BUSINESS ETHICS EDUCATION IN POLAND: AN EMPIRICAL STUDY

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ABSTRACT

In this study, Polish undergraduate business student ethics learning was investigated. One hundred and eighty-six Polish students were asked to provide their moral awareness and moral behavioral intent ratings twice, first at the beginning of the semester and again at the end of the semester. Students read four scenarios, i.e., accounting, management, finance, and human resource management, and then provided their overall moral awareness and moral behavioral intent ratings. We found that ethics learning in terms of pre-post changes were not statistically significant across four scenarios. Implications for business ethics education in Poland were discussed.

Keywords: business ethics, learning outcome assessment, moral awareness, pre-post

INTRODUCTION

Among Eastern European countries that benefited from the economic transformation over the past two decades is Poland. In fact, according to the most recent study conducted by the Intelligence Unit at the Economist, Poland is the only country that experienced positive GDP growth in the European Union post the global financial crisis. In the midst of the economic growth, a lot of challenges remain, one of which is corruption. According to Transparency International, the 2011 and 2010 corruption perception index for Poland is 5.5 and 5.3 respectively on a 10 point scale with lower numbers indicating more corruption as perceived by business people and country analysts [15]. Other empirical research also shows that corruption is an obstacle to grow a business in Poland [18]. Whereas membership in the European Union may force Poland to fight corruption at the national level, evidence remains that there is still distrust among business people in how the government handles the country's economic transition. For example, Valentine and colleagues conducted a survey of small business owners in Poland and reported that being ethical was positively related to facing challenges in growing one's business [17]. It is our belief that unless there is shared consensus at the individual level that being ethical will lead to economic success, any growth experienced in Poland today will be short-lived. Instrumental in this effort is business ethics education at the university level.

According to the Association to Advance Collegiate Schools of Business International (AACSB International), only one university in Poland – Kozminski University, was accredited as of July 2012 [1]. This means that business ethics education in Poland remains fragmented, more so than in the United States. Although AACSB allows business schools to design their own ethics curricula, it is important to establish guidelines as to what should be included in an ethics curriculum. In an effort to standardize ethics teaching in the classroom, various goals for an ethics training program have been identified. Of the four objectives of an ethics curriculum, raising moral awareness among students and helping students understand their core values were considered most important [12].

Raising ethical awareness requires raising students' level of ethical sensitivity. In a recent extensive review of behavioral ethics literature, citing evidence in nursing, dentistry, accounting, marketing, and education, Treviňo and colleagues [16] noted that training and experience can enhance ethical sensitivity. Whereas moral values are the foundation upon which principles of right or wrong are formed, business educators have realized that teaching students to uphold certain sets of values after a course may not be successful [3]. Therefore, we think the most realistic goals of an ethics course should be to raise students' moral awareness because awareness is the first step in the moral decision making process [8]; [5]. Lacking moral awareness, it would be futile to teach students to uphold ethical values and/or understand ethical theories and identify levels of ethical judgment because moral behavior is only possible with moral awareness.

The purpose of this study is to examine the effectiveness of including a business ethics course in undergraduate curriculum in Poland. Specifically, we wanted to identify how much of an improvement in moral awareness and moral behavioral intent that can be acquired after a course in which business ethics is introduced in Poland. The use of scenarios to depict moral dilemmas has been utilized in prior research on business ethics education. In this study, we used four scenarios covering a variety of ethically challenging situations ranging from accounting, finance, Human Resource Management, and sales management. We expected that student awareness or sensitivity of moral implications across scenarios would be increased through active participation in in-class discussion measured at the end of the semester. Further, we expected that the increased level of moral awareness would lead to more moral behavioral intent as proposed in Jones (1991) model of issue contingent ethical decision making. At least one study reported that a gain in students' moral sensitivity resulted from in-class ethics exercises.

