THE INFLUENCE OF BUSINESS ETHICS INSTRUCTION ON BUSINESS STUDENTS OF INSTITUTIONS OF HIGHER LEARNING: A THEORETICAL AND EMPIRICAL REVIEW OF RELATED LITERATURE

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ABSTRACT

A theoretical and empirical review of related literature was conducted on the influence of business ethics instruction on business students in institutions of higher learning. It was identified that, there is an extensive literature from major review articles pertaining to business ethics instruction. With exception of South Africa, very little is known about business ethics instruction in Africa South of the Sahara, yet a number of universities are teaching business ethics, and some universities such as the Catholic University of Eastern Africa and Strathmore University both in Kenya have centres of ethics. These developments provide future research opportunities regarding business ethics instruction in the region.

Key words: Business Ethics, Deontology, Utilitarian, Virtue Ethics, Cognition, Awareness, Perception, Behaviour and Decision-making.

INTRODUCTION

The growing interest in business ethics instruction has been brought about by the financial scandals which in turn suggest non-compliance to the fundamental principles of professional ethics in the corporate workplace. Unethical practices had led to the financial global crisis in 2008 and the fall of some large companies such as Enron, Tyco, WorldCom, Global Crossing, Qwest, and Health South (Ritter, 2006). The scandals caused the public to raise questions of
whether regulatory or legislative actions alone provide sufficient means to ensure that financial executives demonstrate the capacity in ethics decision-making (Smyth, Davis & Kroncke, 2009).

Hence, business ethics has become not as one additional subject or course that business students take, but rather a lens through which the whole project is conceived and implemented (Abend, 2013). Theodore Roosevelt, the 26th President of the United States felt the significance of business ethics instruction and said, “To educate a man in mind and not in morals is to educate a menace to society” (Kidwell, Fisher, Braun, & Swanson, 2013).

Business ethics as an academic field has developed through various phases in various countries. According to Abend (2013), business ethics originally started in American universities in 1902-1936. In the 1960s, many companies in the USA started establishing codes of conduct and value statements. At the same time movements on corporate social responsibility (corporate citizenship), which addressed ethics issues through legal departments, had begun. In the 1970s, business ethics moved a further step with the emergence of the values movement which moved ethics from compliance orientation to being value centred.

In 1980s business ethics was introduced in Europe, China, South Korea and Japan but with varied developments due to socio-political differences. In Europe courses offered in most business schools included business ethics, Corporate Social Responsibility, responsible leadership, corporate citizenship, good governance, and sustainable company. Henk Van Luijck became the first senior professor in business ethics in Europe picking up the discipline from the United States (Liedekerke & Demuijnck, 2015).

In China, South Korea and Japan, some top business schools were involved in teaching of business ethics related courses. For instance in China the business schools included the Europe International Business School since 1994, the Antai College of Economics and Management in Shanghai, Jiaotong University since 2001, and in the College of Economics and Management at Tsinghua University since 2009 (Zhou, Liu & Luo, 2015). According to Zhou et al., the China National MBA Education Supervisory Committee set up business ethics and Corporate Social Responsibility as one of the 15 core courses for MBA programmes.
Business ethics is evident as an academic field in Australia, New Zealand, and Singapore. Australia has academic societies such as the Australian Association for Professional Applied Ethics and the Australian Business Ethics Network (Gustavson, 2015).

The Business Ethics Network of Africa (Ben-Africa) stimulated the growth of business ethics as a field of study in Africa (Rossouw, 2015). However, business ethics in Sub-Saharan Africa remained an emerging field of training, teaching, and research with the exception of South Africa (Smurthwaite, 2015). According to Rossouw (2011) more than 20 countries in Sub-Saharan Africa have universities that teach business ethics. Teaching and research on business ethics is growing in Western African Countries such as Nigeria, Ghana, Cameroon, Ivory Coast and a slow pace of business ethics in Benin and Togo (Ike, 2015).

In Eastern and Southern Africa business ethics started with the emergence of private investors. Governments in the region responded by establishing some policies and laws related to business ethics. Milanzi (1997) reported that, business ethics was considered to be a necessary tool for profitable business management due to the rampant corruption in the area. Business ethics in this region has been pioneered by the younger, faith-based universities. It has expanded significantly since 1995. Rossouw (2011) reports that, in Uganda there were 10 universities, in Kenya 7 universities and in Tanzania 5 universities, which had business ethics offering in their respective curricula.

Today some universities in East Africa are already teaching business ethics as standalone units and have some ethics centres such as: Global Ethics and Centres for Social Justice and Ethics at the Catholic University of Eastern Africa in Kenya; Business Ethics units and Centres for Social Justice and Ethics at Strathmore in Kenya; Social Ethics and a Centre for Human Rights at St. Augustine University of Tanzania in Tanzania, Social Ethics at Ruaha Catholic University, and Mwenge Catholic University in Tanzania.

