Toward Closing the Moral-Judgment Gap: Conceptualizing Learner-Centered, Multi-Modal Business Ethics Education

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Abstract. Business ethics can be taught as a stand-alone course or be woven throughout a curriculum. There is a debate over whether to teach ethics in the form of theory or real-world connectedness or both. A moral-judgment gap exists, and many believe Business education should promote knowledge and skills that enable ethical intentions to be followed with ethical behaviors. This conceptual paper diagrams where the gap exists in Business Ethics education and theorizes how multi-modal, learning-centered ethics teaching can bridge this shortfall. Literature from the field of Education is drawn upon for pedagogies that promote learning and application. Case studies, constructed narratives, and simulations function as several key components useful for developing complex skills needed for applying ethical reasoning. Additional components and strategies that undergird and reinforce the case studies and other active learning components are laid out in pyramid form toward an overall best-practices approach to developing principled moral reasoning in Business Ethics.

Keywords: moral reasoning, teaching, business ethics, corporate social responsibility.

1. Introduction

Although Kohlberg's (1981) philosophy of moral development is a highly-cited, relevant contribution to ethics, it does not explain the behavior of people who clearly understand what is moral yet fail to act on that knowledge (DeTienne *et al.* 2021). Further, not all ethics theorists even agree that people morally reason on the basis of principles (Murphy *et al.* 2009). Others argue automatic evaluations or quick intuitive-emotional processes are critical in moral-judgment (Murphy *et al.* 2009). Some believe the mystery why a moral judgment-moral action gap exists is partially explained by conflict between social norms and situations (DeTienne *et al.* 2021).

This paper does not propose to say the last word in the 2,500-year-old debate on moral judgment, assuming there was agreement that Thule was considered a philosopher. Instead, this paper begins from about half that far back, in Italy, with the open admission that all people by the very nature of the human condition may at times act in ways that are wrong (Aquinas 1273; Thomas & McDermott 1989).

From this premise, it may be likely that "toward" closing the moral-judgment gap is as good as it gets. In spite of the imperfection obstacle, better moral judgment and moral actions are both worthwhile pursuits, especially so when paired together.

The humble yet impassioned purpose of this conceptual paper is to theorize how best to teach Business students ethics in higher education to facilitate their learning principled moral reasoning such that they can also apply it. First, moral reasoning ability is defined and stages in how people develop it are reviewed. Second, ways of teaching Business Ethics are compared. Third, the pervasiveness of moral-judgment gaps with global ramifications are laid out. Following that, a diagram proposes where a gap may exist in Business Ethics teaching for making it conducive to learning. Businesspeople struggle to apply propositional ethics in real-world challenges. A mediation diagram suggests types of analytical learning that can bridge moral-judgment reasoning. Lastly, a strategically organized educational curriculum for how to better prepare Business students for reasoning ethically in their careers is conceptualized.

This paper lays out a deliberative combination of components that serve different yet complementary roles in the business ethics developmental process. An ethics program must educate on moral ideals yet also train principled moral reasoning that can be applied in any set of potential contexts, circumstances, or situations (Jonson *et al.* 2015). A systematic approach to how these and other consolidating strategies can help students to learn and apply ethics is diagrammed as a pyramid with a solid base of knowledge, supplemented by active techniques to practice applying principles in reasoning, followed by reflection and field experience.

Reasoning entails asking open-ended questions and considering multiple perspectives. Freeman and Parmar (2019) note how capitalistic business is transactional in profit-seeking, yet at the same time is relational, where trade requires social cooperation. Integrating the concepts of business and ethics means students come to appreciate that different views all represent various stakeholders. Appreciating stakeholder perspectives can make graduates responsible agent managers in communities, toward eventual greater corporate social responsibility.

2. Moral Reasoning Ability

Definitions
Moral reasoning ability is defined as "reasoning directed towards deciding what to do and, when successful, issuing in an intention" (Richardson 2018, p. 1). Kohlberg's philosophy of cognitive moral development is still commonly used as the basis for Business Ethics textbooks and other research, with over 70,000 cites (DeTienne *et al.* 2021). Kohlberg's (1981) theory seeks to describe how

individuals mature in their abilities to make moral decisions (DeTienne *et al.* 2021).

