

MEASUREMENT OF THE EFFECTIVENESS OF MORAL DEVELOPMENT PRESENT IN BUSINESS ETHICS

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ABSTRACT:

As we can observe, many businesses do not keep their word as they gain the reliability of their customers. Hence research is essential to reflect on the eminence of moral development present in business ethics. For that, the effectiveness of moral development present in business ethics has to be investigated. This paper of research efficiently measures the impact of moral values and their development in business ethics. This research measures the effectiveness of moral development in businesses as well as in organizations. This research critically analyzes the theories of moral development related to business ethics. It also helps researchers develop a suitable plan for effectively fetching out moral values from the different business entrepreneurs. This paper encompasses future research directions, critical analysis of the proposed research, and background information and theories related to the research. This paper acts as a base for moral development and their reflection in business activities. Descriptive research and statistical research tools are employed, and analysis was carried out. The results revealed that not all employees and employers implement moral values in doing their businesses.

KEYWORDS: *Business ethics, moral development, effectiveness, measurement etc.*

INTRODUCTION:

Many high profile incidents in recent times made many wonder as to how businesses reached such a state. From violating the company's internet policies to wasting the company's time in customer defrauding, businesses have lost their moral values and ethics. Moral values are indicated as relative values that protect our lives and prompt respect for ourselves and others, promoting a dual life value. The outstanding moral values like charity, freedom, truth etc., possess common aspects. When these values are correctly implemented, they enhance life or protect it. The seven eminent principles of business ethics are; fairness, loyalty, trustworthiness, integrity, honesty, concern, respect and law-abiding. Business ethics are dealt with the construction and application of moral standards and values in Business (Bahaudin Mujtaba 2005). Morals refer to the rules, standards and judgments of admirable societal conduct. Here people are guided with fundamental values and are trained to good behaviour. To measure the effectiveness of moral values and their development in business ethics, it is eminent to

understand the importance of morality in business. Recruitment costs are cut by minimizing turnover, and hence money is saved in a business.

The ethical business for imminent employees improves a business attraction and improves the pool of recruitment talent. A business, which runs morally, thus increases the level of productivity and profitability as employees are proud regarding their work (Chron 2021). Many perceive that the sole purpose of a company is maximizing its profits without taking into account its responsibility of trust. Many companies believe that it is okay to be unethical for maximizing their profits. Social media plays an eminent role in carving a business reputation. A loyal customer base is essential for maximizing the profits and sales of a company. Moral values like trust, gain customer loyalty. Hence moral values are essential for a business to sustain itself in the competitive environment.

With some relevant data gathered from a business organization, the proposed research examined the relationship between moral values in the business of the employers and employees in 24 organizations. Their performance and commitment in business are analyzed. The analysis is carried out on how these people implement the moral values they have attained in their business. This is a measurement of the effectiveness of their application of moral values by these people in their businesses. The initial part of the research contextualizes the previous related researches on moral values in business, the theoretical background of the study; then the paper is dealt with the methods and tools employed to collect data for the research, and the final part of the research is dealt with the results of the study and relevance for research on the moral development in business.

THEORETICAL BACKGROUND:

Kohlberg's Moral Development Theory

Kohlberg's moral development theory indicates three levels in moral development, which is responsible for our cognitive development. The work of Lawrence Kohlberg was an extension of explaining the children's moral development that has several stages. Kohlberg defines moral development under three levels; conventional level, pre-conventional level and post-conventional level. Two distinct stages are encompassed in each level. The morality sense of a child is encompassed in the pre-conventional level, and it is controlled externally. In the post-conventional level, a person's moral sense is mapped out in the form of abstract values and principles. People perceive that some of the laws must be eliminated or changed. In the conventional level, the moral sense of an individual adheres to societal and personal relationships. The rules of authority are continuously accepted by the children as they believe in society and optimistic relations. Kohlberg's theory faced criticism for its gendered and cultural bias and towards upper-class and white boys and men. The theory also failed to reflect on inconsistencies encompassed in moral judgments.

GILLIGAN'S MORAL DEVELOPMENT THEORY

Gilligan's moral development theory maps out the morality of a woman and is id-driven by the ethical and moral values of women and their relationships and is contemplated on their

decisions, which would impact others. Morality is developed in stages in women in this theory. Gilligan's theory is an adapted form of Kohlberg's moral development theory. Gilligan's theory revealed the results that indicate that women in moral decision-making exhibit a rigid emphasis. This theory is entirely associated with women. The stages of this theory are similar to Kohlberg's moral development theory but are associated with women. The stages of this theory are; pre-conventional morality, conventional morality and post-conventional morality. In pre-conventional morality, a rigid contemplation is made on self-interest and survival. In conventional morality, women give priority to care and selflessness. In post-conventional morality, women emphasize the impact of their selection and control of their lives. Caring is highly contemplated at this stage. This theory had a drawback as it applies only to feminists. Her theory was recommended to perceive gender equality in terms of both men and women.