**Objectives of the study**

The purpose of this study is to gain further insight related to controversies on current issues of business ethics instruction, influence of business ethics instruction on business students, and to examine the determinants of the instruction in institutions of higher learning.
LITERATURE REVIEW

Business ethics instruction is viewed as one of the potential remedies to address the professional ethics crisis through achievement of high moral standards which can rebuild investor trust (Barry, Philomena, and Dellaportas, 2007). Besides, it is purported to enhance moral development of business students. This view is held by a number of scholars who agree that business ethics instruction enhances ethics cognitive development of business students. Such scholars as Caliyurt (2007); Hooker (2003); Lau (2010); Eweje and Brunton (2010); and Klugman and Stump (2006) hold that business ethics contributes towards increasing students’ awareness of moral issues, promoting students’ moral development and ability to handle complex ethical decision-making, which is part of day-to-day decision–making of managers across the globe.

Business ethics is a growing academic field that demands close reasoning, and that it has a number of features that seem likely to influence behaviour of business students. Hooker (2003) outlines ways in which the study of business ethics influences behaviour. First, the language and conceptual framework can make people think and talk about ethics issues. Second, the use of case studies shows the consequences of one’s actions. Third, the studies of ethics theories bring arguments and avoid fallacies. Fourth, there are specialised areas of ethics obligations, such as product liability, employment, intellectual property, environmental protection and cross-cultural management.

Therefore, business schools have a special role in forming ethical future leaders by transforming the current paradigm of business ethics instruction to one that promotes ethically integrated business competitive strategies. Business schools need to provide business students with opportunities to build business skills and help them understand the power that business decisions and actions can have on society and the potential collateral damage they can cause (Tang & Chen, 2008; Ceulemans & DePrins, 2010; and Akrivou et al. 2015).

Business schools need to provide business students not only business skills but also an integration of these skills with good values. Taking a more personal values approach, Gentile (2010) believes that ethics awareness and decision-making are not sufficient tools to help students act morally, but business ethics instruction should help them understand their own values and practice so that they may acquire and take action based on those values. This also is the argument of Gichure (2006), who emphasises incorporation of African values in the
teaching of business ethics. Gichure holds that ethics has to be taught in order to transmit to students the values and administrative wisdom of their ancestors. According to Gichure, this will make business school graduates not only conversant in normative theories but also will have skills to handle in a practical way dilemma in a business environment.

However, authors like Drucker, Friedman, Wittgenstein, and Ayer argue that business ethics cannot be taught because ethics is something you feel and moral judgements are mere sentiments and not something you think, and studying it will not change behaviour. However, it is very clear that if ethics was a mere sentiment and feeling, famous intellectuals like Confucius, Plato, Aristotle, Maimonides, and Thomas Aquinas would not have dealt with it extensively. Furthermore, theories such as deontology and teleology on wrong and good would have not existed. Business ethics as Singh and Stuckelberger (2017) put it, is a vehicle which enables people to be original and whole in though and belief. Business ethics instruction requires the engagement of a student in his/her totality.

**Determinants of Business Ethics Instruction**

The influence of business ethics instruction on business students vary according to various moderating variables. Waples, Antes, Murphy, and Munford (2009) have identified potential key moderators of instructional effectiveness including the following: study design, criterion type, characteristics of participants, quality of instruction, content of instruction and instructional methods. Other authors have classified participants’ characteristics into the following groups: gender and level of education (Smyth et al., 2009; Khalizani, Omar, and Khalisanni 2011); culture and ethnicity (Nguyen and Phan, 2015; Jones, Cannilla, and Slepian 2015); age and work experience (Eweje and Brunton, 2010; Akman, 2011); business students and non-business students (Lumsden & Fatoki, 2013; Molna, Kletke, & Chongwatpol, 2008).

**Influence of Business Ethics Instruction**

As has been already indicated, the influence of business ethics instruction remains unclear. Studies have tended to rely on awareness of ethical issues, ethical perception, ethical decision-making, moral reasoning and ethical behaviour as the major criteria of measurement of the influence of business ethics instruction. According to a meta-analytic investigation done by Waples et al. (2009), ethical reasoning was found to rank first among the criteria mentioned above while ethical perception ranked second, ethics awareness ranked third, ethical decision-making ranked fourth and ethical behaviour ranked fifth.
Ethical Perception

Ethical perception is about the views one might have on particular ethical issues or problems (Waples et al. 2009). Similar but empirical studies have being carried out by many other authors who conclude that perception is the right measure of the influence of business ethics instruction on business students. Nguyen et al. (2015); Jones et al. (2015); and Khalizani et al. (2011) did a comparative study on ethics perception between students of the USA and Vietnam. They concluded that business ethics instruction has an influence on ethics perception of students of both countries. However, they noted a significant difference in the perception level between the students of the two cultures. Their findings showed that American students demonstrated higher ethical perception level than their Vietnamese counterparts. Hence, cultural differences determined student perception of ethics.

