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Donna Galla
Nova Southeastern University

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EXAMINING ETHICAL DEVELOPMENT AND TRAINING: IMPLICATIONS FOR SARBANES OXLEY

Donna Galla, Nova Southeastern University

The Sarbanes-Oxley Act of 2002 (SOX) is the legislative solution to the recent ethical scandals, such as Enron, ImClone, Adelphia, Tyco, Qwest, Global Crossing, and WorldCom, involving financial and accounting irregularities and fraud. This Act implements extensive changes to public accounting and corporate laws, and expands corporate governance extending the responsibilities of senior executives and board members to include responsibility for a company-wide ethics program. Because of the complexity of ethical behavior, this paper explores values formation and support for ethics training. This study looks to ascertain whether moral maturity is related to age more than it is to training, based on Kohlberg's Cognitive Moral Development scale as measured by Rest's Defining Issues Test (DIT), and the variable training and age. This research finds that the N2 score for the over 35 age group is significant: Subjects older than 35 years had a higher N2 score (m= 25.66, sd = 5.66) than subjects 35 years old or younger (m = 21.38, sd = 7.12); no significance was reported for training.

INTRODUCTION

The dual concern of a company's accounting irregularities and their record of compliance have escalated the urgency of understanding how to influence positively ethical behavior. To be ethical is to conform to moral standards or to conform to the standards of conduct of a given profession or group ("Webster's New," 1977). Expanded governance of Sarbanes-Oxley Act of 2002 (SOX) ignores the premise that the scandals, such as Enron, ImClone, Adelphia, Tyco, Qwest, Global Crossing, and WorldCom, were not due to inadequate laws and regulations as much as they were a failure of ethical behavior (Verschoor, 2004). Ethical reasoning is the ability to identify that, which is moral among competing options for action and influences behavior (Devereaux, 2003).

SOX attempts to govern ethical behavior by hard-and-fast rules, but these attempts are contrary to Cascio's belief, which asserts ethical behavior adapts and changes in response to social norms and in response to the needs and interests of those served by a profession (Cascio, 1998). Can ethical behavior be dictated in response to a new set of rules? Can the ethical behavior of finance and accounting professionals who adapt to social norms or culture, conform to a new set of rules? Finance and accounting professionals in this study are defined as those individuals working as finance and accounting experts in various industries. Backgrounds of education and experience could vary.

Added to this process of making a decision is the conflict between one's personal moral philosophy and values and the culture of the organization. Organizational culture is the pervasive system of values, beliefs, and norms that exist in any corporation and can encourage or discourage moral decision-making (Gibson, Ivancevich, Donnelly, & Konopaske, 2003). Moral judgment is a process individuals use to decide if a course of action in a particular situation is morally right while another course of action is morally wrong (Rest, 1986). Ethical decision-making then involves personal values as well as the system of beliefs of the organization, and combined these form one's judgment.

In order to be effective, ethical behavior needs to encompass the individual's performance, the group or department's performance, and the organization's performance as a whole. One suggestion by researchers offers the following criteria in order to be cognizant of performing ethically in a business organization (Cascio, 1998):

- Utilitarian outcomes: This behavior results in the greatest good for the greatest number of people.
- Individual rights: Rights of all parties are respected. The basic rights of free consent, free speech, freedom of conscience, privacy, and due process are upheld.
- Distributive justice: Behavior that respects the rules of justice. People are treated equitably or fairly (Cascio, 1998).

These criteria easily could be used either in a personal context or for a manager that needs to make a decision within the corporation. The above criteria would be useful to an employee or manager to pre-evaluate decisions in order to avoid situations of manipulation. A process change of any kind may involve manipulation of individuals. For example, employees who are involved in a change do not have a choice whether to participate or not. This is true particularly when the focus of the change is group and organization performance. Accordingly, researchers have relied on theorists for a model to analyze ethical decision-making and moral judgment (Galla, Cavico, and Mujtaba, 2006).

