Vernon, and Gardner E. Lindzey, *Study of Values.*, 3rd ed. (Boston: Houghton Mifflin, 1960).

[14] Pamela Shockley-Zalabak, *Fundamentals of Organizational Communication : Knowledge, Sensitivity, Skills, Values*, 7th ed. (Boston: Allyn & Bacon, 2009), 106.

[15] Urbany, Reynolds, and Phillips, "How to Make Values Count in Everyday Decisions."

[16] Susan Fredricks and Andrea Hornett, "Macro vs. Micro Ethical Dilemmas: Understanding Ethics on a Smaller Scale.," in *Business Ethics in Focus*, ed. Laura A Parrish (New York: Nova Science Publishers, 2007), 79-91.

[17] Carol C. Cirka and Carla M. Messikomer, "Behind the Facade: The Origins of Ethical Dilemmas in Assisted Living.," *Group and Organization Management* (Under review) (2006).

[18] Andrea Hornett and Susan Fredericks, "An Empirical and Theoretical Exploration of Disconnections Between Leadership and Ethics," *Journal of Business Ethics* 59, no. 3 (2005): 233; Cirka and Messikomer, "Behind the Facade: The Origins of Ethical Dilemmas in Assisted Living."

during ethics education, expectations that students or employees will apply the principles of ethical conduct in their working environment are ill-founded. As Werhane[19] argues, "…organizations as well as individuals have purposes and goals that carry with them moral obligations, and we hold organizations and institutions, as well as individuals, morally accountable."[20]

  The social values influence on ethical decision making can be further delineated into the influence of family values and kinship on those decisions. The foundation of ethics and ethical decision making is argued to start with self-knowledge. This self-awareness is shaped by a number of factors including education, family background, social –setting, and political and religious affiliation.[21] Thus laying the base for sound ethical decisions is influenced by family throughout one's life. Birchfield[22] argues that the family breakdown and influence of others has caused a lack in value based foundations that have allowed fraudulent and unethical actions. Because families spend less and less time together, the foundation for ethical decision making starts to wane – but it never dies. In fact, family identified as one of the six subsystems or spheres that exert control over the decision-making process.[23] Additionally, research by Pontiff[24] indicates that when faced with ethical dilemmas, individuals relied upon previous social influences, those of family and friends. But reliance upon family, and friends, for decisions comes as a price of for the application of the Bystander Effect.

Bystander Effect

  Simply stated, the "bystander effect" is a phenomenon in which people are less likely to offer help in an emergency situation when other people are present. Interesting to note is that studies have shown that the probability of help is inversely proportional to the number of bystanders. Therefore, the more people around the less likely that a bystander is going to help.[25] Research[26] suggests there

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[19] Patricia H. Werhane, "Moral Imagination and Systems Thinking," *Journal of Business Ethics* 38, no. 1 (2002): 33-42.

[20] Ibid., 35.

[21] Tom Maddix, "The Essence of Ethics," *CMA Management* 73, no. 9 (1999): 20-21.

[22] Reg Birchfield, "Fraud and the Family," *New Zealand Management* 51, no. 8 (2004): 39-40.

[23] Roselie Mc McDevitt and Joan VanHise, "Influences in Ethical Dilemmas of Increasing Intensity," *Journal of Business Ethics* 40, no. 3 (2002): 261-274.

[24] Susie W. Pontiff, "Ethical Choices: A Phenomenological Study of How Managers in Organizations Perceive their Decision-making Experiences in the Face of Ethical Dilemmas" (Doctoral Dissertation, Washington, D.C.: George Washington University, 2007).