In this study, we note several definitions. First, an ethical or moral scenario is defined as an issue "where a person's actions, if performed freely, may harm or benefit others" [5]. This definition connotes an interpretation process that the decision maker has to go through in order to choose an alternative that is the least harmful to others. Second, we define an ethical decision or intent as one that is both "legally and morally acceptable to the larger community" [5]. Third, moral awareness is defined as one's ability to recognize the ethical nature of a situation in a professional context based on [11] study. We note that in this study the term "moral" and "ethical" are used interchangeably. Although moral awareness and moral sensitivity are different such that whereas the former refers to an ability to recognize the moral import of an issue; the latter refers to how many one can identify within an already recognized moral dilemma; the term moral awareness and moral sensitivity are used interchangeably in this study.

METHOD
Sample and procedure
A total of two hundred and sixty six undergraduate business students at a large university in Poland participated in this study as part of a larger assessment project. Data were collected at two different points in time: during the first week of the semester and the last week of the semester. Student responses were matched from pre-post data using identification numbers because no names were collected and students were assured of confidentiality. However, we were able to match data from both the beginning of the semester and the end of the semester for one hundred and eighty-six students only. Of these students, one hundred and thirty were female

and fifty six were male with an average age of 26.68 ranging from twenty-two to fifty-seven. In terms of ethnicity, all were Polish or of Polish origin (N = 183 or 98.4%) with the remainder reported as international students but were of Polish origin (N = 3 or 1.6%). The majority of the participants (80.1%) were majoring in management or human resource management with the remainder reporting accounting, finance, and marketing as their major. All participants had not taken a business ethics course prior to this study.

Measures
Scenarios. Four scenarios covering ethical dilemmas in accounting, management, finance, and human resource management situations taken from [9] text used in the Principles of Management course used in prior research. The scenarios were translated to Polish by the second author and back translated into English by the third author. The scenarios are shown in the Appendix.

Moral awareness. Students were asked to provide their agreement to four statements concerning the level of moral implication in the four scenarios. The statements range from 1 being "none of the scenarios have any moral implications" to 4 "they all have moral implications".

Moral intent. Following each scenario is a question asking students to indicate their intent to act based on the dilemma depicted in the scenario. All moral intent items were dichotomous and coded as 1 being "ethical" and zero being "unethical".

Personal value of honesty. We used Scott's (1965) 20 item honesty sub-scale of the Personal Value scale. This scale has been used in prior studies [6] examining applicant faking in staffing research. Each item is a statement referring to a value-laden behavior, e.g., "helping a friend get through an examination"; "being dishonest in harmless ways"; "helping a close friend get by a tight situation, even though one may have to stretch the truth a bit to do it"; "using a false ID to get into restricted places". Participants were asked to describe whether each statement referred to something that they "always admired," "always disliked", or "depends on the situation" whether they admire it or not. Following the original scoring instruction, the neutral response, i.e., "depends on the situation" was collapsed with "always disliked" and scored as zero for positively worded items, whereas "depends on the situation" was collapsed with "always admired" and scored as zero for negatively worded items. "Always admired" was scored as 1 for positively worded items and -1 for negatively worded items. Scale scores were the sum of all the 20 item scores. The internal consistency estimate for this variable in this study was .58 for the pretest and .52 for the posttest. We note that these values are substantially lower than the same values obtained for American samples in prior research [6][10] and caution any interpretation of this variable.

Ethics learning. We defined ethics learning as the positive change from the beginning of the semester measured at the end of the semester. Thus, we computed difference scores for all student participants across four scenarios (accounting, finance, management, and HR) by taking the moral awareness and moral intent ratings from the beginning of the semester and subtracting the respective individual ratings from the end of semester assessment. Difference scores are considered an appropriate measure of change or learning when individual differences in true change exist. Following this procedure, we computed six difference scores for each student, a difference score for moral awareness, four difference scores for moral intent corresponding to

four scenarios, and one difference score for personal honesty. Positive scores reflect that learning did occur as a result of ethics education over the course of a semester whereas negative scores reflect a lack of learning.

