TEACHING BUSINESS ETHICS TO POSTGRADUATES DOES IT MAKE A DIFFERENCE? AN AUSTRALIAN VIEWPOINT

Theodora Issa and David Pick
Curtin University - School of Management, Curtin University, Bentley, WA, Australia

ABSTRACT
There is a growing trend to increase business schools’ attention to teach business ethics, nonetheless, scholars continue to be at odds as to whether teaching business ethics, especially at the postgraduate level might help or even make a difference. Deriving from a quantitative core component with a qualitative supplementary component, the aim of this paper is to provide empirical evidence from Australia that teaching business ethics (BE567) to post graduate students makes a difference and in the long term generates a shift in students’ mind sets. Both qualitative and quantitative data were collected through different methods including questions at the beginning of the semester, reflection at the end of the semester with an informal feedback provided during the semester, which provide evidence of a shift in students’ mind sets. Nonetheless, this paper will derive from the anonymous teaching and unit evaluation system in use by Curtin University ‘eVALUate’ from 162 post graduate students of business ethics over five semesters in two different campuses. The analysis of this data suggests that there is an appreciation of the topic of business ethics at the postgraduate level making a difference and ultimately bringing in a shift in students’ mind sets. Through their evaluations of the unit and teaching, students highlighted the importance of such a unit, and how learning about issues of ethical nature is of importance to them personally and to businesses in general, which provides an assurance that the unit outcomes have been achieved in transforming students mind sets.

KEYWORDS
Teaching and learning, Business Ethics, post graduate, Australia, making a difference, shift of students’ mind sets,

1. INTRODUCTION
Well before the current Global Financial Crisis (GFC), as we witnessed the unprecedented misconduct and crime that pointed to new levels of selfishness, greed and dishonesty in business. Investigations in the corporate world were fierce; the policy makers rushed to change the rules to ensure more regulations are in place to safeguard the stakeholders from other similar events. Contemplating such drastic changes, Swanson and Frederick (2003) argued that business schools have not yet been investigated as possibly unwitting accomplices to corporate crimes. Swanson and Frederick (2003) conclude that this comes especially as the business schools graduates may reflect an approach to business education that elevates narrow self-interest above broader values of community and corporate citizenship.

In an attempt to find solutions to the problems facing the business schools, Swanson et al., (2007) propose solutions for business schools that moves them forward to become an integral part of the recovery. They suggest an outline that can be adopted by business schools that highlights the need to teach students narratives from the real world, and incorporate ethics in business and business in ethics. However, Milton-Smith (1997) concludes that while several ethic centres and prominent individual ethicists have introduced innovative programs and given ethical issues greater prominence in the media, narrow vocationalism still takes precedence over personal values in the business and management curriculum. In response to these issues, the business ethics curriculum at the Curtin University Business School has been reviewed to develop and facilitate a course (unit) that aims to equip students to deal ethically with the challenging, demanding and ever-changing business environment. This paper provides an Australian viewpoint on the impact of teaching business ethics at the postgraduate level, deriving from data collected through the Curtin University student evaluation system ‘eVALUate’.
2. LITERATURE REVIEW

Teaching business ethics continues to be a subject of debate amongst scholars as in the academic and business circles doubts are raised as to whether teaching such a unit would achieve any change in students’ attitude towards ethical issues and ultimately a shift in students’ mind sets, which underestimates the unit, raising objections to teaching business ethics in business schools. McDonald and Donleavy (1995) argue that the evidence to date suggests that courses can be a means of achieving ethical awareness and sensitivity in students although it should be recognized that significant objections to the teaching of business ethics do exist and greatly inhibit their successful introduction. McDonald and Donleavy conclude that there is a reason to overcome these objections if ethical programs are to continue in the future.