[25] Imani Cheers, "Why Didn't Anyone Help? An Expert Discusses the Tape of an Accident that Illustrated "The Bystander Effect.'," *Newsweek (Web Exclusive)*, 2008,

is a diffusion of responsibility when a group of people witness an emergency; individuals assume others will do something about it and the burden of responsibility is not theirs. This phenomenon, the "Bystander Effect," has been extended to describe how individuals, perceived as ethical, may commit unethical acts based upon their awareness of other participants' actions or inaction.[27] The idea that what others do affects our own decisions was significant in Milgram's[28] research and helps us to understand why some individuals are capable of causing significant harm to others or allowing harm to occur, as was the case in Milgram's experiments and for some Nazi soldiers' participation in the Holocaust.[29]

What these initial studies show is that the influence of others can be effective when making decisions. In many cases, it is not a black or white issue, but contains many shades of gray. Zyglidopoulos and Fleming[30] describe the Bystander Effect as a continuum (Figure 1) from innocent bystander to guilty perpetrator. In addition, they argue that the distance between the act and its consequences may also play a role. For example, when faced with reporting a problem caused by a co-worker, we often question our own responsibility for saying or doing anything. Fleming and Schwarz[31] suggest that we should always report the issue in order to eliminate the two innocent unknowing bystanders – the company and the client. Further research indicates that business managers actually behave in accordance with the "bystander effect" and ignore certain acts or opportunities to act because they feel that it is not part of their job.

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http://www.newsweek.com/2008/06/11/why-didn-t-anyone-help.html; Peter Singer, *The Science Behind Our Generosity: How psychology affects what we give charities*, vol. 153, 10, 2009.

[26] Cheers, "Why Didn't Anyone Help? An Expert Discusses the Tape of an Accident that Illustrated "The Bystander Effect.'."

[27] Craig Haney, Curtis Banks, and Philip Zimbardo, "A Study of Prisoners and Guards in a Simulated Prison," *Naval Research Reviews* 9 (1973): 1-17.

[28] Stanley Milgram, *Obedience to Authority : An Experimental View* (New York: Harper & Row, 1974).

[29] Zygmunt Bauman, *Modernity and Ambivalence* (Ithaca, N.Y.: Cornell University Press, 1991).

[30] Zyglidopoulos and Fleming, "Ethical Distance in Corrupt Firms: How Do Innocent Bystanders Become Guilty Perpetrators?."

[31] Jeanne Fleming and Leonard Schwarz, "Must I Save My Snooty Co-Worker from Making a Big Career Gaffe?," *Money*, April 2008.

Figure 1
Continuum of Bystander Effect

Continuum of Bystander Effect

Innocent Bystander	Innocent Participant	Active Rationalizers	Guilty Perpetrator
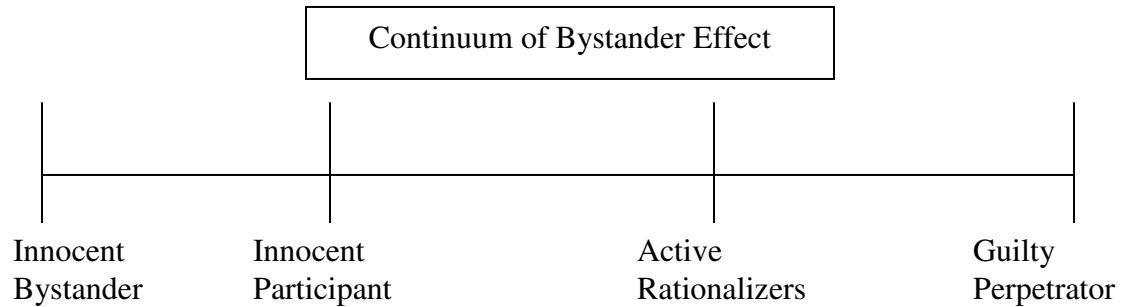
As Samuelson and Gentile[32] argue that, "Business people view moral and ethical dilemmas as exceptions – and human beings don't deal with exceptions terribly well"[33]. This phenomenon may also present in education, where Gioia[34] claims that academia views itself as a bystander and is therefore unable to train students to be more ethical.

Thus, when we question how can people not say or do something when wrong or harm is being committed, we must consider whether others participate and how has significant influence on people's actions and their belief in their responsibility to act.

METHODS

Previous research[35,36] indicated that students saw "family" as a more important value than "ethics." Accordingly, this study hypothesized, first, that students will make definitive judgments, (i.e. a choice other than nothing), in ethical scenarios

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[32] Judith Samuelson and Mary Gentile, "Getting Aggressive About Passivity," *Harvard Business Review* 83, no. 11 (2005): 18-20.

