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The answer is blowing in the wind : exploring environmental factors in the Icelandic business ethics education

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THE ANSWER IS BLOWING IN THE WIND. EXPLORING ENVIRONMENTAL FACTORS IN THE ICELANDIC BUSINESS ETHICS EDUCATION.

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Abstract

In close connection with the last global crisis, public debate on business ethics has intensified worldwide, particularly in apparently ethics-friendly environments such as Iceland because of political and corruption scandals. In this context, concern is increasing for enhancing business ethics in higher education curricula to improve ethical behavior of future business people. In this study, from a sample of 138 students of several Masters in Business Administration in an Icelandic university, the importance of Business Ethics is investigated. The aim of this paper is examining students' overall perceptions of business ethics in friendly environments and, specifically, their views on the importance and objectives of Business Ethics Education. Our results show no significant (or weak) differences among students depending on individual and organizational factors. In comparison to the academic literature, this particularity can be due to environmental factors. Thus, ethics-friendly environments can be treated as contexts where general trends on students' ethical attitudes are clearly visible. This fact places ethics-friendly environments as crucial research settings for further inquiring into the nuances that help explain students' attitudes towards Business Ethics and the role of ethics courses in Masters in Business Administration curricula.

Keywords: Business ethics, higher education, Students' perceptions, Ethics teaching, Ethics-friendly environments, Corruption.

Introduction

During the past decade, the financial crisis and several scandals have evidenced cases of malpractices in the Icelandic society (The Guardian, 2013; Time, 2016). The global crisis uncovered many scandals like these worldwide. However, Iceland represents a singular context of interest, because its cultural background and particular manner to face the financial crisis.

According to Transparency International (2018), Iceland has been ranking from the least corrupt in the world (in 2005 and 2006) and fallen to the 14th place (in 2016) on the Corruption Perception Index (CPI), where 180 countries were rated in the latest edition in 2017. It is worthwhile emphasizing that the worst positions of Iceland in the whole CPI history since its first edition in 1995 have been just achieved in the latest three CPI rankings 13th in 2015 and 2017 and 14th in 2014 (Transparency International, 2018). This position pushes Iceland into the best-performing tier among advanced democracies in terms of corruption, but the trend is decreasing since the global crisis and it's the worst behavior within the Scandinavian countries.

The kind of setting can be regarded as an ethics-friendly environment (Tormo-Carbó et al, 2016). Focusing on the implications for Business Ethics, our understanding of the concept and meaning of ethics-friendly environments combines social and political (general) aspects of ethical behavior (Coicaud and Warner, 2001) with failures to meet decent standards of workplace ethics (Lafer, 2005). An ethical work climate can be identified by a prevailing perception that the typical organizational practices and procedures observe ethical behavior in the workplace (Victor and Cullen, 1998). Accordingly, an ethics-friendly environment can be defined as the general perception that ethics is relevant as a social value, do not allow the impunity that often follows fraud, corruption and malpractice observed in managers and public officials. Hence, a fundamental social assumption in ethics-friendly environments is that ethical behavior is worthwhile, and its inobservance is likely to be fairly punished.

On the other hand, Business Ethics Education is receiving attention in the current context of an increasing interest by both academic and practitioner communities (Harris, 2008; Lehnert, 2015; Loeb, 1988; Maclagan & Campbell, 2011; Marnburg, 2003; Tormo-Carbó et al., 2016). Although standards and regulations can contribute to reduce the risks of unethical business practice, the most effective way to achieve this goal would be to develop business practitioners' ability to think and behave ethically (Bampton & Cowton, 2013).

Future behavior of managers may be significantly influenced by previous business ethics teaching at university (Bampton & Cowton 2013). For instance, to prevent financial malpractices, financial companies wish will prefer to hire job applicants with high ethical awareness (Graham, 2012). If the main goal of business ethics education is to improve behavior of future managers, and taking into account that research results are so far rather inconclusive, it is useful to observe how students respond to business ethics education (Marnburg, 2003).

The aim of this paper is to assess business students' overall perceptions of business ethics in friendly environments and their views on the importance and goals of Business Ethics Education. In addition, to investigate whether differences in such perceptions depend on previous exposure to business ethics courses, gender, age and work experience of students. Accordingly, we formulate the following research questions: What are postgraduate business students' views on the importance and goals of Business Ethics education? Are there significant differences in students' perceptions of business ethics, and also in their views on the importance and goals of Business Ethics education, depending on students' previous enrolment in business ethics courses, gender, age and work experience?

Furthermore, in order to scrutinize data truthfulness, and following recent calls for paying attention to the impact of social desirability (SD) bias on subject responses in ethics research (Lehnert et al., 2015), we include SD as a control variable (Crowne & Marlowe, 1960; Strahan

& Gerbasi, 1972). Data were collected with a survey completed by 138 students of the Master's degrees in Business at a university in Iceland. A number of descriptive statistics, multivariate analyses based on linear regressions, and other quantitative analyses, were used to explore the above research question and, more specifically, to test our hypotheses.

After this introduction, the next section includes an overview of prior research on business ethics in higher education. The third section is devoted to outlining the Icelandic context – framed as a friendly environment – regarding social perceptions and attitudes towards business (ethics). The fourth section presents the research model and hypotheses. The fifth section is devoted to explaining data collection and measures. The sixth section explains the study results. A final conclusion section closes the paper.