James Rest claims the development of moral judgment is an important part of the psychology of morality as originally stated by Kohlberg. Further, Rest developed the four-component model as a synthesis of other approaches and different facets of morality. The four-component model suggests various inner psychological processes, which together give rise to outwardly observable behavior (Rest et al., 1999). These four processes are as follows (Rest et al., 1999; Galla et al., 2006):

- Moral sensitivity – interpreting the situation and how

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various actions would affect all parties concerned, imagining cause-and-effect chains of events, and being aware that there is a moral problem when it exits.

- Moral judgment – judging which action would be most justifiable in a moral sense by use of the Defining Issues Test (DIT). The DIT has been used to collect data for the last 25 years with validity and reliability.
- Moral motivation – the degree of commitment in pursuing the moral course of action, placing higher value on moral judgment over other values, and taking personal responsibility for moral outcomes.
- Moral character – persisting in a moral task, having courage, overcoming fatigue and temptations, and implementing behavior that serves a moral goal (Rest et al., 1999).

Rest proposes moral failure can occur because of a deficiency in any of the four components. The components are the processes that Rest developed as an analysis of what is necessary for a person to behave morally. Rest states that the concept of moral judgment structure is actively constructed by the individual. The four-component model as a theory explains moral behavior determinants and provides the different reasons a person might fail to behave morally (Rest & Narvaez, 1994). Rest's model, which contains core ideas from Kohlberg's theory, appears to compensate for perceived shortcomings of Kohlberg's model, and uses the Defining Issues Test (DIT). In summary, Cascio's criterion for ethical decision-making is evidence of the specialized knowledge required to make an ethical decision. Where as Rest's four-component model suggests the complexity of making an ethical decision. SOX however, attempts to govern ethical behavior by rules and regulations.

SOX legislates if the company is indicted, the CEO and the board must prove they are directly overseeing and monitoring a comprehensive ethics program, or they will incur stiffer fines. Under these conditions, the whole company must have a program that is compliant with SOX, which would ensure that ethical guidance comes from top management and continually is reinforced. At a high level, SOX aims at preventing fraud and audit committee oversights by strengthening boards. SOX describes auditor vigilance and independence in detail. In addition, the CEO and CFO must confirm that the financial statements and disclosures fully comply with the provisions of the Securities Exchange Act. Specifically, section 201 increases auditor vigilance and independence, strengthening internal controls, risk management, and creating accounting-fraud penalties ("Sarbanes-Oxley Act," 2002).

The Sarbanes Oxley Act has made auditors and company executives accountable for their financial reporting. This new accountability will redefine the soundness and integrity of financial statements of public companies, and thereby restore trust to shareholders. According to Pohlman and Mujtaba (2007), the primary purpose of the Sarbanes-Oxley Act is to improve corporate governance and executive responsibility and accountability to restore the trust of shareholders in the corporate arena. The Sarbanes-Oxley Act has specific implications for all professionals in the company because it significantly expands federal protection for employees of publicly traded companies who lawfully report certain allegations of misconduct. Certainly SOX has changed the accountably of all stakeholders of the corporation.

SOX also affects the organization's accounting practices. The credibility of financial statements depends on sound accounting principles, integrity from management implementing the principles, and on the auditor's competence and independence. It would be risky to assume moral judgment and behaviors like credibility, sound principles, and integrity are values that do not have to be reinforced over time. Further, enforcing these behaviors was previously a private matter between the manager and shareholders, with some state law restrictions, now SOX has made structures governing the conduct of the corporation federal law. This includes the adoption of a code of ethics and an ethics program, visible at all levels of the company that was under the domain of management, but is now a requirement under government law.