[33] Ibid., 20.

[34] Dennis A. Gioia, "Business Education's Role in the Crisis of Corporate Confidence," *The Academy of Management Executive* 16, no. 3 (2002): 142-144.

[35] Hornett and Fredericks, "An Empirical and Theoretical Exploration of Disconnections Between Leadership and Ethics."

[36] Fredricks and Hornett, "Macro vs. Micro Ethical Dilemmas: Understanding Ethics on a Smaller Scale."

that include a family relationship or connection to themselves. Secondly, this study hypothesized that the "bystander effect" will allow individuals to base their ethical decisions and actions on the actions of others, (i.e. choosing to include others in their decision or to do something unethical because of the influence of others).

Four scenarios (see Appendix 1through Appendix 4) were constructed that posed ethical dilemmas from real situations that the authors and the students had experienced. Then, we altered the scenarios to make an explicit relationship between the student and the situation. To explore both the effect of family values and the "bystander effect," students were asked to determine their course of action for particular ethical dilemmas posed to them among a variety of possible responses, including "other," an open-ended opportunity for students to volunteer actions that the researchers had not previously encountered.

The students surveyed (N=454) were from colleges and universities – three in Pennsylvania and one in Louisiana. Students were asked demographic questions including their level of school. Certain scenarios were designed to test the students' family values perception and alignment while other scenarios were designed to test the "bystander effect." Scenarios 1 (Appendix 1) and 2 (Appendix 2) tested the theory of kinship relationship while Scenarios 3 (Appendix 3) and 4 (Appendix 4) tested the influence of others actions on decisions ("bystander effect").

Basic frequencies were calculated for all four Scenarios. To test for significance between the scales of student level and the scenarios, a Chi-Square with the Pearson Correlation Coefficient was used. The Chi-Square test can be used for almost all types of data and one of the most frequently used. The Pearson Correlation Coefficient tests the level of significance between the variables and indicates that the lower the significance value, the less likely it is that the two variables are independent (unrelated). In addition, this test works best for data that is normally distributed and contains no outliers. Testing for outliers was conducted through a scatterplot graph which indicated no outliers.

The data is further analyzed by student level in college, a demographic question, to provide more depth. This was done to explore Kohlberg[37] and his research identifying the individual's development of their moral reasoning through cognitive growth and their social interactions.

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[37] Kohlberg, Levine, and Hewer, *Moral Stages : A Current Formulation and a Response to Critics*.

Limitations

While surveys can be strong on reliability, they can be weak in validity and artificial in testing.[38] This study could not test what might happen after the survey or after an ethics course or discussion. We also did not ask what courses they have taken related to ethics. However, the strength of the survey approach is the reliability of asking the same standard questions of the participants. Therefore, we are able to provide a comparison of answers at this particular time for a large number of respondents. Since the survey questions are experientially based but artificial, how participants respond does not necessarily mean that they will take that particular action in real life. The choice of Chi-Square for data analysis has in itself some limitations including nonsampling errors and a misinterpretation of the strength of the association or significance.[39] In order to present the best possible statistical evidence, the researchers provided additional frequency data to provide more depth and breath.

FINDINGS

The surveys were distributed throughout Fall 2008 and Spring 2009 at three universities in Pennsylvania and one in Louisiana. Tables with the basic findings of the four scenarios overall and those identified by the students' level in school are in Appendix 5.

We had hypothesized (1) that students will make definitive judgments in ethical scenarios that include a family relationship or connection to themselves. We also hypothesized (2) that the "bystander effect" will allow individuals to base their ethical decisions and action on actions of others. Both hypotheses were supported. Tables 1 through 4 illustrate the frequencies of Scenarios 1, 2, 3, and 4.

Hypothesis 1 is supported because students changed their course of action when a kinship relationship was introduced into scenario two and participants changed their responses. Exploring Hypothesis 1, the researchers wondered if developmental stages, or in these scenarios students levels, would show additional significance. This change is significant at the .05 level using a Pearson Coefficient Chi-Square analysis for all the student levels across the two scenarios (First-Year = .000, Sophomore = .000, Junior = .000, and Senior = .000). The "other" category yielded no significant results because the respondents numbers were too small (n=6).