Teaching Business Ethics in Higher Education

Business ethics education is a timely research topic (Mayhew & Murphy, 2009; Tormo-Carbó et al., 2016). Academics usually made Business Education research from three different perspectives: so called 'individual level', 'department or university level' and 'environmental level'. The individual level has been widely investigated. Trevino (1986) suggested that the personal stage of cognitive moral development will influence decision making aimed at dealing with ethical dilemmas (Kohlberg, 1969). Accordingly, individual behavior is the result of processes of decision making, which progress throughout different stages, from moral awareness, judgement and intention, towards actual behavior (Rest, 1986). In the educational context, Perry's (1998) consider the changes in students' understanding as an evolutionary process, whereby students increase their understanding through time, by reflecting on the diversity of world's views, and increasing the abilities that allow them to understand and interpret different ways of reasoning in diverse contexts. These models emphasize similar

dynamics whereby the moral judgment, intention, and eventually actual behavior comprise a dynamic cause-effect chain, according to which current behavioral consequences are the starting point for future ethical decision-making processes (Jones, 1991).

On the other hand, the relevance of the departments and the university is growing in the literature (Blanthorne et al., 2007; Macfarlane & Ottewill, 2004; Madison & Schmidt, 2006; Tomo-Carbó et al., 2016). Regarding business ethics learning, Bampton & MacLagan (2005) considered essential to have in mind the point of view of scholars, managers, and also students. Most ethics education research focuses on the perception of educators towards ethics education effectiveness, and some have researched managers' perspective (Sigurjonsson et al, 2014). However, few research considers students' perspective to learn ethics. Indeed, understanding this perspective could help the learning process (Duff, 2004).

The extant literature has pointed at the variety of instruction methods as a relevant aspect in influencing students' perceptions of business (ethics) teaching. Waples et al. (2009) examined several ethics courses characteristics, concluding that shorter-length workshops using case-based approaches, multiple activities, and focusing on ethical rules, principles, guidelines and strategies, were then most effective approaches. Later on, Medeiros et al.'s (2017) found that course designers should limit course objectives to a maximum of three, and key topics between four and seven. They also found that students' active participation, through e.g. presentations and class discussions, considerably improves business ethics course effectiveness. Moreover, stand-alone, workshop-based training lasting around one day proved more effective than integrated and semester-long training (Medeiros et al., 2017).

Finally, little research has been developed regarding Environmental determinants of business ethical behavior (Tormo-Carbó et al., 2016). Nevertheless, authors such as St. Pierre et al. (1990), Ponemon (1993) or Lampe (1996) did not find significant differences between

levels of moral development after ethical interventions. Therefore, moral reasoning could be defined by other factors, such as the environment (not only the interventions).

Generally speaking, the academic literature has considered ethics teaching relevant by management students and Business Ethics programs have improved considerably since 2007 (Watts et al., 2017). Different studies have supported this idea, in the sense that students' views on ethics training programs are usually positive, and students who follow those programs tend to improve aspects of their ethical perceptions and awareness (see e.g., Adkins & Radtke 2004; Crane, 2004; Graham, 2012; Tormo-Carbó et al., 2016).

In any case, all of the above considerations must be taken with caution. Given the delicate nature of ethics research, it is important to consider the potential effect of the so-called Social Desirability (SD) bias (Crowne & Marlowe, 1960; Lehnert et al., 2015) – i.e. the extent to which respondents may give answers that the researcher expects to be 'correct' instead of responding with honesty (Auger & Devinney, 2007). In Randall and Fernandes's (1991, p. 805) words, SD 'is broadly understood as the tendency of individuals to deny socially undesirable traits and behaviors and to admit socially desirable ones'. Including SD in ethics education research designs strengthens data robustness, as doing so provides a rigorous tool for assessing truthfulness of responses. However, SD issues, traditionally neglected in research on ethics education (Randall & Fernandes, 1991), have been increasingly considered in the past years, in line with the recommendations of recent contributions (see e.g., Lehnert et al., 2015). We will include this question in our work, treating SD as a control variable – as scarce although relevant organizational research has previously done (e.g., Valentine & Hollingworth, 2012).

Business Ethics and Higher Education: the Icelandic context

In Iceland there are four business schools. Two of them are old establishments with history

and culture where the two others are less than twenty years old. Business ethics was not a core course in any of these universities, neither at a graduate nor undergraduate level, before the 2008 financial crisis. Following the collapse Reykjavik University (RU) made an elective course on business ethics in the undergraduate study a core course. RU has also established a core course on business ethics in its flagship MBA program. University of Akureyri shortly following the crisis began providing a course on business ethics in its continuous education program. It was although not a part of its undergraduate program in business. Bifröst, which is the third university, did not changed its ways of teaching and offered both before and after the crisis a course that partially covers business ethics, a course named sustainable business. University of Iceland is the fourth university and it did not offer a course on business ethics, either before or after the crisis. It becomes apparent that not much activity has taken place before or after the 2008 event when it comes to business ethics education in Iceland. The topic itself, however, is drawing much interest on the part of general public in and outside of Iceland, and it is time to explore different ways in which business schools can contribute to developing ethical behavior of their students.