It is assumed that students of business studies would have a relatively higher rate of ethical perception than non-business students. However, studies carried out by Molna et al. (2008); Lumsden, and Fatoki, (2013) on ethics perception among students having business related majors and those having non-business discipline majors indicated that there were no significant differences between the two. The study done by Smyth et al. (2009) showed interesting results, in that non-business ethics majors had shown on average a higher ethical perception level than students with business major.

There is a general notion that females portray more ethical perception on matters pertaining to ethical issues. Several studies have been carried out to compare ethical perception between the two genders. Jones et al. (2015); and Akman (2011) did investigations on the perception of moral wrongfulness of unethical workplace behaviours between male and female students. The results of the studies showed that female students seemed to have higher perceptions of ethics than their male counterparts. These results are also supported by Beltramini et al. (1984); Chonko and Hunt (1985); Ferrell and Skinner (1988); Jones and Gautschi (1988); Kidwell et al. (1987); Ruegger & King (1992); Whipple & Swords (1992).

However, the study done in Malaysian universities (Khalizani et al., 2011) and other studies found that sex had no influence on ethical perception (Browning and Zabriskie 1983; Callan 1992; Dubinsky and Levy 1985; Hegarty and Sims 1978, 1979; McNichols & Zimmerer 1985; Serwinek 1992).

According to Akman (2011); and Eweje and Brunton (2010), age is another moderator that affects the influence of ethics instruction. However, a study done by Khalizani et al. (2011) in
Malaysia showed that age, academic exposure, ethnicity and culture do not have a significant relationship with ethics perceptions of students.

**Ethics Awareness**

As has been shown above, ethics awareness is another important criterion of the influence of business ethics instruction on business students. Ethics awareness enables students to be ethically cognizant of ethical issues (Waples et al. 2009). Several studies have been done to determine the influence of business ethics instruction on students’ ethics awareness according to gender, age, level of education and work experience.

The meta-analytical investigation done by Waples et al. (2009) found that business ethics instruction improved students’ ethics awareness. Empirical research done by Altmyer, Yang, Schallenkamp, and DeBeaumont (2011) and Lau (2010) confirm the above meta-analytical study. According to Altmyer et al. (2011) there was no correlation between class level and increased ethics awareness although the results suggested that both female and male students with higher Grade Point Average (GPA) appeared to be more ethically aware than the general population.

However, the studies done by Eweje and Brunton (2010); and Queensberry, Phillips, Woodbourne, and Yang (2012) suggest that female students seem to acquire more ethics awareness than their male counterparts. These scholars believe that these results can be attributed to sociological factors which encourage women to be more thoughtful of others than their male counterparts.

Furthermore, older students with work experience appeared to have more ethics awareness than younger students in general (Eweje and Brunton, 2010). This conclusion confirms Kohlberg’s theory which holds that ethics awareness of people at later stages of moral development is better than that of those at earlier stages (Velasquez, 2012). More explanations on this theory are given in section 2.2.4 below.

**Ethical Reasoning and Ethical Decision-Making**

Ethical reasoning is understood both as an intellectual procedure for justifying ethical judgements and as a psychological process whereby people actually form ethical judgements, which varies from ordinary moral deliberation that a person engages in before acting to the very sophisticated moral arguments that draw heavily on ethical theories (Boatright, 2012). The moral deliberations are the ones that constitute ethical decision-making.
According to Velasquez (2012), human beings begin to apply ethical reasoning when they turn to look at the moral standards learned from family, church, friends and society. They begin by asking whether these standards are reasonable or unreasonable and what these standards imply for the situations and issues they face. Kohlberg’s theory has the following statement on ethical reasoning:

“Ethical reasoning of people at the later stages of moral development is better than that of the earlier stage because at the later stages people have the ability to see things from a wider and fuller perspective than those at the earlier stage” (Velasquez, 2012, p.39).

In the meta-analytical study, Waples et al. (2009); Lau (2010); and Desplaces, Melchar, Beauvais, and Bosco (2007), found that teaching ethical codes and students’ perception of such codes affect their ethical reasoning. In line with the above meta-analytical study, Eweje and Brunton (2010) did an empirical study in Spanish Universities and found that ethical reasoning varied according to gender and that female ethical reasoning seemed to be higher than that of males.