In the literature there are arguments that teaching business ethics is designed only for those who have interest in this topic area (Michalos, 1997). Cowton and Macfarlane (2002) posit that recent research provides a welcome indication that, although still on somewhat limited scale, the teaching of business ethics is on the increase in the UK. Cowton and Cummins (2003) contend that the challenge lies in identifying suitably qualified lecturers to teach business ethics. Cowton and Cummins (2003) also argue that although universities might be expected to aim to produce well-rounded graduates, there has been a perception that business schools have tended to take a narrow view of business studies, paying little attention to ethical issues. However, recently there have been some signs of change. Cowton and Cummins provide empirical evidence that change is witnessed stating that although provision of business ethics teaching is still on a limited scale, signs of growth are evident, with a significant proportion of institutions offering at least some business ethics teaching, either within a ‘mainstream’ subject or as a separate module. There also is a debate amongst scholars as to whether teaching business ethics to students would even make a difference. Sims (2004) argues that building an effective classroom learning environment requires business ethics teachers to pay particular attention to creating a classroom environment that values the ideas others have to offer through allowing and creating new kinds of conversation in their business ethics teaching efforts. Debate does not only focus on how to teach business ethics, but goes beyond to touch on the role of business schools in teaching business ethics, and what business school academics teach about management theories and the like that might encourage indecisiveness or unethical behaviour. In this respect Donaldson (2008) argues that education in ethical philosophy can lead managers to be indecisive, skeptical or to rationalize poor conduct. The ethics of academics become salient and lapses in them undercut their claims to authority. Currently, Langlois and Lapointe (2010) argue that university programs and curricula in educational administration and leadership became increasingly influenced by ethics, while in organizations ethics seem to be attached to mission, values, codes of conduct or ethics committees. Langlois and Lapointe (2010) conclude that it is no longer limited to individuals but to organizational change, change in structure and culture, with terms surfacing such as ethical governance, ethical organization and ethical school.

Sullivan (2010) argues that a decade of corporate scandals has highlighted a lack of ethical decision making skills among business leaders. Reasons for this deficiency vary from an absence of ethical teaching in the home to a failure of corporate culture. In an age where complexity and uncertainty are the rule rather than the exception, we, as tertiary educators, are charged with great responsibilities towards our communities and society. These responsibilities come in two fold: (a) support the corporate world in time of crisis, and, (b) prepare our students (the leaders of the future), for the aftermath of the Global Financial Crisis, or as Middleton and Porter (2009) posit, prepare students for the next downturn. This simply means that we, as part of the society, are faced with a set of ‘adaptive challenges’ rather than what we used to be faced with earlier ‘technical problems’. In this respect, Heifetz, Kania and Kramer (2009) identify the characteristics of these challenges: (1) challenge is complex, (2) answers are not known, (3) implementation requires learning, and, (4) stakeholders must create and implement the solution themselves.

Galbraith and Webb (2010) depict a depressing picture as a result of the devastation of the global economy contending that there is a serious ethical and moral decline, as evidenced by corporate scandals, accounting fraud, human trafficking and the rise of cheating and plagiarism in education systems amongst other scandals that touched several entities in different parts of the world. The lines between right and wrong have been blurred, relegating moral and ethical boundaries to outdated standards. In this respect, Langlois and Lapointe (2010) warn of simplifying issues by categorizing them as simply right or wrong, the reality is far more complex than that. Further, Galbraith and Webb (2010) contend that university students as future leaders may need more soft skills like empathy, self-knowledge and sound judgment, blended with technical
and quantitative skills. The lecturers teaching this unit at Curtin University were led by the saying of Richard Highfield (Boone, 2004 p. 8) ‘students should not be only looking for degree as it is a standard stamp of approval, and should not be only there to absorb what they are taught; to the contrary, students should use the tools provided to face the critical audience at the business level, and to be always proud to show their character, and as the opportunity rose’. This can only be achieved, if those students became aware of what business ethics entails and make the decision to act ethically.

3. METHODOLOGY

This analysis draws on data collected over the period 2007 to 2010 from the Curtin University ‘e-valuate’ student feedback system. According to Oliver et al. (2008) ‘evaluate’ prompts students to reflect on what helps their achievement of unit learning outcomes, and to report their levels of motivation, engagement and overall satisfaction with a semester-long course or unit of study.