Control variables. Data on typical demographic variables such as sex and age were used as control variables. We also included personal honesty as a control variable because honesty as an individual's ethical orientation has been shown to be an antecedent of moral awareness and that ethical orientation was positively related to moral awareness [11][16]. Thus, to remove any potential confound in ethics learning concerning moral awareness, we decided to control for personal value of honesty.

Analysis. We performed all statistical analyses using SPSS version 19.0.

RESULTS

Table 1 shows the descriptive statistics and inter-correlation of variables examined in the study. As shown in Table 1, female students were more aware of the moral implications across four scenarios at the beginning of the semester before they were introduced to business ethics ($r = .21$, $p < .01$). This was consistent with previous research reporting that women were more sensitive to ethical issues compared to males [16]. Age showed some statistically significant relationships to several variables in the study. Specifically, age was positively related to moral intent measured in the accounting scenario both at the beginning of the semester ($r = .18$, $p < .05$) and the end of the semester ($r = .15$, $p < .05$). Age was also positively related to moral intent in the finance scenario measured at the end of the semester ($r = .26$, $p < .01$), but not at the beginning of the semester ($r = .09$, *n.s.*). Similarly, age was positively related to moral intent in the human resource (HR) scenario) measured at the end of the semester ($r = .15$, $p < .05$) but not at the beginning of the semester ($r = .01$, *n.s.*).

Personal honesty measured at the beginning of the semester was positively correlated to moral intent in the accounting scenario at pre-test ($r = .18$, $p < .01$) as well as post-test ($r = .26$, $p < .01$). The same pattern of finding was revealed with personal honesty measured at the end of the semester. Specifically, honesty measured at post-test was positively correlated to both moral intent in the accounting scenario at pre-test ($r = .16$, $p < .05$) and post-test ($r = .21$, $p < .01$). This finding means that more honest students were more likely to form a more moral behavioral intent in the accounting scenario before and after being introduced to a business ethics course. Honesty at pre-test was also positively correlated with moral intent in the management scenarios both at pre-test ($r = .15$, $p < .05$) and post-test ($r = .23$, $p < .01$) as well as the HR scenario measured at post-test ($r = .16$, $p < .05$). Interestingly, honesty was not correlated to moral intent in the finance scenario.

Table 2 shows the difference scores or effect size Cohen's d values for various ethics learning variables. As shown in Table 2, our expectation concerning the potential gain in moral awareness was not supported. Specifically, students displayed some gain in their moral sensitivity ($M = 3.50$ vs. $M = 3.55$) from beginning and end of semester, the gain was not statistically significant ($d = .07$, *n.s.*). None of the moral intent ratings across four scenarios showed any gain at post-test. Although the gain in moral intent in the finance scenario was in the

expected direction, the magnitude of the gain failed to reach statistical significance ($\underline{d}$ = .16, *n.s.*) Personal value of honesty was revealed to be a reliable measure in this study because the test-retest reliability was quite high ($\underline{r}$ = .42, see Table 1) and there was no change between pre-test and post-test ($\underline{d}$ = -.01, see Table 2).

Table 1. Descriptive statistics and correlations of variables in the study (N = 173)