**Ethical Behaviour**

Several studies have been carried out to suggest that business ethics can be taught and that business ethics instruction contributes to a change in behaviour for students. For instance, Warren et al. (2014) on comprehensive business ethics training demonstrated that apart from influencing students’ moral awareness and decision-making, it also influenced students’ ethical behaviour. Hooker (2003); Jones et al. (2015); and Akrivou and Bradbury-Hang (2015) point out that business ethics courses have a number of features that are likely to influence behaviour.

As was noted earlier, the empirical literature reviewed provides very little on how business ethics instruction can influence ethical behaviour of business students. It used tools such as Defining Issues Test (DIT) and Attitude Towards Business Ethics Questionnaire (ATBEQ) to measure the cognitive capacity rather than moral behaviour. Such instruments provide self-reports of participants which are not necessarily strong evidence of participants’ actual behaviour.
THEORETICAL REVIEW

Business ethics instruction approach derives its guiding normative principles from abstract theories of philosophical ethics (Deontology of Immanuel Kant, Utilitarian theory of John Stuart and Jeremy Bentham, Virtue Ethics of Aristotle). Normative principles require moral development that can be enhanced through the ethics education process as explained below under cognitive theories.

Utilitarian Theory

According to the utilitarian (teleological) theory of Boatright (2012) and Bentham (1996), actions are justified by the end, which is the greatest good they achieve, rather than some feature of the actions themselves. But Micewski and Troy (2007) challenge the utilitarian theory by explaining that when the spotlight of business is exclusively profit-oriented, there can be an increased potential for inappropriate courses of action. For instance, business executives may strive for desired results at all costs by setting the most wanted result as the absolute goal. This implies the use of or justification of all means in order to achieve their goal such as, overstating profits to attract potential investors.

While some authors applying the teleological approach to business ethics instruction think that the goal of such instruction should be business ethics perception (Smyth et al., 2009; Nguyen and Phan, 2015; Ardichvilli et al., 2012; Eweje and Brunton, 2010; Molna et al., 2008; Akman, 2011; Khalizani et al., 2011), others think that it should be business ethics awareness (Altmyer et al., 2011; Lau, 2010).

Waples et al. (2009) argue that if the goals and content of instruction are not appropriately matched with the outcomes, then any gains resulting from ethics instruction will likely be undetected. They provide a comprehensive end result, which also determines the goal of the instruction. For this reason, they have provided various goals determined by end results indicated in the brackets which include preparing business students to engage in better ethical reasoning and to make ethical decisions (moral reasoning/ethical decision-making), altering their view of ethical issues or problems (ethical perception), and making them more ethically cognizant of ethical issues (ethics awareness).
Deontological Theory

Deontological theory is a non-consequential theory which strives to judge an action in its inherent nature. The theory does not look at the outcome of the action but its intrusive nature. As Micewski and Troy (2006) put it, it is a way of adding the regulatory dimension of the concept of moral duty to the teleological dualism of means and ends. There is an agreement between deontological and teleological ethics in three basic dimensions, namely incentive, means, and results (Micewski and Troy, 2006). Micewski and Troy point out that both theories agree that any act is directed towards an end. However, they differ in the means of reaching the end. While the latter puts emphasis on the outcome, the former emphasises on moral duty. The authors hold that ethics is about how business agents ought to act even in the environment of pressure for targets and goals. In Kant’s (1998) language, ethics therefore, is about the notion of righteousness.

Kant (1998) defines righteousness as the whole condition under which the voluntary actions of any one person can be harmonised in reality with the voluntary actions of every other person according to the “universal law”. His categorical imperative is, “Act only according to that maxim by which you can at the same time will that it should become a universal law” (Kant, 1998).

Business ethics requires managers to act according to the “universal law” of their profession (professional code of conduct). Business ethics instruction intended to help them acquire relevant skills to act according to the normative principles as indicated above, such as deontology, which guide executives in decision-making, particularly when they are tempted to operate outside of codified legislation or are bound to act under judicially free conditions (Barry et al., 2007).

Some business school faculty members have emphasized a need to focus on helping managers develop decision-making skills and an ability to talk about moral issues (Ferrell et al., 2008), while others think that business ethics instruction about these ethical principles should help students define what good business means (Grant, 2008; Petocz & Dixon, 2011). However, as noted earlier, Gentile (2010) believes that ethical decision-making and awareness alone are not sufficient tools to help students act morally, but business ethics instruction should help students understand their own values and practice, so that they acquire and take actions based on those values. In line with the above scholars, Gichure (2006) applies business ethics
instruction in an African context by emphasising African values in teaching business ethics in Africa.