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[38] Earl R. Babbie, *The Practice of Social Research.* (Belmont, Calif.: Wadsworth Pub. Co., 1998).

[39] Ibid.

Table 5 (Appendix 5) illustrates the student levels responses for Scenario 1 while Table 6 (Appendix 5) illustrates the student levels for Scenario 2. First-Year students prefer to take action and speak to the man in both scenarios. However, for the second scenario first-year students strongly prefer to speak to the man, a rise from n=70, (59.3%) to n=84, (71.2%). Also in the first scenario sophomores n= 67 (51.9%), juniors n=49 (59.0%), and seniors n= 59 (49.2%) also all preferred to speak to the man. In the second scenario, those numbers increased: Sophomores n=84 (65.1%), Juniors n=60 (72.3%), and Seniors n=81 (67.5%).

Hypothesis 2 is supported by analyzing Scenarios 3 and 4. For Scenario 3, students were most likely to "talk to the boss" or "proceed to the trading floor" as all other employees were going to do. Scenario 4 indicates that students would "ask for more information" or "go back to normal duties" as the other employees would do. To provide more depth into the significance of Scenario 3 and 4 and the development level of the participants, the data was analyzed based upon student level. Tables 7 and 8 illustrate that when faced with an illegal request from their boss as in scenario 3, First-Year, n=51 (43.2%) and senior, n=56 (46.7%) students would proceed to the trading floor as requested while sophomores, n=56 (43.4%), juniors, n=36 (43.4%), and seniors again, n=56 (46.7%) chose the option "talk to the boss." For the fourth scenario, the first-year, n=47 (39.8%), students would continue to do nothing and once again go back to work without any questions. Sophomores changed from talking to their boss to doing nothing in the fourth scenario, n=46 (35.7%). Both juniors, n= 27 (32.5%), and seniors, n=47 (39.2%) continued with communicating with their boss for additional information.

Zyglidopoulos and Fleming's[40] continuum helps us explain what actions and what types of bystanders these students actually are (Figures 2 and 3).

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[40] Zyglidopoulos and Fleming, "Ethical Distance in Corrupt Firms: How Do Innocent Bystanders Become Guilty Perpetrators?."

Figure 2
Scenario 3 – Continuum of Bystander Effect
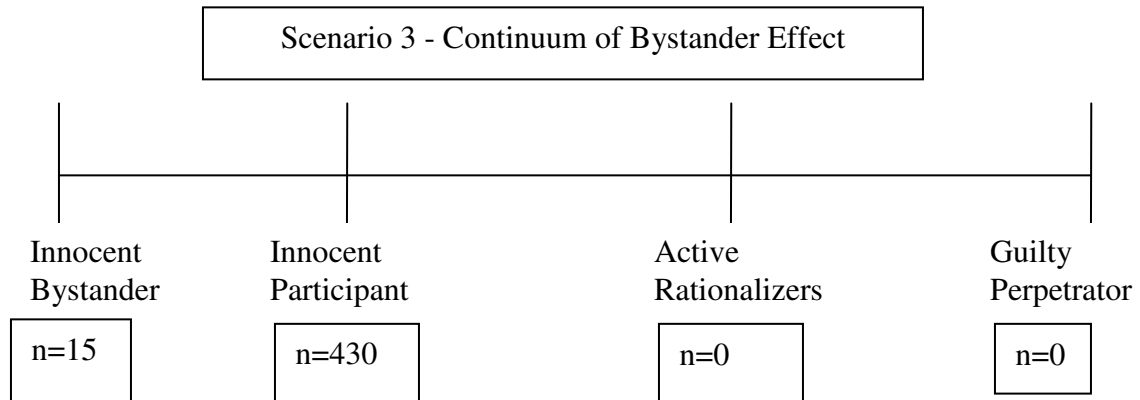
In the scenarios, students start as innocent bystanders because they are simply working. Then, they are instructed to do something to mislead a government agency. They could remain as innocent bystanders by ignoring the request and continuing with their current work. Instead, most students, regardless of student level, chose to either talk to their boss or proceed to the trading floor. They have moved along the continuum from the innocent bystander to the innocent participant (Figure 2).