When assessing the culture in Iceland by applying Hofstede's cultural dimensions (Hofstede 2019), it can be seen that it rests on the Nordic countries' historical foundations and is under influence from US culture. In Iceland the power distance index (PDI) score measures very low, meaning that the Icelandic people have a strong attitude towards equality of power, and at the same time expect that the individuals are responsible for their actions and decision making. The score for the individualism index (IDV) is towards the higher end, which resembles the situation in the other Nordic countries. This results in a higher weight being put on the closer family and friends, above other relationships. The third measure, which is the masculinity index (MAS), comes out in Iceland as very low. This implies high emphasis on caring for others, gender equality and quality of life. Finally, Iceland's uncertainty avoidance

index (UAI) is on the low side and directs more towards the US than the Nordic countries. This means that Icelanders are less hesitant to take risks in their decisions and actions than people in the other Nordic countries. Furthermore, the Icelandic culture seems to be pragmatic, but the long term orientation (LTO) score is low. There therefore is a focus on scheduling but planning is not necessarily for the long term. There is a high will towards new ideas and creativity in conducting new things. Traditions are therefore not necessarily respected nor a big appraisal for the long term view, but rather the short term result applauded. The indulgence index (IND) dimension scores as high, thereby indicating lesser control of desires and impulses, with a tendency towards optimism and focus on enjoying life and having fun (Arnardottir and Sigurjonsson, 2017; Hofstede, 2019; Sigurjonsson et. al., 2015).

There are eight MSc programs at Reykjavik University and one executive MBA program. In the MBA program there is a mandatory 5.5 ECTS units business ethics course given in the second year of the two-year program. In the MSc programs, there is as well obligatory business ethics course of 3.5 ECTS units. Due to restructuring in the MS programs it varies whether students have completed the ethics course or not, depending on whether they just started their studies or not. Same instructor is responsible for both MS level ethics courses, MBA and MSc. The MBA ethics course is though more extensive and co-taught with a visiting professor from BI business school in Oslo.

Model and Hypotheses

Building on the literature review, we now proceed to present our research questions:

- *Are there significant differences in business students' understanding of the importance of business ethics and its educational goals, depending on their gender, age and work experience?*

- *To what extent and how do business ethics courses influence management students' understanding of the importance of business ethics and its educational goals?*

Accordingly, in our model, business students' ethical understanding (i.e. perceptions of the importance of a number of ethical issues), as the broader dependent variables, will be linked to three sets of independent variables: gender, age and work experience (H1). On the other hand, we will test the business students' ethical understanding linked to the exposure to business ethics courses (H2).

Individual Level: Gender, age and work experience of students

Men and women tend to behave according to socially expected roles and stereotypes (Eagly, 1987). Men are expected to focus on assertion, ambition, competitive success, and personal growth, thus being more likely to behave unethically than women. Conversely, women are socialized in more communitarian principles (altruism) so they are generally more concerned about harmony, warmth, and caring for others' well-being (Pan & Sparks, 2012). Therefore, a more pronounced short-term and result orientation typical of men can lead to more selfish decisions and behavior compared to women. Women, in turn, are expected to care more about how their actions may have long-term consequences and impact on others. After over 35 years of research, empirical results on gender differences in ethical decision-making were still rather mixed a decade ago (Tenbrunsel & Smith-Crowe, 2008). Relevant literature reviews, such as those by O'Fallon & Butterfield (2005) and Craft (2013) also found a high range of results, although the most common significant results were those indicating that women showed more ethical predispositions than men. These outcomes have been corroborated on business students (Adkins & Radtke, 2004; Nguyen et al., 2013; Tormo-Carbó et al., 2016).

About the age of individuals, it is usually presumed that, as people become older, their understanding of ethical issues improves (Kohlberg 1969), as well as their ethical reasoning

(Bernardi & Bean, 2010). Theoretical consensus support the belief that age improves one's skills to apply pertinent ethical standards, which in turn produces more disapproving views of ethical lapses (Pan & Sparks, 2012). As for empirical evidence, the general outlook is that results are rather inconclusive (Eweje & Brunton, 2010; Lehnert et al., 2015), although slightly inclined towards a positive relation between age and ethical awareness. Other studies found that younger people reduce stricter ethical judgments than older people (Ede et al., 2000). However, most research has found that ethical awareness rises with age (Kish-Gephart et al., 2010). Generally, literature has also evidenced that older business students show a higher ethical awareness than younger ones (Adkins & Radtke, 2004; Nguyen et al., 2013; Tormo-Carbó et al., 2016).

In addition to gender and age, work experience also is a significant explanatory variable for understanding student responses to ethics education (Cohen et al., 2001; Cole & Smith, 1996). Some findings reveal that older students – with work experience – are more dissatisfied with ethical education than those without work experience (Gómez et al., 2010). Therefore, older and more work experienced students may place higher expectations on ethics courses and may also get more easily disappointed by them, especially if the course contents and approach does not fit the specific work-related issues and dilemmas on which the students have prior experience. Consistent with this idea, a number of studies have shown that students are more likely to admit questionable ethical statements than business people (Cole & Smith, 1996).