SOX has changed the current business environment. In the past, business ethics was viewed as important. Hornett and Fredricks (2005) state that, "News accounts for scandals in business have caused many to question the values of business leaders." As a result, business ethics is mandatory, but where is the map for business managers to follow? SOX mandates ongoing comprehensive ethics programs, but does not give clear exact criteria, leaving the responsibility of education and training employees in ethics up to the organization. Similarly, most business schools have responded to the rise in scandals by requiring ethics courses and are increasing their efforts to instill ethics in their curriculums (Hornett & Fredrick, 2005). In the workplace, business managers will be relying more on research for direction on how to make the most impact on training programs to influence positively ethical behavior.

As an example of a corporation that committed fraud, Enron was in the business of energy trade on an international and domestic basis, and was formed in 1985 with the merger of Houston Natural Gas and InterNorth ("How Did Enron," n.d.). Billions of dollars of debt resulted from years of international and domestic expansion. The debt, fraudulent accounting, and illegal loans were concealed from shareholders through partnerships with other companies. One partnership was known as RADR, a group of entities secretly funded by Enron. RADR would purchase electricity-generating windmills from Enron, and afterward, sell them back with some of the profits going to key Enron executives and their families. To date, the Securities and Exchange Commission (SEC) has uncovered several instances of financial fraud committed by executives at Enron. Many of Enron's executives have been charged with wire fraud, money laundering, securities fraud, mail fraud, and conspiracy ("How Did Enron," n.d.).

Enron's 1999 sale to Merrill Lynch of a seven million dollar stake in three energy-generating barges is an example of financial fraud ("How Did Enron," n.d.). The sale was disguised as a loan, since Enron promised to pay back Merrill Lynch. Enron committed fraud when it booked the loan as $12 million in profit in order to meet earnings estimates while misstating financial statements (Calkins, 2004).

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A survey of members of the Association for Investment Management and Research found almost one-quarter of the analysts either experienced or observed unethical behavior during the previous 12 months (Veit & Murphy, 1996). They found the three most frequent violations are failing to use diligence for recommendations, writing reports with predetermined conclusions, and communicating inside information. Although an analyst observing unethical behavior in the firm will make the violation known to a supervisor, more than one-third of those observing unethical behavior did not report the incident (Veit & Murphy, 1996). In both the finance and accounting professions, these types of ethical violations and their frequency demonstrate decision-makers require direction in order to improve continuously ethical behavior. To understand how to influence ethical behavior we turn to the study of Cognitive and Moral Development and the theorist Kohlberg.

Cognitive and Moral Development

Kohlberg's studies are an example of decision-makers' personal values being developed by taking direction from the business environment; Kohlberg posits ethics and values are developed from one's interaction with the environment (Mujtaba, 1996; Galla et al., 2006). Further, individuals form their values dynamically because they interact in an environment that constantly changes. Finance and accounting professionals need to understand that they bring their personal value system to a company that may have a conflicting corporate value system, as reported to exist at Enron. In order to maintain excellence in ethical behavior, values have to be reinforced routinely to have congruency with ethical behavior (Thorp, 2005). Hence, according to Mujtaba (1996) and Galla et al., (2006), there is a need for ethical education and training to counter one's under-developed personal values and the lack of proper business values.

Being a fair-minded and honest person with integrity, self-knowledge, and a deep concern for the welfare of others according to Paul and Elder (2005), are the values necessary to produce ethical behavior. Likewise, Kohlberg's research places these values in the highest level of moral maturity. Moral maturity is important because exhibiting ethical behavior today takes courage and self-discipline to do what is right. Many top individuals at Enron, WorldCom, Tyco, and Global Crossing subordinated honesty to personal gain, confirming the failure in ethical behavior in these companies (Duska, 2005).

On December 2, 2001, Enron filed the largest bankruptcy in American history ("Enron Justice," 2004). Verschoor (2004) adds that Enron and the scandals that followed were a failure of ethical behavior and not of inadequate laws and regulations. He emphasizes moral behavior cannot be legislated. According to Kulik (2005), there is a growing consensus that Enron's culture, rather than the acts of certain individuals, enabled the widespread unethical behavior based on self-interest. Corporate leaders should have a record of building a culture for doing the right thing. Senior leadership set the ethical standards that management will follow. When there is no clear guideline, individual judgment based on personal moral and personal ethical codes are used (Smith & Bain, 1990). The research of Sims and Keon (1999, 2000) support the conclusion that perceived organizational and managerial expectations must match in order to achieve optimal employee ethical decision-making. Their results indicate that the perceived organizational environment is significantly related to the ethical decision of the employee.