When they are on the trading floor, they participate in a charade to fool the Securities and Exchange Commission. These activities move them along the continuum from innocence to guilt. They either become active rationalizers by speaking to their boss or to the Chief Ethics Officer, or they become guilty perpetrators by continuing to do and say nothing (Figure 3).

Figure 3
Scenario 4 - Continuum of Bystander Effect

Scenario 4 - Continuum of Bystander Effect

Innocent Bystander	Innocent Participant	Active Rationalizers	Guilty Perpetrator
n=0	n=0	n=128	n=161
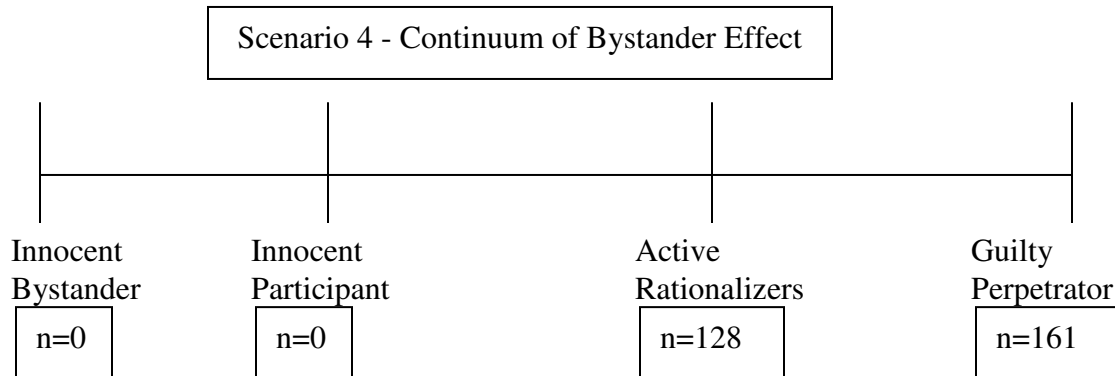
Significance

These findings support both Hypothesis 1 (that students will make definitive judgments in ethical scenarios that include a family relationship or connection to themselves) and Hypothesis 2 (that the "bystander effect" will allow individuals to base their ethical decisions and action on actions of others). The significance of these findings is that they confirm research with smaller data sets on hypothesis 1, and provide empirical support for the thesis promulgated in hypothesis 2.

DISCUSSION AND CONCLUSION

The theories that there are influences on ethical decisions from relationships - kinship or the actions/inactions of others – are supported. Both of these relational phenomena illustrate the importance of social values in ethical behavior and add dimension to cognitive theories of ethical decision making and leadership.

Kinship Values

This study supports previous studies that claim relational ties affect ethical decisions.[41] With a number of participants (n=454) considerably larger than previous work, this study confirms that students significantly change their actions when you introduce a relationship – more prefer to act when kinship is involved

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[41] Hornett and Fredericks, "An Empirical and Theoretical Exploration of Disconnections Between Leadership and Ethics."

than when there was no kinship relationship to the ethical dilemma. This leads us to conclude that if a family member is involved, or may be harmed economically, students will protect them and act ethically.

Accordingly, teaching ethical decision making requires more than case studies. Where case studies provide insight into particular dilemmas, they lack the practice of assessing relationships and defending personal values. There is a need for more teaching exercises geared towards the development of a communication language aimed at identifying the struggles among personal values and their application to the ethical issues.[42]

Bystander Effect

This study supports the theory of a continuum of categories for the bystander effect. It also illustrates that when it comes to ethical actions, it is not an all or nothing, fight or flight response, but something much more subtle. What we see through analysis of this data is that the organization is aided by the "bystander effect" because students were more inclined to proceed with the organization's values, as instructed by the boss, and go along with others. In addition, a significant sub-group kept silent about what went on during the charade on the trading floor.

