Students' Reasoning about Dilemmas in Business Ethics

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Abstract. Ethics education has become a priority at many business schools. A common pedagogical strategy in business ethics education has been to encourage students to deliberate and reason about cases and dilemmas. However, relatively little is known about how students actually reason, by default, about business ethics cases and dilemmas. In a large-scale study with undergraduate management students, we investigate how students reason about ethical dilemmas in business. Our results suggest that, after making an initial decision in a dilemma, students rarely changed their minds after deliberating over an extensive set of reasons for both sides of the dilemma. Students evaluated reasons in a way that preferentially supported their initial decisions. This post-hoc evaluation of reasons to preferentially support initial decisions also had implications for decision entrenchment: students actually tended to become more confident in the superiority of their initial decisions after deliberating over the reasons for both sides. We discuss the challenges that our findings pose for teaching business ethics.

Keywords: ethics, reasoning, persuasion, education, morality.

1. Introduction

In the wake of numerous corporate scandals involving egregious ethical violations, ethics education has become a priority at many business schools. Ethics education is now a standard part of business school curricula at both undergraduate and graduate levels (Waple *et al.* 2009), and accreditation granting agencies (e.g., the Association to Advance Collegiate Schools in Business) have advocated for the training of ethical reasoning skills. Instruction in ethics can, in principle, have a positive impact on business students by teaching them to reason about ethical issues (e.g., Menzell 1997; Rossouw 2002; Weber 1990), but such instruction has not consistently impacted students' ethical reasoning skills (Welton, Lagrone, & Davis 1994; Dellaportas 2006; Ritter 2006; Rutherford, Parks, Cavazos, & White 2012). We suggest that, to improve students' ethical

reasoning skills more consistently and effectively, we first need a better understanding of how students tend to reason, by default, about ethical issues in business. By better characterizing possible biases and motivational forces underlying students' default reasoning about ethical issues in Management, Organizational Behavior, and Business Ethics courses, educators will be better suited to develop targeted teaching strategies to improve students' ethical reasoning skills.

How do students actually deliberate and reason, by default, about ethical issues in business? Historically, both researchers and educators have assumed that reasons and reasoning systematically bring about and change people's ethical judgments and decisions (i.e., a rationalist position). Within this tradition, Kohlberg (1969, 1984) famously argued that there are distinct stages of moral development characterized by different kinds of reasoning. Although Kohlberg (1969, 1984) and others (e.g., Rest 1986) characterized different levels of sophistication in ethical reasoning, the general approach was to assume that ethical decisions are reached and revised via reasoning. This underlying assumption of Kohlbergian theory has frequently been adopted by both researchers and educators in business ethics (e.g., Dellaportas 2006; Treviño 1992; Wood, Longenecker, McKinney, & Moore 1988; Forte 2004; Turner, Barling, Epitropaki, Butcher, & Milner 2002; Thorne 2000). More recent research on reasoning about ethical issues suggests that being reminded of a particular ethical principle systematically changes ethical decisions where the principle can be applied (Horne *et al.* 2015), and conscious, prolonged deliberation over reasons systematically induces decision change for certain ethical dilemmas (Paxton, Ungar, & Greene 2012).

Nevertheless, other research suggests that conscious deliberation and reasoning play a less prominent role in bringing about and changing people's ethical decisions. Some theorists have argued that ethical judgments and decisions are predominantly driven by automatic, affective reactions that are produced by unconscious processes (Haidt 2001, 2012; Prinz 2006, 2007; Sonenshein 2007). Then, if people engage in deliberation over reasons, they tend to be motivated to retain and further support their prior beliefs and decisions (Ditto, Pizarro, & Tannenbaum 2009; Haidt, 2001; Sonenshein 2007). As Haidt (2001) argues in his influential piece: "moral reasoning does not cause moral judgment; rather, moral reasoning is usually a post hoc construction, generated after a judgment has been reached" (p. 814). Consistent with this view, some research suggests that people will make ethical judgments in a particular situations, admit to an inability to adequately defend their judgments with reasons and arguments, but nevertheless remain obstinately committed to their initial judgments (i.e., the *moral dumbfounding* phenomenon; Haidt 2001, 2007; Haidt & Hersh 2001; Haidt, Bjorklund, & Murphy 2000; c.f. Stanley, Yin, & Sinnott-Armstrong 2019). More recent research suggests that, when faced with ethical dilemmas, individuals tend to evaluate new reasons and evidence in a way that