Ethics and beliefs are complimentary as one's ethical behavior flows out of one's values; ethics relate to behavior and values relate to beliefs. "Values are core principles that define for individuals what are ideal personal standards" (Thorp, 2005, p. 1). Foundations for universal ethical principles that form values come from philosophy.

The link between moral behavior and business performance is evident as seen by the reaction to unethical behavior by company stakeholders looking to government to ensure sound business practices. (Cavico & Mujtaba, 2005). Furthermore, there is financial incentive for companies to develop positive values in order to protect their reputation and promote ethical behavior. According to Tanner, Lamberth, and Goselin (2005), reported settlements by investment banks in the WorldCom litigation have exceeded $6 billion collectively. JP Morgan settled claims for WorldCom and Enron securities litigation for $2 billion and $2.2 billion respectively. Similarly, Citigroup settled its alleged liability for $2.6 billion with WorldCom and for $2 billion with Enron. Plaintiffs claimed in the litigations they were mislead and that the banks misrepresented the actual financial state of the company (Allegaert, Craco, & Tinkelman, 2004).

Training

O'Fallon and Butterfield (2005) agree the field of business ethics is an important field of research. Building on prior research, Griseri (2002) examines the characteristics of the learning process of individuals and argues the implications in his study. He contends that values have a dual nature, composed of emotional and cognitive elements. To be successful, the method of teaching would have to account for this dual nature. He explains, for example, if one feels strongly about an issue, it is difficult to agree with an opposing view. Similarly, a rational argument can be used to avoid emotional aspects of an issue. Therefore, Griseri is suggesting that there has to be an integration of the cognitive and emotional elements for the individual to understand the values they hold personally. This understanding is critical when two conflicting business goals have to be satisfied; for example, "we respect our people" and corporate profitability. These two goals can oppose one another, for example, when a manager has to balance between putting value on people resources and downsizing staff. Griseri considers one's personal ethics to be different from one's professional ethics.

Accordingly, Mujtaba (1996) reports that research shows training adults in ethical decision-making can positively influence an individual's reasoning process. In contrast, Ponemon (1993) did not find evidence that ethics in accounting can be taught. In addition to several limitations given in the study, he found that the methods of teaching were not designed

to foster moral development. Interestingly, in a study by Bassiry (1990) the course offerings on ethics and social issues at the graduate level were low in American business curricula. The author finds that many business schools train students for entry–level positions and no further. This explained the narrow focus of only technical coursework and the lack of broader ethical subject matter. Bassiry agrees that increasing awareness of the moral dimension serves as a vehicle for individuals to reflect on their own ethical values. This total educational experience succeeds in implanting the necessary moral constructs to counter-balance the self- serving behavior in corporate decision-making.

Age

Ruegger and King (1992) found that age is a determining factor in making ethical decisions. Their study suggests that those students in the 40 plus years age group were the most ethical, followed in order by the 31-40 age group, the 22-30 age group, and those of 21 years of age and under. Similarly, the investigation of Peterson, Rhoads, and Vaught (2001) demonstrates that ethical beliefs increase with age. Ethical levels were higher for business professionals in the group that was over 30 years of age. This finding supports Trevino's (1986) theory that adult development is linked to work experiences and education. However, in an analysis by Ford and Richardson (1994) of a series of eight studies, only three found a significant relationship between older and younger respondents and their ethical beliefs. Further, Ford and Richardson summarize that only in some of their studies did personal attributes relate to an individual's ethical beliefs and decision-making. In a subsequent study by Armon and Dawson (1997), the relationship between age and development was not significant. On the other hand, Mujtaba (1996), based on a study of 702 respondents from retail management and non-management employees in Central Florida, asserts that age does have a positive effect on moral development if ethical education and training occur simultaneously. The purpose of this research is to determine if age is a more important factor than training on moral maturity.