This study also tells us that more research needs to be done to further the teaching and training of employee and organizations about the influence of others in our decisions. This research could be an extension of research on whistle-blowing[43] and on the Good Samaritan[44] dynamic.

This study also implies that teaching ethics should not be focused solely on legalities. Students and employees need education and training on how one handles various situations or dilemmas with regard to influences from others. When you encounter an ethical dilemma: do you wish to act as an innocent bystander or as a guilty perpetrator?

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[42] Pamela A. Gibson, "Teaching Ethical Decision Making: Designing a Personal Value Portrait to Ignite Creativity and Promote Personal Engagement in Case Method Analysis," *Ethics & Behavior* 18, no. 4 (2008): 340-352.

[43] Tara Shawver and Lynn H. Clements, "Whistleblowing: Factors that Contribute to Management Accountants Reporting Questionable Dilemmas," *Management Accounting Quarterly* 9, no. 2 (2008): 26-38.

[44] Karlene M. Kerfoot, "Leadership, Civility, and the "No Jerks' Rule," *Nursing Economics* 25, no. 4 (2007): 233-4, 227.

Student Level

Previous research in the psychological development of humans indicates that there are several levels to our moral development.[45] Through these particular stages, we become more moral based upon our cognitive growth and interactions. As a basis to further understand the significance of the fours scenarios, the student levels in school were examined because each student designation signifies a certain level of educational experiences. For example sophomores have received more course instruction and collegial interaction than first-year students. Based upon novel research,[46] one would expect the younger students, closer to the teen years, to act more ethically from the start. This proved true for the first two scenarios. Scenario 1 yielded 70.3% choosing to act and scenario 2 yielded 94.1% acting. However, scenarios 3 and 4 showed that teens (first-year level) go along with what the boss says. In Scenario 3, 93.2% chose to go along with the illegal request; and in Scenario 4, 92.4% chose some form of compliance. Future studies should seek to understand this trend.

Issues Raised by the Findings

This study has limitations such as artificiality of a survey method, categorization by arbitrary self-reported student levels, and small numbers. First, as with all surveys there is an element of artificiality. We test the moment and we test what is written. Sometimes, the written survey can pose gray areas that the researchers are not aware of such as the need for more information or a lack of understanding about the scenario. So to say that one person does not act ethically poses an artificial definition on that person. This becomes evident when the kinship values versus the bystander values are tested. Students act ethically when alone and the kinship relationship are apparent, but not when in a group the actions of others are known.

The second limitation of this study is the use of arbitrary student levels. What is the difference between a first-year student and a sophomore? What happens if some are non-traditional students and taking classes one per semester, how do they rate themselves? The study necessarily makes arbitrary decisions about what it means to be at a certain level in higher education.

The third limitation was that of small numbers for the "other" student level. This was category was aimed at including graduate students, but the

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[45] Kohlberg, Levine, and Hewer, *Moral Stages : A Current Formulation and a Response to Critics*; David E. Cooper, "Cognitive Development and Teaching Business Ethics," *Journal of Business Ethics* 4, no. 4 (1985): 313-329; Claudia Harris and William Brown, "Developmental Constraints on Ethical Behavior in Business," *Journal of Business Ethics* 9, no. 11 (1990): 855-862.

[46] Anonymous, "Statistics Show Teens Have an Increasingly Strong Ethical Compass," *Sentiinel* (Los Angeles, CA, August 7, 2008).

enrollment of graduate students in the study was low and the population sampled was very small compared to the undergraduates. This would have provided some additional interesting data to compare graduate students to undergraduates, but with a response rate of n=6, the statistics did not illustrate any significance.

Finally, we wanted to hypothesize that where students could select their course of action in the scenarios, we would have created an action learning[47] environment and possibly a basis for improved leadership pedagogy. However, the study was limited to the survey and did not include on-going debriefings and participant involvement in analysis of the findings.

CONCLUSION

Although further research is needed, the initial results suggest changes should be made in the ways that business ethics education and training is conducted in order to create a more ethical society. Additional evaluation of the influence of social values through kinship and the "bystander effect" and possibly other phenomenon not in the scope of this work will have to be incorporated into the future study of ethics pedagogy. The immediacy of the scenarios suggest that instructional cases benefit from including real ethical issues that students or employees confront on a daily basis.