**Virtue Theory**

Virtue theory concerns itself with the question, “what kind of persons we should be?” as opposed to utilitarian and Kantian theories which address the question, “which actions are right?” According to Boatright and Staveren (2007), moral behaviour rather than right action is fundamental for this ethical tradition because the former focuses on the good person with virtues understood as characteristics of the good person who uses good means and good processes to achieve a good end. Virtue ethics work as an intermediate position somewhere between the exclusive focus on ends in utilitarianism and the exclusive concern with imperative moral duty of deontological ethics.

Some authors propose this virtue ethics’ approach that it should be used in ethics instruction. For instance, while discussing teaching ethics in Africa, Gichure (2006) suggests the virtue ethics model which takes hold in applied ethics and focuses more on the individual’s inner disposition (ethical behaviour) rather than on the group. Hence, according to her, social and (ethical) corporate culture will be defined in terms of the sum total of personal integrity, accountability, trustworthiness, transparency and honesty of all the individuals who make up the society. Unlike Gichure, Lau (2010); Giacalone and Promislo (2008) focus on students as a group/class rather than on a single person and hypothesise that students who have been instructed in business ethics will have both greater ethics awareness and an ability to make more ethical decisions and will become equipped with ethical integrity to meet challenges in the real business world.

**Moral Cognitive Development Theories**

Business ethics instruction is process which brings a student from one ethical cognitive level to another. This entails moral development. According to Cognitive Theories, moral development can be enhanced through this business ethics instruction process (Caliyurt, 2007). The main proponents of Cognitive Theories are Kohlberg (1984) and Rest (1986). These two psychologists have applied the theories of moral reasoning and development from a psychological perspective. Kohlberg believes that individuals go to a cognitive process in judgement-making ability based on the levels of moral development as shown in the table below.
Table 1: Kohlberg’s Stages of Moral Development

<table>
<thead>
<tr>
<th>Level</th>
<th>Stage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-conventional</td>
<td>1</td>
<td>Individual obeys the rules to avoid punishment.</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Individual behaves morally to gain personal rewards.</td>
</tr>
<tr>
<td>Conventional</td>
<td>3</td>
<td>Individual is concerned with maintaining interpersonal relationships.</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>From these relationships come a sense of fairness, mutual loyalty and dedication where the individual develops an ability to adhere to legal and moral codes.</td>
</tr>
<tr>
<td>Post-Conventional</td>
<td>5</td>
<td>The correct behaviour is a combination of individuals’ rights and principles agreed upon by society.</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>The right behaviour means acting according to an individual’s own ethical principles; in other words, unwritten global deontological ethical principles of justice, duty, and equal human rights are followed at this stage.</td>
</tr>
</tbody>
</table>

Modified from Kohlberg (1984)

According to Kohlberg’s view, life experience and the environment surrounding an individual can influence one’s levels of ethical development. Environment and life experience are what other authors refer to as mediators of the influence of business ethics instruction on business students (Eweje & Brunton, 2010; Akman, 2011; Khalizani et al., 2011; Jones et al., 2015; Waples et al., 2009). Rest, on the other hand, borrowing from Kohlberg, expanded the idea of moral development by proposing a comprehensive four-component model for moral behaviour as shown in the table below.
<table>
<thead>
<tr>
<th>Level</th>
<th>Component</th>
<th>Moral behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Moral Sensitivity</td>
<td>Identifying the morality of a situation or event, role taking, interpreting the intensity of issues, and being aware that there is a moral problem when it exists.</td>
</tr>
<tr>
<td>2</td>
<td>Moral Judgement-making ability</td>
<td>Deciding which action would be most justifiable in a given situation.</td>
</tr>
<tr>
<td>3</td>
<td>Moral Motivation</td>
<td>The degree of commitment or motivation to taking a moral course of action, valuing moral values over other values and taking personal responsibility for moral outcomes.</td>
</tr>
<tr>
<td>4</td>
<td>Moral Character</td>
<td>Ego strength, persisting in a moral task, having courage, overcoming fatigue and temptations, and implementing subroutines that serve a moral goal.</td>
</tr>
</tbody>
</table>

**Table 2: Rest’s (1986) Four-Component Model of Moral Behaviour**

Unlike Kohlberg’s stages of ethical decision-making, Rest’s steps are interrelated and hence making the decision process to be more complicated (Venezia, Cavico, & Mujtaba, 2011). However, both authors assert that development is more a matter of richness of experiences than mere passage of years. They agree that the role of business ethics instruction is to assist an individual’s process of growth from one moral cognitive stage to another.

Cognitive learning is characterised by concept formation, operational and formal thinking and leads to cognition or knowing/understanding (Njoroge & Bennars, 1994). According to Njoroge and Bennars, cognitive learning is a process and a task, while knowing is the outcome. They conclude that the cognitive dimension of education must be understood in terms of knowing rather than of learning.