RELATED WORKS:

(Trevino 1992) reviewed Kohlberg's moral development theory, which indicates the moral reasoning in the research, which is associated with business ethics. The study provided implications for future research on the ethics of business and the management and training of unethical or ethical behaviour of the employers and employees of an organization. The study contemplates the good moral values of business ethics. The moral strategies of judgment by the people are discovered in the research by the people and the moral dilemmas that are hypothetical and their associated justifications.

(Bienengröße 2014) examined the moral development in business education and social development, driving the competence of moral judgment. He explored the questions associated with the conditions of the development of moral judgment and apprentices. The theoretical approach in moral development on social conditions is analyzed initially in his research. Empirical proof is provided for the research, based on a research study conducted on the same topic in Germany. The third part of his research indicates the moral development in the educational system, which is vocational.

(Graham 1995) carried out research on citizenship behaviour, moral development and leadership. The self-interests of the followers of leadership were associated with the contemplated task performance and moral development. This is pre-conventional, according to Kohlberg's moral development theory. The leadership styles contemplate social networks and interpersonal relationships and are related to the followers' group collaboration and moral development. The paper also suggests that the abilities of leadership are also associated with post-conventional moral development. These abilities are also suited for participating in organizational governance.

METHODOLOGY:

The eminent aim of the research is to measure the effectiveness of moral development in business ethics. Data, which is essential for the research, is collected utilizing survey questionnaires, which encompassed the questions related to the proposed research. This questionnaire is distributed across the employees and employers of 24 organizations. A set of

question encapsulated two questionnaires for the employees and one questionnaire given to the employer. Formal instructions were encompassed in the set of questionnaires. The employers were asked to distribute the questionnaires to the organization's employees. For confirming confidentiality and anonymity, an envelope was encompassed with every questionnaire. An email was utilized to collect responses from the participants of the study. The email was the source of communication between the participants and the researcher. The questionnaire is distributed to 24 organizations that are frequently guilty of violating moral values and ethics. In addition to descriptive research, an exploratory research design was utilized for the research. Both quantitative and qualitative tools were employed for the research.

DATA COLLECTION:

For the descriptive research, data were collected from primary and secondary data sources like survey questionnaires distributed across the organization and the internet through annual reports of the organizations and newspapers. Primary data collection was focused on utilization for the research. It was collected from the respondents of the 24 organizations, which had both employers and employees, and the secondary data was collected for critical analysis used in the research. Each method of data collection had its benefits and drawbacks. The collected information could be cross-checked with the data collected from other methods as well. The sample of respondents used for the research was 24 organizations, and the sample size was 240 with 10 respondents across each organization. The sample ratio concept was utilized for determining the sample size. Among the 240 respondents, only 219 responded for the study. The variables measured for the research are; job performance, attendance, organizational commitment, moral values of the employees, moral values of the employers, and the moral values perceived by the organization. The organizational commitment was measured on a rating scale from strongly agree (5) to strongly disagree (1). The job performance was measured with a graphic rating scale from highly poor (0) to excellent (100). Attendance of the employers and employees were also measured with the same graphic rating scale. The relationship between the moral values of the employers and employees and their association with the moral values of the organization is the control variable measured in the research. The measurement of moral values of the organizations was gained from employees, using a five-parameter scale derived from the organization's moral value scale, which was created by Hunt et al. in 1989. Responses were collected from the participants based on this scale. Exploratory factor analysis was used to explore the moral values of the organization and the public.

RESULTS:

The descriptive profile of the participants of the study is presented in the below table.

Sl. No.	Description	Category of the respondents	Total	Percentage of response (%)
1	Gender	a. Female	117	53.42
		b. Male	102	46.57

2	Age	a. 21 to 25 years	56	25.57
		b. 26 to 30 years	35	15.98
		c. 31 to 35 years	45	20.55
		d. 36 to 40 years	83	37.90
3	Education	a. High school	90	41.09
		b. Diplomas	56	25.57
		c. Degrees	35	15.98
		d. Others	38	17.35
4	Status	a. High class	90	41.09
		b. Middle class	75	34.24
		c. Low middle class or low class	54	24.65
5	Experience	a. Below five years	35	15.98
		b. 05 to 10 years	58	26.48
		c. 10 to 15 years	46	21.00
		d. Above 15 years	80	36.52

Table 1: Descriptive profile of respondents

The responses are calculated in percentage while analyzing the descriptive profile of the participants of the research. The respondents' opinion was collected as the people's opinion in the area where the research was conducted. The statistical software SPSS was utilized for the data analysis. The tests used for the research were exploratory factor analysis; reliability, paired T-test, and correlation was used in the descriptive research. Measuring equivalents, structural equation modeling and confirmatory factor analysis were performed utilizing EQS 6.1. The below table shows the zero-order Pearson's coefficient, standard deviations and means for the measured variables. Structured Equation Modeling (SEM) was utilized for analyzing the moral values and their impacts, which are observed among the employers and employees of the 24 organizations. The moral values in the business of employers possessed a favourable impact on the employees' business's moral values. The moral values in the employees' business had an optimistic impact on their commitment towards their organization, job performance and

attendance. The organization's moral values and the control variable had an optimistic impact on the moral values in the employers' business.