Research Methodology

The sample population for this study consists of finance and accounting students, many of whom attend school at night and are working adults, and thus are considered to be professionals. Moreover, an analysis of the potential dispersed surveys by location is as follows: 25 from Florida, 25 from Northern Virginia, and 250 from Northern Delaware. Participants from the undergraduate and graduate levels were given the Defining Issues Test (DIT) to complete.

In the 1970's, moral data from participants was gathered by an interview process that was long and arduous (Rest & Narvaez, 1994). Rest worked with Kohlberg to develop a method to access moral reasoning without relying on the participants' verbal skills (Rest et al., 1999). The result is a test that contains six hypothetical dilemmas, or as used in this study, the abbreviated form of the test that uses three dilemmas. Researchers can choose either version to determine an individual's moral reasoning skills. Using a multiple-choice test format, the participant will rate and rank the dilemma questions in terms of their decision-making importance; data is then computer scored (Rest et al., 1999).

Rather than the scoring process classifying responses into Kohlberg's six stages, the DIT analyzes responses as activating three schemas. The scores represent the degree to which a participant uses the personal interest schema, the maintaining norms schema, or the post-conventional schema (Rest, 1993). The schemas are closely related to Kohlberg's stages. Like Kohlberg's theory, the schema scores allege to measure developmental adequacy - how one conceptualizes how it is possible to organize cooperation in a society. Simply stated, the DIT measures the development of concepts of social justice and elicits the person's concept of justice and fairness (Rest, 1993).

Ratings and rankings of the scores are used to derive a participant's final score. The P score is the index used most often. This score is a weighted sum of ranks for the post-conventional scores, derived from Kohlberg's stages 5 and 6. The P score is interpreted as the degree to which the participants think moral considerations are important (Rest et al., 1999). For example, the average P scores for Junior High students are in the 20s, the average P scores for Senior High students are in the 30s, the average P scores for College students are in the 40s, the average P scores for Graduate students are in the 50s, and Moral Philosophers average a P score in the 60s (Rest, 1993).

This study uses the three-story DIT. Over 25 years have passed since the DIT was designed (Rest, Thoma, & Edwards, 1997), establishing reliability, and validity (Elm & Weber, 1994). Depending on whether the researcher uses the shorter version DIT or the original DIT, numerous studies have reported reliabilities in the 0.70 to 0.80 range (Elm & Weber, 1994). The three stories in the short form, Heinz, Prisoner, and Newspaper, have the highest reliability of any three-story set out of the possible six-story set. The P score from the short version matched the P score of the six-story version using two different samples, and further has the same properties as the six-story form (Rest, 1993).

One reason the DIT continues to be used in moral development research is that it explores implicit processes and tacit knowledge on human decision-making. Moreover, the DIT is equally valid for males and females (Rest & Narvaez, 1998). Ponemon (1992, 1993) used the DIT to research ethics and reasoning in the accounting field. Additionally, DIT survey data was used in a similar study on accounting education and ethical development (Ponemon & Glazer 1990). Lastly, the prevalent use of the DIT in the literature as a valid and reliable instrument is shown by the research of Rest (1986) and Rest and Narvaez (1994) in the field of moral development and theory.

Test Instrument

The three-story form of the DIT used as the test instrument has been the measurement instrument for many studies (Rest et al., 1997). The three-story version takes approximately 20 minutes to complete. The survey comes in two parts: the

booklet with instructions and stories, and the computer scored form for penciling in the answer. The survey has three parts: it asks the subject what they would do, it asks how important the 12 given statements in their decision-making are, and it asks the subject to rank the 4 statements most important to them. Contained in the cover letter was a demographic questionnaire, which asks for data that includes age group, if participant had ethics training as part of a corporate/professional program or academic program. The cover letter is pre-assigned with a unique five-digit number to ensure that the DIT score is matched with the demographic scores.