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[47] Michael J. Marquardt, *Action Learning in Action : Transforming Problems and People for World-Class Organizational Learning* (Palo Alto, CA: Davies-Black Publishing; American Society for Training and Development, 1999).

Appendix 1

> **Scenario 1:**
>
> *You are shopping at the local supermarket and are second in line at the checkout. The man in front of you has emptied his cart on the conveyor belt. You start to empty your cart and notice that he has a package of chicken hidden. The cashier does not notice. What do you do?*
>
> - *Nothing*
> - *Speak to the man*
> - *Speak to the cashier*
> - *Other*

Appendix 2

> **Scenario 2:**
>
> *You are shopping at the local supermarket and are second in line at the check out. The man in front of you has emptied his cart on the conveyor belt. You start to empty your cart and notice that he has a package of chicken hidden. The cashier does not notice. Your closest relative is the manager of the meat department in this store and personally pays for inventory shortages. What do you do?*
>
> - *Nothing*
> - *Speak to the man*
> - *Speak to the cashier*
> - *Other*

Appendix 3

Scenario 3:

You are working for a major corporation in your home town. The pay is good and the benefits are what you classify as exceptional. As part of your benefits, your retirement provides for stock options. In fact, the basis of your retirement is company stock options. The company seems to be doing well and the stock price is rising. You feel on top of the world, your stock price is increasing and you are getting an increasing share of a rising stock. Your job is flexible and is providing significant opportunities for you. You are sitting at your desk when you get a phone call from your boss, asking for your assistance. The Security and Exchange Commission is conducting a spot check on your company and its trading behaviors. The phones on the trading floor need to be covered by personnel. It is well known throughout the company that these phones are not staffed because there is no trading activity. Your boss encourages you to drop everything and to proceed to the trading floor in order "to put on a good show" for the S.E.C. What do you do?

- *Nothing, ignore the request and continue with your work*
- *Talk to your boss about the request*
- *Proceed to the trading floor as directed*
- *Tell one of your friends at work and you both agree to stay behind*
- *Tell one of your friends at work and convince your friend to go with you to the trading floor*
- *Other, please explain: _____.*

Appendix 4

Scenario 4:

Assume that you proceed to the trading floor no questions asked because your boss requested it.

As you proceed up to the trading floor, you notice several more employees making their way there as well. As you enter the trading floor, you are given instructions to find a desk and pick up the phone and pretend to place calls to people from an established list. You watch more and more company employees enter the floor and realize that there are almost 100 employees relocated to the trading floor. As you find a desk, and start placing calls, members of the S.E.C. staff arrive and are given a tour of the floor. Once they have gone, further instructions are given to have you return to your normal duties. What do you do?

- *Nothing, go back to your normal duties as instructed.*
- *Speak to your boss and ask for further clarification about the situation*
- *Speak to your boss and tell him/her that you are uncomfortable doing this*
- *Speak to the company's Chief Ethics Officer*
- *Other, please explain: _____*

Appendix 5

Table 1: Frequencies of Scenario 1

	Frequency	Percent	Valid Percent	Cumulative Percent
Nothing	157	34.6	34.8	34.8
Speak to the man	245	54.0	54.3	89.1
Speak to the cashier	19	4.2	4.2	93.3
Other	30	6.6	6.7	100.0
Total	451	99.3	100.0	
Missing	3	.7		
Total	454	100.0		

Table 2: Frequencies of Scenario 2

	Frequency	Percent	Valid Percent	Cumulative Percent
Nothing	15	3.3	3.4	3.4
Speak to the man	311	68.5	70.2	73.6
Speak to the cashier	77	17.0	17.4	91.0
Other	40	8.8	9.0	100.0
Total	443	97.6	100.0	
Missing	11	2.4		
Total	454	100.0		