Structured Equation Modeling (SEM) was used to compare the moral values in business demonstrated by employers and workers, as well as the efficacy of their application in their companies. Thus, this relatively measures the effectiveness of moral development present in business ethics. The study results indicated that the employers' moral values had an insignificant direct impact on the commitment towards their organization, job performance, and attendance. The following table showed the reliabilities, correlations, standard deviations and means of the measured variables.

Measured Variables	Mean	Standard Deviation	1	2	3	4	5
Moral values of the organization	4.42	0.89	0.74				
Moral values of the employer	4.9	0.66	0.22	0.93			
Moral values of the employees	4.68	0.68	0.07	0.21	0.93		
Commitment to the organization	4.01	0.90	0.01	0.07	0.21	0.86	
Job performance	77.03	11.51	0.04	0.17	0.27	0.52	0.91
Attendance	87.01	13.09	-0.03	0.06	0.28	0.22	

Table 2: Reliabilities, Correlations, Standard Deviations and Mean

The following figure shows the structural equation modeling analysis for the moral values in the business of the employers and the employees.

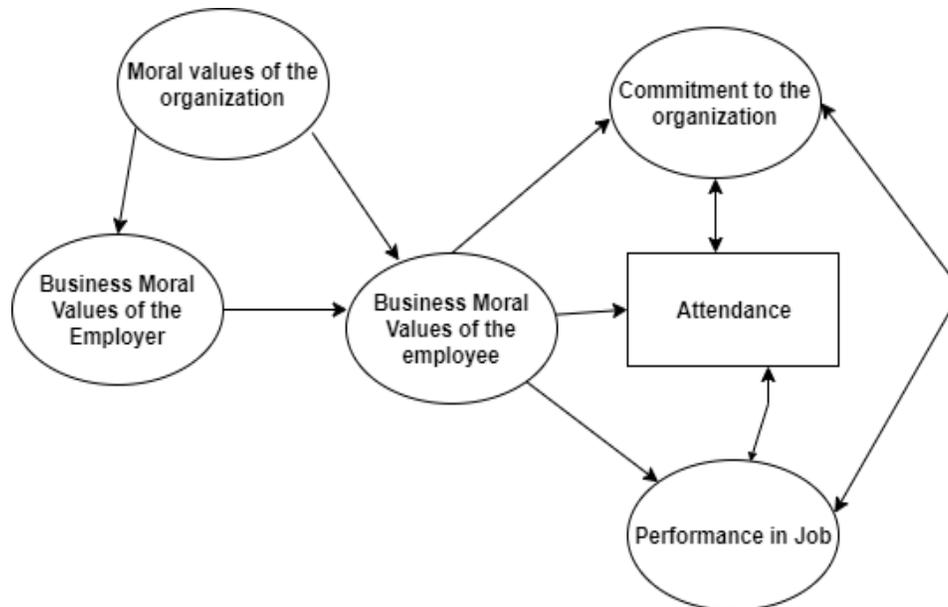


Figure 1: Structural Equation Analysis conducted for the Moral Values in Business of the Employer and the Employees

DISCUSSION:

The moral values in the business of the employees are eminent for the effectiveness of the employees. The study results indicate that the moral values in the business of the employee were optimistically related with their commitment to the organization, attendance and job performance and the moral values in the business of the employer were optimistically related with the moral values in the business of the employees. The employees exhibit high moral values in business compared to their employers having low business values. The effectiveness of the employees having high moral values had high effectiveness when compared to others. The study results point out that the moral values in the business of the employees are related to the effectiveness of the employees and helps in apprehension the eminence of moral issues occurring within the organizations. It is complex to develop moral values in business within the employers to act as a role model for developing moral values within their employees. A happy relationship was observed between the moral values in the business of the employees and the employers of the 24 organizations used in the research. The employees play a prominent role in the moral development of their employees and so in their businesses. Also, the moral values in the business of the employers and the employees are related directly to the commitment to the organization, job performance and attendance. The research also opts for a better apprehension of the relationship between the employers and employees' moral values in business. The cross-level effects of the variables could be investigated in further researches. The moral values of the organization, group norms and individual norms could be investigated further. Also, examining the impact of the individuals' moral values on the effectiveness of the organization could be done in the future.

CONCLUSION:

Though the proposed study on measuring the effectiveness of moral development present in business ethics is studied and analyzed with the analysis of the moral values in the business of the employer and the employees, the study has certain drawbacks as well. A quasi-experimental study or long-term research may provide a much clear interpretation of the research topic. The moral values in business are encompassed broadly in the research with a scaling technique. The moral values in the business of the employers and employees have a vast difference. For instance, cheating the consumers and bribery, etc., may be practiced by the employers and not the employees. The employees may have other issues in breaching the moral values of the organization. As a result, the study concludes that moral development begins with employers and is extensively followed by the employees. If the moral values are followed correctly in businesses and organizations, then a promising result is observed in the moral development in businesses; when they are not followed correctly, it leads to pessimistic impacts on the organization. Thus, the research study concludes that moral development is effective in organizations when it is effective within the employers and employees of the organizations and businesses. Thus, moral values and their development are directly associated with ethical values in businesses.

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