Data Scoring

The Center for the Study of Ethical Development at the University of Minnesota mailed the three-story DIT scoring results. The DIT data analysis is provided on a floppy diskette and a printed report. The floppy diskette contains the raw data for use in SPSS while the report summarizes the data by variable.

Data Gathering

In Delaware, the author distributed surveys as well as teachers. In Florida teachers distributed the surveys and once mailed to Virginia, teachers there handed out surveys to the students.

The results indicate DIT data, scores for each of the participants, and if the ID's exceeded the Meaningless Items (M) score check. The check for consistency indicates missing data and also declares that survey result unreliable. Furthermore, included is a report that provides summary statistics, means, and standard deviations for each variable. The P score and N2 score for each individual is reported as well. The results of the mean P score and N2 score on the Defining Issues Test indicate the ethical reasoning abilities and level of moral maturity of finance and accounting professionals.

Table 1 contains the descriptive statistics of the P score by variable. The P score, converted to a percent, can range from 0 to 95. Reported DIT analysis uses the P score, the number which most research analyses is based (Rest, 1998). The P score is the relative importance that subjects give to moral concerns indicated with stage 5 and stage 6. Stage 5 and stage 6 are the highest; accordingly, the P score is the degree a person's thinking matches that of moral philosophers (Rest, 1998). These two stages are combined because they are similar. Recently, the Center for the Study of Ethical Development created a new index called the "N2" score, which is highly correlated with the P score.

Table 1 also contains descriptive statistics of the N2 score by variable. N2 scores contain two parts and are almost identical to the P score (Rest, 1998). The first part of the N2 score represents the degree to which Post-Conventional items receive higher ratings (higher stage responses), and the second part is the degree to which Personal Interest items (lower stage items) receive lower ratings. "The N2 score is nested within a series of summary scores that begins with the P score, then in order: Stage23, Stage4p, N2raw and finally N2score" (S. Thoma, personal communication, 2006). The raw data contains several variables listed as N2, however N2score is the one to use for analysis (S. Thoma, personal communication,, April 4, 2006). "N2raw" is an intermediate variable that forms the basis of the N2score, but is not typically used. There are also "story N2" scores that are sometimes used to assess internal consistency (S. Thoma, personal communication, 2006).

Tests of moral judgment give a "window" into the reasoning process a person uses to arrive at a judgment of moral behavior. Important to note is moral judgment research does not indicate the sensitivity of a person to notice or identify a moral issue (Rest, 1993). Research cannot explain the course of action a person would choose (Rest, 1993). It does explain why certain people believe one action is right, and another person believes the same action is wrong (Rest, 1993).

Results

Table 1: Descriptive Statistics of the P Score and N2 Score by Variable

		P score			N 2 score		
		mean	sd	n	mean	sd	n
All		25.56	13.63	113	22.21	7.04	113
Gender	Female	25.93	12.71	58	21.78	7.10	58
	Male	25.17	14.64	55	22.68	7.02	55
Profession	Finance	23.15	13.77	57	21.36	7.22	57
	Accounting	28.02	13.15	56	23.09	6.81	56
Age	35 or under	24.55	13.85	91	21.38	7.12	91
	Older than 35	29.76	12.07	22	25.66	5.66	22
Ethics	Taken	25.67	13.76	98	22.23	7.09	98
	Not taken	24.88	13.14	6	22.10	6.93	9

The independent-samples t test compares the means of two samples for training. An independent-samples t test comparing the P score of the subjects who took a course or training on ethics and those who did not was calculated. No significant difference was found between the means of the two groups ($t(111) = 0.206$, $p > .05$). The mean of the trained group was not significantly higher ($m = 25.67$, $sd = 13.76$) than the mean of the untrained group ($m = 24.88$, $sd = 13.14$).