Variable	Mean	Std.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Age	26.68	6.14	-													
2. Sex	.70	.46	-.02	-												
3. Moral awareness – pre	3.50	.72	-.01	.21	-											
4. Moral awareness – post	3.55	.65	-.07	.15	.34	-										
5. Moral intent – accounting - pre	.77	.42	.18	.23	.05	-.05	-									
6. Moral intent – accounting - post	.73	.44	.15	.13	.22	.13	.21	-								
7. Moral intent – finance – pre	.42	.51	.09	-.04	.29	.12	.01	.13	-							
8. Moral intent – finance - post	.46	.50	.26	-.06	.05	.01	.18	.24	.27	-						
9. Moral intent – management – pre	.90	.31	.07	.10	.13	.00	.09	.18	.09	.06	-					
10. Moral intent – management – post	.89	.52	.14	.05	.13	-.04	.15	.18	.20	.22	.26	-				
11. Moral intent – HR – pre	.36	.48	.01	.17	.22	.05	.17	.10	.23	.07	.10	.07	-			
12. Moral intent – HR - post	.32	.48	.15	-.05	.01	-.12	.01	.07	.11	.12	.19	.33	.29	-		
13. Honesty – pre	8.28	2.86	-.07	.01	.11	.09	.18	.16	-.02	.13	.15	.23	.10	.16	.58	
14. Honesty - post	8.25	2.67	.14	.04	.05	.02	.26	.21	-.03	.20	.11	.15	.15	.13	.42	.52

<u>Note:</u> correlations ≥ .15 are significant at p < .05 (two-tailed)

Correlations ≥ .18 are significant at p < .01 (two-tailed)

Table 2. Ethics learning between beginning and end of semester

Measure	N	Beginning of semester		End of semester		d
		M	*SD*	*M*	*SD*	
Moral awareness	173	3.50	.72	3.55	.65	.07
Moral intent - accounting	173	.77	.42	.73	.44	-.09
Moral intent – management	173	.90	.31	.89	.52	-.02
Moral intent – finance	173	.34	.48	.42	.51	.16
Moral intent – HR	173	.36	.48	.32	.48	-.08
Personal honesty	173	8.28	2.86	8.25	2.66	-.01

DISCUSSION

In this study, we attempted to examine the effect of ethics teaching in a sample of undergraduate Polish students. First, we found that the gain in moral awareness, albeit in the expected direction, failed to reach statistical significance ($\underline{d}$ = .07, *n.s.*). In retrospect, we think that this might be due to the way moral awareness was measured. Specifically, there was one item to assess the level of awareness across four scenarios. Had we used one item to assess awareness for each scenario, we might have been able to capture the student sensitivity or awareness about the moral implication specific to each scenario. The measure used in this study might have confounded the above finding.

Second, ethics learning was elusive in this study because across four scenarios, there were no statistical significant gains in any of the ethics learning measures. There are several reasons for these findings. First, the moral dilemmas depicted in the scenarios are U.S. specific, e.g., the Securities Exchange Commission as depicted in the finance scenario, might have been an unknown entity to Polish students before taking this business ethics course. Thus, students in this study might not have been able to relate to the differences between what is legal versus ethical when it comes to U.S. laws concerning insider trading and or misstating financial reports. The finding of no significant gains in ethics learning in the HR scenario was consistent with a previous research using a U.S. student sample. In that study, Nguyen et al. found that the vast majority of the students perceived that lying about the layoff decision was ethical when withholding such information minimizes disruption in the workplace. In this study, we found that the mean moral intent for the HR scenario was the lowest of the four scenarios ($\underline{M}$ = .36 vs. $\underline{M}$ = .32) suggesting that Polish students, similar to U.S. students perceived lying as justifiable in this scenario.

Valentine and colleagues (2006) conducted a survey of small and medium business owners in Poland and found that financial management was the most problematic area for Polish businesses that want to adopt an ethical orientation [17]. Our finding was consistent with this. Similarly with the accounting and management scenarios, no ethics learning was recorded.

Our results concerning the lack of gain in ethics learning is disappointing. There are several reasons that might be responsible for this finding. First, the class size at this particular university in Poland was very large, about 340 to 400 students attending weekend classes. Thus, any learning might have been harder to capture had the class been of smaller size. Second, students in this study were older than traditional students, meaning they were full time professionals attending classes during the weekends. Previous research shows that age is positively related to deeply held values. The relatively stable personal value of honesty among these students over the duration of a semester in this study confirms that. Thus, we think for older students with more deeply rooted values than their younger peers, it is harder to expect learning as a behavioral change in these students after one business ethics course.