Having in mind the above arguments, we formulate our first hypothesis:

- *Hypothesis 1 (H1). Gender, age and work experience influence business students' ethical understanding, in such a way that female, older and more work experienced students will show a greater perception of the importance of a number of (i) general ethics issues and (ii) objectives of business ethics education.*

Department/University Level: Ethics course vs. non-course students

Ethics Education at university has been generally regarded as important by the empirical literature (Adkins & Radtke, 2004; Graham, 2012; Tormo-Carbó et al., 2016). The need of considering the viewpoints of students, scholars, and business professionals alike had been stressed (Bampton & MacLagan, 2005). Nevertheless, the actual impact of business education in fostering ethical awareness among students has been questioned (Ferguson et al., 2011). Hence, it is key to assess the extent to which business ethics courses affect students' ethical understanding – as a way to predict ethically-minded future professional behavior.

Analysis on the effect of education on ethical awareness or behavior have produced mixed results (Neureuther et al., 2011). Some studies could not conclusively demonstrate that (business) ethics education had a significant effect on student perceptions of ethical behavior (Low et al., 2008). Even so, Nguyen et al. (2008) found out that ethics learning significantly predicted ethical behavioral intent, and students believed that it was still important to have ethics education in their curricula (Low et al. 2008). However, a meta-analysis by Waples et al. (2009) on 25 programs on business ethics training, concluded that these programs had a very limited effect on the improvement of ethical awareness, perceptions or behavior. In this sense, it is argued that ethics courses often tend to be too abstract, thus failing to impact profoundly on the social conditioning of business students (O'Fallon & Butterfield, 2005).

Hence, we propose our second hypothesis:

- *Hypothesis 2 (H2). Exposure to business ethics courses positively influences business students' ethical understanding, in terms of a greater perception of the importance of a number of (i) general ethics issues and (ii) objectives of business ethics education.*

Environmental level: Corruption, Social Desirability and Social Norms.

The concept 'Corruption' is inherently multidimensional, capturing everything from bribery to extortion, from nepotism to embezzlement (Truex, 2011), and it has evolved in line with social changes. OECD used a definition covering a broad range of corrupt activities: "Abuse of public or private office for personal gain" (Vaiman et al., 2011), but there is no consensus about the question. Plato, Aristotle, and Machiavelli mentioned corruption to make reference to the moral health of society, and more specifically about the distribution of wealth and power, the sources of power and the moral rights of rulers (Vaiman et al., 2011). This definition is more focused on individual behaviors rather than the moral fiber of society (Johnston, 1996). All in all, these definitions refer to terms subject to cultural variations (legal and moral norms are not the same across the world). Therefore, the meaning of corruption will differ depending on the laws, traditions, cultures and other norms.

On the other hand, beyond the definition of corruption, another problem in the literature is measuring the level of corruption in a given country. There are two general methods to measure corruption in a country. Firstly, through a corruption level indicator, based on written documents (press reports, judicial records or records from anti-corruption agencies). Secondly, by means of public surveys like the "Corruption Acceptance Survey" (CAS) or the Transparency International CPI. However, Golden and Picci (2005) criticized that the reliability of the information is significantly unknown.

The emergence of several perceptions-based indices, different studies have used cross-national analysis to isolate the determinants associated with lower levels of corruption, such as 'level of education' (Hauk & Marti, 2002), 'political competition' (Montinola & Jackman, 2002), 'female representation in government' (Swamy et al., 2001), 'Protestant traditions', 'histories of British Rule', 'federalism', 'exposure to democracy' (Treisman, 2000), 'low barriers to market entry' (Broadman & Recanatini, 1999), 'trade openness' (Ades & Di Tella, 1999),

‘merit-based recruitment’ (Evans & Rauch, 2000), and ‘high public wages’ (van Rijckegehem & Weder, 2001).

Corruption is perpetuated by social norms (Truex, 2011) and these are a powerful determinant of behaviors (Cialdini, Reno & Kallgren, 1990), guiding them in ambiguous situations and providing more expectable responses. Social norms also simplify positive relations, protecting valued entities or ideas. Social norms are perpetuated in a variety of ways, such as socialization (through parents, teachers, etc.; Hoffman, 1970), appeals from officials (politicians, priests, etc.), observational learning (Bandura, 1976), and social control.

Countries differ in the extent to which they endorse collectivistic or individualistic values (Hofstede, 2019). People in collectivistic cultures tend to have a more interdependent definition of the self and feel more interconnected with others (Triandis, 2001).

Corrupt actors weigh their benefits against its costs (Goel & Rich, 1989), and a personal and social acceptance of corruption reduces those costs. If citizens do not view corruption with disdain, the moral costs of behaving corruptly are reduced (Truex, 2011). Thus, Miller (2006) found that accepting attitudes reduce the real costs of corruption, namely the likelihood of detection and punishment. Consequently, “corruption norms” are perpetuated because the behaviors deemed legally and officially corrupt are often justified by social practices.