Gawronski and Bodenhausen (2015) take the cognitive dimension into mental processes. Cognitive theories offer explanations of identified input-output relations by specifying the mental mechanisms that translate inputs into outputs (Gawronski & Bodenhausen, 2015). These cognitive theories include the reasoned action and information integration theories of Fishbein & Ajzen (2010). Gawronski and Bodenhausen believe that these two theories are concerned with the process whereby individuals use various information inputs to determine a response of some kind. According to Gawronski and Bodenhausen (2015), the explanatory
and predictive value of social-cognitive theories depends on a clear conceptual distinction between the input-output relations that need to be explained and the mental constructs that are proposed to explain them, a clear specification of the hypothesised mental construct, and precise assumptions about how the proposed mental constructs are related to environmental inputs and behaviour inputs.

Applying cognitive reasoning theory in their study, Waples et al. (2009) found that a primary focus on cognitive strategies for reasoning through ethical issues was only slightly higher than potential behaviour. Their findings suggest that perhaps attempting to modify behaviours is not nearly as effective as a simple cognitive reasoning or cognitive strategy approach to instruction. They conclude that ethical situations often require substantial amounts of cognition and problem solving which suggests that cognitive reasoning approaches to business ethics instruction would be more appropriate.

As Richardson (2013) puts it, social cognitive theories are available to students with moral reasoning and competence. While moral competence is the knowledge of right and wrong (meta-ethics), moral reasoning is individual or collective practical reasoning about what, morally, one ought to do and how one recognizes moral considerations and copes with conflicts among them and how they move one to act with distinctive opportunities for gleaning insight about what she/he ought to do from how she/he reasons about what she/he ought to do (prescriptive/normative ethics) (Richardson, 2013).

Desplaces et al. (2007) and Warren et al. (2014) applying cognitive theories, employed models of moral reasoning and competence to investigate how university codes of ethics, perception of ethical culture, and ethical pedagogy are related to the moral development of students. These scholars hold that these models are appropriate for providing information about rules, regulations and laws to students for improving their moral judgements and for their cognitive moral development. This is a cognitivist’s view on moral judgements. Cognitivists like G.E. Moore, believe that moral statements do express beliefs, so they can lead to truth or falsity and therefore, when studied, can add to knowledge (Miller, 2010).

Non-cognitivists such as Wittgenstein and Ayer argue that moral judgements do express mere sentiments or feelings which do not aspire to describe reality and hence do not lead to truth. Therefore, users cannot generally make use of them in a meaningful way (Miller, 2010). Ayer, on the other hand, holds that moral judgements express sentiments or feelings of approval or
disapproval which do not describe reality and hence cannot be assessed in terms of truth and falsity.

According to the above non-cognivists, the primary element in the meaning of moral judgements consist in their function of expressing the emotions and attitudes of the speaker, or arousing similar emotions or attitudes in his audience, and they claim that moral sentences do not have a propositional logical form or fact-stating semantics because such sentences do not express moral reality, but have a non-propositional logical form and non fact-stating semantic function (Miller, 2010). However, as was pointed out earlier in this paper, many philosophers such as Confucius, Plato, Aristotle, and Thomas Aquinas had give ethics a central focus and ethics has theories such as consequentialism and deontology which are very crucial in discussing about good and wrong.

Taken together, normative and cognitive theories indicate that formal business ethics instruction should help future managers identify moral dilemmas, offer appropriate models of ethical behaviour and emphasise reinforcements to promote the modelled better decisions, while increasing their propensity for ethical reasoning, altering their view of ethical issues or problems, and making them more ethically cognizant of ethical issues (Warren et al., 2014; Waples et al., 2009).

2.1 Conceptual Framework

This study constructs a conceptual framework from the reviewed literature for the analysis of the relationship between business ethics instruction and its influence on business students. The variables included in the model are basically of three types, the independent variable which in this case is business ethics instruction and the dependent variables which are ethics awareness, ethical perception, ethical reasoning, ethical decision-making and ethical behaviour. The mediating variables include nature of the instruction, characteristics of participants, and study environment.

The proposed conceptual framework builds on the work by Waples et al. (2009) and Warren et al. (2014). The former scholars linked business ethics instruction with various outcomes such as ethics awareness, ethical perception, ethical reasoning, ethical decision-making, and ethical behaviour. The latter scholars employed cognitive theories to explain the influence of comprehensive business ethics instruction on ethics awareness, moral perception, moral decision-making and ethical behaviour. Waples et al. and Warren et al. propose the mediating variables for effective ethics instruction as: (a) nature of instruction which includes study
design, criterion, quality of and method of instruction; and (b) characteristics of participants which include gender, age, work experience, business and non-business students and level of education. The following figure presents a proposed model of business ethics instruction and its influence on business students in institutions of higher learning.