Table 3: Frequencies of Scenario 3

	Frequency	Percent	Valid Percent	Cumulative Percent
Nothing, ignore request	12	2.6	2.7	2.7
Talk to your boss	195	43.0	43.3	46.0
Proceed to trading floor	185	40.7	41.1	87.1
Tell one of your friends and stay behind	12	2.6	2.7	89.8
Tell one of your friends and go	36	7.9	8.0	97.8
Other	10	2.2	2.2	100.0
Total	450	99.1	100.0	
Missing	4	.9		
Total	454	100.0		

Table 4: Frequencies of Scenario 4

	Frequency	Percent	Valid Percent	Cumulative Percent
Nothing, go back to normal duties	149	32.8	33.2	33.2
Speak to boss for further clarification	162	35.7	36.1	69.3
Speak to your boss and explain uncomfortable	77	17.0	17.1	86.4
Speak to the Chief Ethics Officer	51	11.2	11.4	97.8
Other	10	2.2	2.2	100.0
Total	449	98.9	100.0	
Missing	5	1.1		
Total	454	100.0		

Table 5: Frequency of Scenario 1 Answers by Student Level

Scenario Answer	Nothing		Speak to the man		Speak to the cashier		Other		Total	
Level in School	#	%	#	%	#	%	#	%	#	%
First-Year	35	29.7%	70	59.3%	5	4.2%	8	6.8%	118	100%
Sophomore	42	32.6%	67	51.9%	6	4.7%	12	9.3%	129	100%
Junior	29	34.9%	49	59.0%	1	1.2%	4	4.8%	83	100%
Senior	48	40.0%	59	49.2%	7	5.8%	5	4.2%	120	100%
Other	3	75.0%	0	0%	0	0%	1	25.0%	4	100%

Table 6: Frequency of Scenario 2 Answers by Student Level

Scenario Answer	Nothing		Speak to the man		Speak to the cashier		Other		Total	
Level in School	#	%	#	%	#	%	#	%	#	%
First-Year	7	5.9%	84	71.2%	17	14.4%	8	6.8%	118	100%
Sophomore	5	3.9%	84	65.1%	25	19.4%	13	10.1%	129	100%
Junior	2	2.4%	60	72.3%	14	16.9%	6	7.2%	83	100%
Senior	1	.8%	81	67.5%	21	17.5%	11	9.2%	120	100%
Other	0	0%	2	50%	0	0%	2	50.0%	4	100%

Table 7: Frequency of Scenario 3 Answers by Student Level

Scenario Answer	Nothing, ignore the request and continue with your work		Talk to your boss about the request		Proceed to the trading floor as directed		Tell one of your friends at work and you both agree to stay behind		Tell one of your friends at work and convince your friend to go with you to the trading floor		Other		Total	
Level in School	#	%	#	%	#	%	#	%	#	%	#	%	#	%
First-Year	6	5.1%	46	39.0%	51	43.2%	2	1.7%	12	10.2%	0	6.8%	118	100%
Sophomore	3	2.3%	56	43.4%	52	40.3%	5	3.9%	10	7.8%	2	1.6%	129	100%
Junior	1	1.2%	36	43.4%	33	39.8%	1	1.2%	7	8.4%	5	6.0%	83	100%
Senior	2	1.7%	56	46.7%	56	46.7%	4	3.3%	7	5.4%	3	2.5%	120	100%
Other	3	75.0%	1	25.0%	3	75.0%	0	0%	0	0%	0	0%	4	100%

Table 8: Frequency of Scenario 4 Answers by Student Level

Scenario Answer	Nothing, go back to your normal duties as instructed.		Speak to your boss and ask for further clarification about the situation		Speak to your boss and tell him/her that you are uncomfortable doing this		Speak to the company's Chief Ethics Officer		Other		Total	
Level in School	#	%	#	%	#	%	#	%	#	%	#	%
First-Year	47	39.8%	46	39.0%	14	11.9%	8	6.8%	1	.8%	118	100%
Sophomore	46	35.7%	41	31.8%	19	14.7%	18	14.0%	4	3.1%	129	100%
Junior	23	27.7%	27	32.5%	18	21.7%	12	14.5%	1	1.2%	83	100%
Senior	31	25.8%	47	39.2%	26	21.7%	12	10.0%	4	3.3%	120	100%