Methodology, Data Collection and Measures

Participants and procedure

An empirical research was conducted by sending an online survey to second year students at Reykjavik University attending one of the MSc programs in Business or an executive MBA program. These programs are of interest in the context of business ethics education where many

second year graduate students have experienced business ethics course(s) in their studies. After structuring and pilot testing the questionnaire, which assessed the length and clarity of content, a verbal introduction was made directly to all the students in class. Then they were provided with a link to an online survey. Participation was voluntary and anonymous. All students replied to the questionnaire during class time, while the researchers were present, in order to be able to answer possible questions from students. The questionnaire was in English. The survey was conducted between October and November 2018, and out of the 170 people receiving the questionnaire 138 replied, giving a response rate of 81.2%. Due to missing values in some of the background questions, participant numbers vary slightly in the quantitative analysis. The sample characteristics (see Table 1) are comparable to those of the target population: sampling error of 3.63% with a confidence interval of 95% and $p/q=50/50$. Among the respondents, on average 47.1% are female and 44.9% male. The age average of the respondents 37.19 and the Standard Error is 8.98 years:

--- Insert table 1 around here ---

Measures and methodology

The questionnaire was divided into four main sections major sections. In addition, questions on demographic and course characteristics were collected. The first section of the questionnaire included seven questions on the ethics courses (EC) available (see appendix). We designed this section by adapting the questionnaire developed by Adkins and Radtke (2004), in turn adapted from Cohen & Pant (1989) and also used in other, recent studies (Tormo-Carbó et al., 2016).

The second section of the questionnaire included two types of items (which were in fact shuffled in the actual template filled in by respondents, see appendix). On the one hand, students evaluated their perceived importance of ethics in a number of general ethics issues:

dealing with business tasks, teaching business, personal decisions, and workplace decisions. On the other hand, students rated the importance of six potential objectives of business ethics education (objectives of education) related to business ethics courses. This second section was mostly adapted from Adkins & Radtke's proposal (2004), which was in turn based on earlier proposals by Callahan (1980) and Loeb (1988), and was also used in other studies (Geary & Sims, 1994; Graham, 2012; Tormo-Carbó et al., 2016). Items in this second part of the questionnaire were assessed through a seven-point Likert scale, whereby (1–'totally disagree'; 7–'totally agree').

The third section of the questionnaire consisted of a 10-item short version of the Marlow-Crowne Social Desirability scale (Crowne & Marlowe, 1960; Strahan & Gerbasi, 1972). This scale was included to control for potential SD bias. All questions were answered on a dichotomic scale (1. 'True'; 2. 'False').

Finally, demographic and course characteristics section measured students' demographic data. Among these data, gender and age stand out as key variables for hypotheses testing, being the independent variables in hypothesis 2. Gender is a dichotomic variable (0=female, and 1=male) and age and work experience are a continuous variable.

Results

In this section, a number of descriptive analyses are first carried out. Then, the two hypotheses are tested.

Descriptive analyses

Data resulting from the first section of the questionnaire – where students answered questions

on ethic courses at their university – were analyzed though descriptive statistics (Table 2).

From the total of 138 students who completed the questionnaire (Table 2), 60 students acknowledged having taken a business ethics course (43.5% of the sample, EC1). However, a substantial majority of students, 105 exactly, said that they had the willingness to enroll in an elective ethics course (76.1% of the sample, EC5). 88.4% of all students surveyed believed it is appropriate to have ethics courses offered in their degree (EC6), and 84.8% believed that such a course would help solve moral end ethics issues related to professional life (EC7). They believe that university ethics education will be effective for facing future business ethics challenges. In sum, the above figures are large and -in addition- they show many students who have not taken the course but are favorable intentions towards business ethics.

--- Insert Table 2 about here ---

Importance of general ethics issues and the objectives of Business Ethics Education

Table 3 shows our findings (Mean and Standard Error) for general ethics issues and for objectives of business ethics education items analyzed that revealed no significant differences in the assessments made by course students vs. those made by non-course students. However, in all the items, the group of students who have completed an ethics course have scored higher than those who have not. All means are well above the scale middle point (4), and all are above 5 (min: 5.48, max: 6.26).

--- Insert Table 3 about here ----

Hypotheses testing

Non-parametric statistical techniques for testing hypothesis 1 and group differences were applied, as severe non-normality in the distribution of all variables was found. Specifically, the

differences between course students' perceptions vs. those of non-course students were tested by using Mann-Whitney U tests (Table 4).

--- Insert Table 4 about here ---

Hypothesis 2 (H2) have been tested through multivariate analysis. Correlations between all the variables included in our hypotheses are presented in Table 5.

--- Insert Table 5 about here ---

Each of the 10 items on general ethics issues and objectives of business ethics education have been analyzed through linear regressions (Table 6) in order to test H1 and H2. Gender, age, and work experience, and course (students who have taken a previous business ethics course vs. those who have not), have been the explanatory variables included in these analyses. Work experience is not included in the regression analysis, as this variable is highly correlated with age. Social desirability was included as control variable.

Regression analysis results are mixed. As for the course independent variable, the fact of taking business ethics courses could not be related to more favorable students' perceptions of business ethics and more positive assessments of business ethics education due to overall positive view of all participants. Except for two items "Teaching business requires including ethical issues" and "Education in business ethics helps recognize issues in business that have ethical implications" where those who have completed an ethics course were significantly more in agreement with statement than those who have not completed a class. As a result, H2 is weakly accepted.