Figure 2: Conceptual Framework

<table>
<thead>
<tr>
<th>Business Ethics Instruction</th>
<th>Nature of Content and Participants</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Ethical Perception</td>
</tr>
<tr>
<td></td>
<td>Ethics Awareness</td>
</tr>
<tr>
<td></td>
<td>Ethical Reasoning</td>
</tr>
<tr>
<td></td>
<td>Ethical Decision-Making</td>
</tr>
<tr>
<td></td>
<td>Ethical Behaviour</td>
</tr>
</tbody>
</table>

Modified from Waples et al. (2009) and Warren et al. (2014)

**RESEARCH GAPS**

Most tests on the influence of business ethics instruction for business students tend to focus on students’ moral reasoning ability by using DIT and ATBEQ tools by asking participants questions related to various ethics dilemma vignettes. Few concern themselves with the actual behaviour of participants, yet behaviour is critical in determining the influence of instruction on individuals. Moreover, even though an understanding of moral reasoning ability and ethics judgement is important, evidence from participants’ self-reports is not strong evidence of participants’ actual behaviour. In addition, much of the existing literature in this area is done in and focused on Europe, USA, and Asia. Very little is known about Africa south of Sahara, particularly East Africa. The scant business ethics literature we have is obsolete. For instance, Global Survey of Business Ethics (Global Ethics No. 5) in training, teaching and research commissioned by global ethics.net 2012 in Geneva, provides a report of a survey done in East Africa relying on the works of Millanzi (1977) and Rossouw and Stuckelberger (2000). These works are obsolete as many changes have taken place since then, including the teaching of business ethics courses as standalone units in various universities such as the Catholic University of Eastern Africa, St Augustine University of Tanzania, and Strathmore.
University, as already indicated. The report itself holds that business ethics is taken in the region as an academic field rather than as an area of research. Therefore, little is known about the influence of business ethics instruction in institutions of higher learning from this region.

**DISCUSSION**

Much of the reviewed empirical literature attempts to address the major issues facing the business world, the financial scandals. The introduction of codes of conduct by professional accounting organisations such as the American Institute of Certified Public Accountants (AICPA) Code of Conduct which lists five essential virtues: objectivity, integrity, inquisitiveness, loyalty, and trustworthiness, do not seem to deal with the root cause of the problem.

Therefore, many authors agree that business ethics instruction serves the business industry and the financial reporting process better than the current rules-based approach. For this reason, business ethics instruction has become a growing concern. However, as has been noted earlier, there are conflicting ideas of whether business ethics can be taught in a classroom setting. Some authors think that business ethics cannot be taught in class like any other discipline because ethics is a feeling and moral judgements simply express mere sentiments. In general, there is an agreement by many authors from the reviewed literature that business ethics can be taught and that it leads to outcomes such as ethical perception, ethical reasoning, ethical decision-making, ethics awareness and ethical behaviour.

Ethical behaviour has been reviewed as the least outcome of business ethics instruction. The main problem with this result is the measurement tool used for ethical behaviour. Many researchers used the DIT and ATBEQ to ask participants questions related to various scenarios of ethical dilemmas. The two methods examine participants’ understanding of moral reasoning ability and ethical judgement using a technique based on participants’ self-reporting, which does not provide strong evidence about participants’ actual behaviour. In addition, there is mixed evidence as to the relationship between higher moral reasoning ability and moral behaviour. The literature reviewed lacks a tool which would provide a better measure of the influence of ethics instruction on business students’ behaviour. In addition, the literature does not offer a way forward for future research on ethics instruction that would examine ethical behaviour.

For business ethics instruction to achieve the desired outcomes, certain moderators of the instruction are necessary. The empirical literature has shown mixed views regarding the
moderators of business ethics instruction. Some authors show that gender, age, level of education, cultural background and work experience are the major moderators of business ethics instruction, while others think that study design, criterion type, quality of instruction, content of instruction and instructional method are the major moderators of business ethics instruction. The first group of authors concentrates on the instruction, while the second focuses on participants (students). The two thoughts can be put into one mediating variable under nature of participants (students) and content of instruction as has been shown in the above conceptual framework.

Different approaches to business ethics instruction may result in different outcomes. Unfortunately, the reviewed empirical literature does not provide a comparative study of different approaches of business ethics instruction. For instance, the influence of business ethics instruction through a case study approach may differ from the class-based instruction approach.

Much of literature on business ethics instruction is from USA, Asia, and little from South Africa. Very scant literature on the same is from East Africa in spite of the growing number of higher learning institutions. Even the research available does not treat the influence of business ethics instruction on university business students. The growth of centres for ethics in East African Universities such as the Catholic University of Eastern Africa, Strathmore (both in Kenya), and St. Augustine University of Tanzania in Tanzania is a promising indicator for the growing concern of ethics instruction in the region.