- An independent-samples t test comparing the N2score of the subjects who took a course or training on ethics and those who did not was calculated. No significant difference was found between the means of the two groups ($t(111) = 0.070$, $p > .05$). The mean of the trained group was not

significantly higher (m = 22.23, sd = 7.09) than the mean of the untrained group (m = 22.10, sd = 6.93). In this study, no significant differences on P score and N2score were found between subjects that had training and those who did not.

The independent-samples t test compares the means of two samples for Age. An independent-samples t test comparing the P score of the subjects 35 year-old or under and the subjects older than 35 was calculated. No significant difference was found between the means of the two groups ($t(111) = 1.62$, $p > .05$). The mean of the younger group was not significantly lower (m = 24.55, sd = 13.85) than the mean of the older group (m = 29.76, sd = 12.07).

- An independent-samples t test comparing the N2score of the subjects 35 year-old or under and the subjects older than 35 found a significant difference between the means of the two groups ($t(111) = 2.76$, $p < .05$). The mean of the younger group was significantly lower (m = 21.38, sd = 7.12) than the mean of the older group (m = 25.66, sd = 5.66). In this study, significant differences on N2score were found between the subjects 35 years-old or under and the subjects older than 35.

Results support age being more a factor than training on moral maturity. This result is consistent with current research.

Conclusion

The results of this study indicate that age is a more important factor than training on moral maturity using N2. Moral maturity is explained as the degree to which we think moral considerations are important. These results agree with research on age having a positive effect on moral development.

For over 20 years DIT research has used the P index; however P does not use all the data collected. More recently, a search for a better method of measuring development in moral judgment has resulted in the N2 index. An index is the overall score by which a participant is characterized, it is the number used to represent a participant's development. According to Rest, Thoma, Narvaez and Bebeau (1997) researchers using N2 will find better trends in their studies. Specifically, Rest et al. (1997) explain the N2 uses more information than P. N2 uses both ranking and rating data, which increases accuracy.

Discussion and Limitations

Sarbanes- Oxley has set in motion the importance of maintaining a high level of ethical behavior in a corporation. Previous studies have shown building values and ethics into the organization is achieved through a continuous process of making decisions that add to the ethical framework of the organization (Joyner, Payne, & Raiborn, 2002). Sarbanes-Oxley has forced the hand of corporations to uphold ethical behavior. Training and educational programs are needed to instill the kind of behaviors that support business environments where integrity is the norm across the organization.

There are certain limitations of this research. The sample size was limited to 116 surveys of finance and accounting professionals. Thus, the research findings may not represent the total population of finance and accounting professionals. In addition, those trained on ethics is greater and the sample size for those age 35 and under is greater. Further, participants were surveyed only at selected geographic areas as well as at selected university and college locations. This could be a limitation even though the sample was diverse.

Implications for Practice

As managers get older, they become more ethical which has implications for the younger staff members. The younger professional entering the work force can benefit from ethics training as training adults in ethical decision-making has been shown to have a positive affect on the individual's reasoning process (Mujtaba, 1996). In addition, continuous ethics training through out the adult years would be warranted to maintain a strong ethical outlook.

Directions for Future Research

Beyond expanding the sampling population, future research may want more detailed data, using other statistical models which will enable us to identify antecedents for effective training programs. For example, we need to understand the format for influencing values and whether emotional and cognitive elements are included. Future research could look at the training room setting versus the online format in the business setting and whether the length of the training makes a significant difference. Research could determine if there is a particular ethics program that achieves higher scores for ethical behavior. This would be important for other educational programs to incorporate. Lastly, the sampling population could include demographic questions to capture culture or nationality impact on ethical behavior.

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Donna Galla received her Ph.D. in business administration with a specialty in finance from Nova Southeastern University. Her financial and card services career includes working with operational and technology teams internationally for Citibank, JP Morgan Chase, and Bank of America. She has published in the proceedings with the Southern Management Association.

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