Regarding gender, out of the 10 sub-variables that define students' ethical understanding, only two of them, the "Teaching business requires including ethical issues" and "Education in business ethics helps recognize issues in business that have ethical implications", are

significantly higher in the case of female students.

Finally, only four items (out of 10) of students' ethical understanding showed significant positive links with age. Such items are "I consider ethical issues in my personal decisions", "I consider ethical issues in my workplace decisions", "Education in business ethics helps to develop personal moral obligations" and "Education in business ethics helps dealing with the uncertainties related to the professional life" are significantly higher in the case of older students. Considering these results, H1 can only be partially accepted.

Conclusions

Business Students in our Icelandic sample seem to be highly receptive to Ethics Education, showing a high value for that in their masters. Hence, the major part of students had the willingness to enroll in an ethics course, considered appropriate an ethics course and stated that Ethics courses solve moral and ethics issues at work. These results support previous studies' findings which include different types of countries schools, degrees and levels (Graham, 2012; Adkins and Radtke, 2004; Crane, 2004) and they are significantly higher than unfriendly ethics environments like Spain or Poland (Tormo-Carbó et al., 2016; 2017).

Regarding general ethics issues, the students' perceptions consider very important ethics in business community, business courses, personal decisions and decisions in the workplace (all means are above 6). On the other hand, we obtained the same response about objectives of business ethics education: students shared strong and positive expectations about these goals (all means are from 5.48 to 6.26). In addition, we did not find significant differences in the assessments made by course students vs. those made by non-course students, despite students who have did the course have scored higher than those who have not. Nevertheless, we have

to take into account that ethics course is mandatory at the target university, and maybe this fact affects students' interest, motivation and commitment towards the subject.

Regression analysis results are supported but weak. Regarding gender, in the major part of items, there is no significant effect on general ethics issues and objectives of business ethics education. Only "Teaching business requires including ethical issues" and "Education in business ethics helps recognize issues in business that have ethical implications" are significantly higher for female students.

For the other individual variable, the age of students, four items (out of 10) of students' ethical understanding showed significant positive links with age. Thus, items like "I consider ethical issues in my personal decisions", "I consider ethical issues in my workplace decisions", "Education in business ethics helps to develop personal moral obligations" and "Education in business ethics helps dealing with the uncertainties related to the professional life" are significantly higher in the case of older students. In this case, H1 can only be partially accepted.

Finally, for the course variable, taking business ethics courses could not be related to more favorable students' perceptions of business ethics and more positive valuations of business ethics education, except on two variables. As a result, H2 has been weakly accepted. These results may be indicative that, in an environment where ethics is highly considered, to enroll in an ethics courses do not influence their future decisions in the workplace and their overall professional responsibilities. There are other factors that affect individual intentions and behaviors. The answer seems to be in the 'wind', inside the business culture and Icelandic social norms.

All in all, our study helps extend prior research and add value to the literature regarding inquiry on students' perceptions of business ethics education. Interestingly, previously validated data collection methods have been applied to ethics-friendly environments, and

particularly to the relatively underexplored Icelandic context, also opening up interesting further inquiry opportunities. Opposite with previous research findings, female and older students do not (or weakly) show more ethical inclinations than, respectively, male and younger students. Thus, ethics-friendly environments can be treated as contexts where general trends on students' ethical attitudes are not clearly visible, and their conceptualization could be a future research avenue. Other further research opportunities can also be the relative effectiveness of different types of interventions on business ethics education (i.e. stand-alone courses, integrated in other courses, or a mix of both approaches) could be more thoroughly investigated, focusing on the impact of those interventions on students' ethical behavior. In this sense, longitudinal studies aimed at future business professionals (current students) would help assess the extent to which different goals have been (or not) achieved and in what way.

This study is not free of limitations, such as the nature of the students' sample, drawn from postgraduate business students of a single Icelandic university. These conditions limit the generalization of results to other institutions. The fact that the ethics course at the target university is mandatory may be another limitation.

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APPENDIX: QUESTIONNAIRE ITEMS

Section 1. Questions on ethics courses.

- EC1. Have you had any ethics course(s) at university?
- EC2. If yes, How many face to face ethics course(s) have you complete?
- EC3. If yes, How many online course(s) have you complete?
- EC4. How long ago did the latest one finish?
- EC5. If a business ethics course were offered as an elective course, would you enrol in it?
- EC6. Do you believe it is appropriate to have ethics course(a) in your degree?
- EC7. Do you think that having an ethics course in college would help you solve moral and ethics issues?

Section 2. Agreement with general ethics issues and of the objectives of business ethics education (Seven-point scale: 1. Totally disagree – 7. Totally agree).