Consistent with prior research, we found that female students were more morally sensitive than male students [11][2] at the beginning of the semester. At the end of the semester, the gender difference disappeared. This suggests that the potential gain for male students in learning about moral awareness is greater than that of female (See Table 1).

It is important to note the considerably lower internal consistency estimates (Cronbach alpha) for personal honesty variable at both pre-test ($\alpha = .58$) and post-test ($\alpha = .52$) compared to that of American samples ($\alpha = .79$ as reported in Nguyen, 2002 and $\alpha = .77$ as reported in Nguyen et al., 2012). A post-hoc item-by-item examination reveals that students reported that they always admired the action of "helping a friend get through an examination" and/or "use a false ID to get into a restricted place". Whereas the above actions are considered unethical in the U.S., Polish students in this study somehow did not share this view. This might have explained the inconsistency in student responses, hence, the low Cronbach alpha estimates. Another plausible explanation for the low consistency in honesty variable is the cultural difference between Polish and American students. Because American students on average rank higher on individualism than Polish students [4], it is reasonable to expect that refusing to help a friend through an examination might be considered undesirable or unethical in Poland.

Our study, notwithstanding the findings, is the first to assess the effectiveness of a business ethics course at the university level in Poland. Our study shows that it will probably improve ethics learning. Future studies should replicate our study on a larger sample. Also, smaller class sizes should be the norm for ethics learning to be maximized. Because most small Polish business owners do not possess a college degree [7], we think that business ethics training should be offered to those owners in order to capture all market actors to improve the fight on anti-corruption. As Poland's objective is to join the Eurozone no later than 2019 [13], it is more important than ever before that future Polish managers be trained to make ethical decisions. Our study shows that the goal of enhancing ethics learning will not be easy to accomplish unless faculty start introducing more scenario-based teaching into the classrooms in Poland.

Contribution to business ethics literature
Our study was the first to address raising moral awareness in business ethics teaching in Poland. The findings of our study provoke more questions for future research than provide the answers to our current research questions. Nonetheless, we hope that our study is a small step toward the right direction in assessing business ethics education in higher education in Poland, a country with tremendous growth potential in the European Union.

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Appendix
Research vignettes used in the study

Accounting scenario: You're an accountant with a large accounting firm. One of your clients is the CFO of a large energy conglomerate. The CFO has just seen his company's losses from activities they are involved in. Rather than show the losses on the corporate income statement, the CFO would like for you to verify that these losses rightfully belong to a subsidiary company. In doing so, the company's stock prices will not be affected. What do you do?

Action: Refuse to comply with the CFO's request _____   Comply with the CFO's request ___

Finance scenario: You are a broker, representing a high-profile individual that is a friend of a CEO of a company. Your client has invested money in that company. One day your client instructed you to sell the stocks before news about the company that triggers the drastic decline of the company's stock price becomes public. Your client says the timing was coincidental. You believe otherwise. What do you tell the Securities and Exchange Commission when it contacts you about the incident?

Action: that your client's timing of selling the stocks was coincidental _____
        That your client's timing of selling the stocks was not coincidental _____

Human Resource Scenario: An employee asks you about a rumor she's heard that your department and all its employees will be transferred from New York to Pittsburg. You know the rumor to be true, but you'd rather not let the information out just yet. You're fearful that it could hurt department morale and lead to premature resignations. What do you say to your employee?

Action: The rumor was not true _____
        The rumor was true _____

Management scenario: As a sales manager, you just received your department's sales report for last month. Sales are down considerably. Your boss, who works 2,000 miles away in another city, is unlikely to see last month's sales figures. You're optimistic that sales will pick up this month and next so that your overall quarterly numbers will be right on target. You also know that your boss is the type of person who hates to hear bad news. You're having a phone conversation today with your boss. He happens to ask in passing how last month's sales went. What do you tell him?

Action: Tell him sales were down last month ____ Tell him sales were on target last month_____