Stages

There are six stages in Kohlberg's model. Stage one reasoning, the lowest, governs by a punishment and obedience orientation. Stage two conforms to obtain rewards or favors. Stage three conforms to avoid disapproval or dislike. Stage four conforms to avoid censure by legitimate authority and resultant guilt. Stage five would conform to maintain the respect of an impartial spectator judging in terms of community welfare. Stage six is a universal ethical-principles orientation. It is noteworthy that although the majority of adults never move to stage five or beyond, ethics education in higher education aims to move students to Kohlberg's stage five or beyond (Jonson *et al.* 2015).

Stage-five reasoning is considered post-conventional, which means a notch above society at large. Stage five of moral development is the first stage of principled, moral- reasoning thought processes. Moral decisions are made based upon rights, values, and principles agreeable to everyone in a society, made to have fair, beneficial practices (Kohlberg 1981).

Employers may expect graduates to have developed principled moral reasoning ability as part of earning a bachelor's degree from a college or university. At a stage-five reasoning level, a newly-hired recent graduate would consider both the moral view and the legal view. This new worker may realize those two may be in conflict, but then would not find it easy to integrate both frameworks to arrive at an optimal decision. In stage-five reasoning level, the person takes into consideration the formal mechanisms of agreements, contracts, objectivity and due process.

The graduate, if at stage five, would be rational and aware, but has just not reached an orientation toward society as a whole (Kohlberg 1981). In this stage five, the value of life is defined in terms of universal human rights. A stage-five reasoner might believe that a person has the right to take one's own life but not someone else's. Examples of how stage-six reasoners think would be knowing that human life is sacred. It includes a universal human value of respect for the individual. A stage-six reasoner would not permit suicide, seeing all human life as valuable whether the person valued their own life or not.

Ethics gets honed by experiences that mold character (Agle *et al.* 2016). Character, according to Agle *et al.* (2016), is a combination of intention and ability. Some people never rise to Kohlberg's stage six, the stage of universal ethical principles. A stage-six reasoner takes the premise that others are to be respected as ends, not means (Kant 1785; Kohlberg 1981; Sandel 2009). At the pinnacle of career success, one should hope to be a stage-six moral reasoner. One gets there by practice (Agle *et al.* 2016).

Kohlberg's stages are one frame of reference for understanding how the college years could be a purposeful time for substantial progression and

development on the part of students in moral reasoning ability. Next, some boundaries of the Kohlberg stage approach will be clarified. Following that brief discussion, conversation will move toward the central purpose of the paper, which is to discuss pedagogical practices and the Business Ethics curriculum.

Humanistic, Affective, and Virtue Ethics

Several limitations in Kohlberg's work should be pointed out (Luenendonk 2019; Peters 1978). Recent philosophers attempt to go beyond distinction by stages toward more holistic understanding, seeking to explain why people act. Humanists note that beyond reasoning, our actions are impacted by empathy and social factors (Freeman & Parmar 2019). Affective elements consider what feels right and wrong, guilt in addition to empathy (Peters 1978). Neo-Kohlbergian virtue ethics involves practice of moral skills (Annas 2008). An example of practice of moral skills would be reflecting back on something we said without mal-intention but then considering potential hurt or harm a comment may have inflicted from the other person's perspective, prioritizing impact over intent (*ADL* 2022).

This paper moves "toward" closing the moral-judgment gap in actions. Admittedly solving this intriguing gap could be the supreme philosophical question of the human condition. Keeping with only the purpose of attempting to design intentional, effective training to move closer toward closing that moral-judgment gap, the parsing of ethical ways of knowing and doing into factions and camps does not move Business students closer to being prepared graduates.

Instead, a holistic ethical teachings approach is embraced and conceptualized throughout this paper. The pedagogical sections to follow build support for the conceptualized approaches put forth thereafter. I purport that integrating reasoning approaches (Kohlberg, 1981), empathy and social factors (Freeman & Parmar 2019), feeling right and wrong or guilt (Peters 1978), practicing moral skills (Annas 2008), and reflection (*ADL* 2022) combine together with the active learning techniques I will propose to facilitate teaching for learning, meaning, understanding and being able to apply the principles learned in new, future challenges.

3. Teaching Business Ethics

Jonson *et al.* (2015) set Kohlberg's (1981) stage five as the standard for college undergraduates to achieve, that of being principled moral reasoners. If people with a college education in business should morally reason at higher levels than the average person, developing ethics education that accomplishes this is indeed necessary. To design ethics education that develops principled moral-reasoning ability, consideration should be given to issues specific to Business Ethics and to the best pedagogical practices.