- G1. Dealing with business tasks requires ethical behavior
- G2. Teaching business requires including ethical issues
- G3. I consider ethical issues in my personal decision
- G4. I consider ethical issues in my workplace decision
- E1. Education in Business Ethics relates business education to moral issues
- E2. Education in Business Ethics helps recognize issues in business that have ethical implications
- E3. Education in Business Ethics helps develop personal moral obligations
- E4. Education in Business Ethics helps develop the abilities needed to deal with ethical conflicts or dilemmas
- E5. Education in Business Ethics helps dealing with the uncertainties related to the professional life
- E6. Education in Business Ethics fosters change in ethical behavior

Tables

Table 1. Sample Characteristics

Gender		
n=138	Female	47.1%
	Male	44.9%
	No response	8.0%
Specialization		
n=138	MSC in Business Administration	21%
	MSC in International Business	3.6%
	MBA	57.2%
	No response	18.1%
Year		
n=138	1st year Master	39.9%
	2nd year Master	44.2%
	No response	15.9%
Nationality		
n=138	Iceland	73.8%
	Others	26.2%
	No response	
Age		
n=122	Mean=37.19	SE=8.98
Work Experience		
n=111	Mean=14.53	SE=8.90
Social Desirability		
n=138	Mean=5.28	SE=1.89

Table 2. Responses to questions on ethics courses (EC)

Items	Yes	No	No response
(EC1) Have you had any ethics course(s) at university? n=138	43.5%	53.6%	2.9%
(EC2) How many face to face ethics course(s) have you complete? n=56	1 course (78,6%) 2 courses (16,1%) >= 3 courses (5,3%)		
(EC3) How many online course(s) have you complete? n=8	1 course (75%) 2 courses (25%)		
(EC5) Willingness to enrol in ethics course (if elective) n=138	76.1%	15.2%	8.7%
(EC6) Appropriateness of ethics course in degree n=138	88.4%	2.9%	8.7%
(EC7) Ethics course help solve moral and ethics issues at work n=138	84.8%	5.1%	10.1%

* p<.05

**p<.01

Table 3. Results for general ethics issues and for objectives of business ethics education

Items	Mean	SE	Ethics Course (n=60)		Non-ethics course (n=74)	
			Mean	SE	Mean	SE
General ethics issues						
Dealing with business tasks requires ethical behavior (n=137)	6.34	0.958	6.48	0.725	6.28	1.041
Teaching business requires including ethical issues (n=134)	6.06	1.243	6.28	1.166	5.96	1.200
I consider ethical issues in my personal decisions (n=134)	6.21	1.012	6.33	0.774	6.18	1.112
I consider ethical issues in my workplace decisions (n=138)	6.12	1.065	6.32	0.813	6.03	1.182
Objectives of business ethics education						
Education in Business Ethics relates business education to moral issues (n=134)	5.77	1.182	5.93	1.219	5.69	1.129
Education in Business Ethics helps recognize issues in business that have ethical implications (=136)	6.26	0.880	6.40	0.741	6.16	0.972
Education in Business Ethics helps develop personal moral obligations (n=135)	5.80	1.183	5.97	1.104	5.71	1.215
Education in Business Ethics helps develop the abilities needed to deal with ethical conflicts or dilemmas (=135)	5.93	1.031	6.03	0.974	5.96	1.022
Education in Business Ethics helps dealing with the uncertainties related to the professional life (n=134)	5.48	1.267	5.65	1.191	5.37	1.323
Education in Business Ethics fosters change in ethical behavior (=135)	5.61	1.240	5.73	1.233	5.65	1.179

General ethics issues and Objectives of business ethics courses: Likert-type scale (1. Totally disagree ... 7. Totally agree).

Table 4. Mann-Whitney U test for general ethics issues and for the objectives of business ethics education

Items	<i>U test</i>	<i>P-value</i>
General ethics issues		
Dealing with business tasks requires ethical behavior (n=137)	2040.000	0.363
Teaching business requires including ethical issues (n=134)	1737.000	0.050*
I consider ethical issues in my personal decision (n=134)	2069.500	0.760
I consider ethical issues in my workplace decision (n=138)	1936.000	0.171
Objectives of business ethics education (OE)		
Education in Business Ethics relates business education to moral issues (n=134)	1814.000	0.128
Education in Business Ethics helps recognize issues in business that have ethical implication (n=136)	1941.500	0.220
Education in Business Ethics helps develop personal moral obligation (n=135)	1889.000	0.196
Education in Business Ethics helps develop the abilities needed to deal with ethical conflicts or dilemma (n=135)	2032.000	0.538
Education in Business Ethics helps dealing with the uncertainties related to the professional life (n=134)	1860.500	0.197
Education in Business Ethics fosters change in ethical behavior (n=135)	1956.000	0.334

* p<.05

**p<.01

General ethics issues and Objectives of business ethics courses: Likert-type scale (1. Totally disagree ... 7. Totally agree).