There are critiques on normative theories which authors in the reviewed literature suggest to be employed in business ethics instruction. One of the major criticisms is that normative theories do not help business students to understand different business phenomena. According to Thorne and Ferrell (1993), normative theories just assume absolute truths in making business decisions. Normative theories specify rules for decision making without taking into account what actually occurs in the organisation. Thorne and Ferrell advocate for positive models which evaluate the existing organisation environment to understand business phenomena.

Thorne and Ferrell criticism was also pointed out by Ladkin (2006) who asserts that those normative theories are too abstract to be usable in actual business life because of their philosophical language which they employ. According to Ladkin, deontological and utilitarian theories do not adequately account for the reality of leadership practice, its contextual and
contingent nature along with the relational dynamic which lies at its heart. Like Gichure (2006) and Gentile (2010), Ladkin advocates for leader’s incorporation of one’s own values and responses to a particular situation of business environment as well as of others who have a stake in the consequences of his/her business decisions. Furthermore, taking Heidegger’s (1971) notion of “dwelling”, Ladkin holds that leaders should be ready to influence and to be influenced by others. The author advocates for more practical models in business ethics instruction that can be applied in the real life of business.

Another theory which has been used in the literature reviewed is called cognitive theory. The cognitive theory is new and has recently received a great deal of review, but rather more in psychology where it is applied in personality issues. It provides explanations for a cognitive process in judgement-making ability based on levels of moral development. Its application in other fields, for instance business ethics instruction, may seem to be more abstract as it is all about internal transformation of the mental constructs (moral judgements). The theory seems to be more adept at explaining moral reasoning than moral behaviour as it involves the mental process and mental constructs. The theory has elicited criticism even in psychology, especially by neo-Freudians who think that it provides a temporal approach to the real reason behind personality development.

RECOMMENDATIONS AND CONCLUSIONS

The growing interest in business ethics instruction in institutions of higher learning is due to ethical decadence in the financial sector, which has led to the collapse some big world companies and the world economic crises. As many of the ethical issues are under greater scrutiny, it is argued that it is an opportune time for institutions of higher learning to include business ethics in their curricula.

Although some scholars argue that business ethics instruction cannot have any ethical influence, evidence from the findings of the reviewed empirical literature from various parts of the world, particularly Europe, Asia and the USA, indicates that business ethics instruction can bring some positive cognitive ethical outcomes. From the empirical literature reviewed, it was found that ethics instruction may create ethics awareness and ethical perception, while increasing the capacity for ethical reasoning and ethical decision-making. However, little is known on how this instruction may affect students’ ethical behaviour. The paper recommends that future research should dwell on the significance of instruction causing changes in
students’ ethical behaviour. For instance, a study could be done to establish a relationship between higher ethical cognitive capacity on the one hand, and ethical behaviour on the other.

In this paper, more than fifty articles have been reviewed. From the reviewed literature, very little is known about business ethics instruction in institutions of higher learning in sub-Saharan Africa. Many of the people in the region live below the poverty line. One of the major reasons for poverty is the rampant corruption in both the public and private sectors. Therefore, a study of ethics instruction in institutions of higher learning from this region may contribute to policy recommendations especially in the education sector with the purpose of forming ethical future professionals.

Some universities in East Africa are already teaching business ethics and have some ethics centres such as: Global Ethics and Centre for Social Justice and Ethics at the Catholic University of Eastern Africa (Kenya); Business Ethics units and Centre for Social Justice and Ethics at Strathmore (Kenya); Social Ethics and a Centre for Social Justice at St. Augustine University of Tanzania, Social Ethics at Ruaha Catholic University, and Mwenge Catholic University (Tanzania). It is recommended that future research should also be conducted on the influence of business ethics instruction in the above mentioned universities and other universities in East Africa.

Study findings for the reviewed literature show that the theoretical argument on the influence of ethics instruction in institutions of higher learning has not been extensively explored. Many authors have offered general recommendations for the significance of normative theories such as deontology, utilitarianism and virtue ethics in the non-empirical literature reviewed. They agree that these normative theories enable students to think through ethical issues in business and lay a foundation for the ethics of business. However, the theories have been criticised for being more abstract and for their absolute rules which do not fit in all business circumstance. Some authors have advocated for positive models which describe which actually occurs in business environment.

Many of the studies were concerned with the influence of ethics instruction on students’ cognitive ability rather than on the students’ actual behaviour. Therefore, future studies regarding the subject of ethics instruction should rigorously focus on exploring more theories that explain the relationship between business ethics instruction and its influence on institutions of higher learning, particularly the behaviour of business students.
References