Table 5. Spearman correlation matrix

	G1	G2	G3	G4	E1	E2	E3	E4	E5	E6	Course	Gender	Age	Work Ex
G1. Dealing with business tasks requires ethical behavior (n=137)	1.000													
G2. Teaching business requires including ethical issue (n=134)	.480**	1.000												
G3. I consider ethical issues in my personal decisions (n=134)	.426**	.330**	1.000											
G4. I consider ethical issues in my workplace decisions (n=137)	.382**	.299**	.636**	1.000										
E1. Education in Business Ethics relates business education to moral issue(n=134)	.283**	.399**	.208*	.328**	1.000									
E2. Education in Business Ethics helps recognize issues in business that have ethical implications (n=136)	.347**	.384**	.203*	.256**	.410**	1.000								
E3. Education in Business Ethics helps develop personal moral obligation (n=135)	.303**	.430**	.274**	.374**	.336**	.362**	1.000							
E4. Education in Business Ethics helps develop the abilities needed to deal with ethical conflicts or dilemma (n=135)	.208*	.294**	0.152	.232**	.360**	.497**	.621**	1.000						
E5. Education in Business Ethics helps dealing with the uncertainties related to the professional life (n=134)	.317**	.333**	.212*	.426**	.372**	.316**	.572**	.501**	1.000					
E6. Education in Business Ethics fosters change in ethical behaviors (n=135)	.264**	.409**	.152	.213*	.428**	.467**	.586**	.628**	.499**	1.000				
Course (n=134)	.079	.172*	.027	.119	.133	.107	.113	.054	.113	.084	1.000			
Gender (n=127)	-.104	-.178*	-.038	.019	-.174	-.157	.057	-.108	.005	-.098	.025	1.000		
Age (n=122)	.119	.023	.215*	.123	.064	-.066	.223*	.118	.175	-.014	.071	.178*	1.000	
Work Experience (n=111)	.128	.047	.273**	.153	.033	-.068	.156	.037	.091	-.081	.011	.259**	.890**	1.000
Social Desirability (SD) n=137	.132	.036	.099	-.003	.014	.137	.119	.130	.009	.084	.066	.038	.232*	.239*

* p<.05 **p<.0

Note. Gender: 0=female; 1=male. Course: 0=students who have not previously taken a business ethics course; 1=students who have previously taken a business ethics course. Age: continuous variable. Work experience: Continuous variable. Social Desirability Bias (SDB): Continuous variable (1 to 10). Dependent variables (G1-G4 and E1-E6): Likert-type scale (1. Totally disagree ... 7. Totally agree).

Table 6. Multiple regression analyses for SD. course. gender and age

Items	Constant	SD	Course	Gender	Age
G1. Dealing with business tasks requires ethical behavior (n=137 R²=.063)					
B	5.551	0.049	0.222	-0.242	0.015
SBE	0.580	0.046	0.169	0.169	0.010
β		0.098	0.119	-0.131	0.147
G2. Teaching business requires including ethical issues (n=134 R²=.077)					
B	5.690	-0.028	0.377	-0.498	0.012
SBE	0.494	0.058	0.212	0.213	0.012
β		-0.045	0.161*	-0.214**	0.091
G3. I consider ethical issues in my personal decisions (n=134 R²=.078)					
B	5.093	0.052	0.116	-0.219	0.025
SBE	0.426	0.049	0.182	0.184	0.010
β		0.098	0.058	-0.110	0.228**
G4. I consider ethical issues in my workplace decisions (n=137 R²=.057)					
B	5.313	-0.026	0.284	0.060	0.023
SBE	0.460	0.054	0.197	0.198	0.011
β		-0.045	0.131	0.028	0.189**
E1. Education in Business Ethics relates business education to moral issues (n=134 R²=.043)					
B	5.638	-0.061	0.257	-0.311	0.015
SBE	0.513	0.060	0.221	0.222	0.013
β		-0.095	0.108	-0.131	0.111
E2. Education in Business Ethics helps recognize issues in business that have ethical implications (n=136 R²=.059)					
B	6.188	0.039	0.293	-0.286	-0.002
SBE	0.370	0.043	0.159	0.160	0.009
β		0.085	0.168*	-0.165*	-0.022
E3. Education in Business Ethics helps develop personal moral obligation (n=135 R²=.093)					
B	4.687	-0.020	0.237	-0.254	0.034
SBE	0.465	0.054	0.199	0.200	0.011
β		-0.034	0.107	-0.115	0.279***
E4. Education in Business Ethics helps develop the abilities needed to deal with ethical conflicts or dilemmas (n=135 R²=.042)					
B	5.357	0.024	0.190	-0.225	0.015
SBE	0.419	0.049	0.180	0.181	0.010
β		0.047	0.097	-0.116	0.136

Items	Constant	SD	Course	Gender	Age
E4. Education in Business Ethics helps develop the abilities needed to deal with ethical conflicts or dilemmas (n=135 R²=.042)					
B	5.287	0.024	-0.190	0.225	0.015
SBE	0.616	0.049	0.180	0.181	0.010
β		0.047	-0.097	0.116	0.136
E5. Education in Business Ethics helps dealing with the uncertainties related to the professional life (n=134 R²=.057)					
B	5.633	-0.103	-0.284	0.014	0.023
SBE	0.778	0.062	0.226	0.228	0.013
β		0.100	-0.115	0.006	0.169*
E6. Education in Business Ethics fosters change in ethical behavior (n=135 R²=.011)					
B	5.559	0.033	-0.128	0.165	-0.003
SBE	0.725	0.058	0.212	0.213	0.012
β		0.055	-0.056	0.073	-0.026

*p ≤ .1; **p ≤ .05; ***p ≤ .01

Note. Gender: 0=female; 1=male. Course: 0=students who have not previously taken a business ethics course; 1=students who have previously taken a business ethics course. Age: continuous variable. Social Desirability Bias (SDB): Continuous variable (1 to 10). Dependent variables (G1-G4 and E1-E6): Likert-type scale (1. Totally disagree ... 7. Totally agree).