3.1 Sample and Analysis

The number of students in this unit during the five semesters reported on came to 162 of which 28 were on Curtin’s offshore campuses. From the 162 some 83 students responded to the anonymous evaluation system providing an overall response rate of 51.2% which is higher than the average required by the University of 35%. The periods covered differ in a way that the material taught in semester 1, 2007 was different than the material taught in the other four semesters. A change in the curriculum was affected to incorporate more case studies, and the introduction of a textbook. In addition to this method of data collection, students were required during their first seminar, through ‘ice-breaker’ document to provide details about their knowledge of ethics, and an ethical dilemma amongst other questions that would allow the unit controller and lecturer to generate a students’ profile assessing students’ knowledge of business ethics. Further, students were required to provide informal feedback on the fourth week of the semester, and a written reflection in the final seminar on what they learnt during the semester. The ice-breaker and the reflection provide pointers to a shift in students’ mind set towards the topic of business ethics. However, due to the limitations of this paper, only the ‘eVALUate’ results will be discussed. Nonetheless it is worthwhile to note here that students moved from being totally unaware of ethical issues or ethical dilemmas at the beginning of the semester into providing a well thought off dilemmas with solutions in their final reflection at their final seminar of the semester.

4. RESULTS AND DISCUSSION

In the unit outline for this postgraduate business ethics unit, students are advised that on successful completion of this unit they will be able to: (1) demonstrate awareness and sensitivity to the importance of the ethical components inherent in management decision-making, (2) apply conceptual tools and frameworks for the critical analysis of business decision-making practices and policies, (3) apply the frameworks, perspectives and skills of critical analysis to contemporary business issues, and, (4) translate the theories, concepts and analytical techniques learned into practice.

This unit is hands-on and students are required to be engaged through being able to discuss and critically analyze case studies, and current affairs in light of ethical theories taught in this unit. Students examine ethical issues that arise within business management and they ask questions and discuss, in a critical way, ethical and moral dilemmas in business contexts. Opportunities are given to explore a wide range of contemporary case materials in which managers try to reconcile the many demands from a wide range of stakeholders each with their own perspectives. The unit aims to assist students to acquire and develop critical thinking skills required for the successful practice of business within the framework of societal values. These skills include the ability to perceive the ethical implications of a situation, engage in sound moral reasoning and develop practical problem solving strategies. It is delivered over twelve weeks in the form of a 3-hour weekly seminar. Starting with introduction to business ethics, the unit moves to discuss ethical issues in
business, ethical theories and how to use them. Acknowledging that individuals within organizations have a
major role to play, then the unit moves to cover personal values, and individual responses to ethical issues
including whistleblowing. Thereafter, the unit moves to tackle issues relating to businesses responses to
ethical issues discussing sustainability, ethical codes and standards, international and global context of
business ethics, concluding with moral leadership.

It is our belief that students are the major stakeholders in the teaching and learning exercise, thus, usually
we seek their informal feedback in week 4. In this informal feedback we seek the students’ opinion on what
works for them, what does not work, and what they need us to commence doing, providing them with a space
to provide any additional comments or information relating to their experience in the course. We usually
share the outcome of this informal feedback with students explaining the reasons behind what is being done,
how things can be improved and by when. Thus, students will have the chance to provide their feedback on
the unit and teaching three times. (1) an informal feedback that is collected during the first weeks of the
semester, (2) end of semester reflection during the last seminar, and, (3) the anonymous Curtin University
student feedback system ‘eVALUate’. The data discussed in this paper is derived from the ‘eVALUate’.

4.1 Teaching Business Ethics

From these results the following quantitative and qualitative data:

Table 1. Average ‘eVALUate’ quantitative items – 2007 - 2010

<table>
<thead>
<tr>
<th>eVALUate quantitative items - UNIT – Business Ethics ‘postgraduate’ (5 semesters)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>The learning experiences in this unit help me to achieve the learning outcomes.</td>
<td>87%</td>
</tr>
<tr>
<td>The learning resources in this unit help me to achieve the learning outcomes.</td>
<td>82%</td>
</tr>
<tr>
<td>The quality of teaching in this unit helps me to achieve the learning outcomes.</td>
<td>89%</td>
</tr>
<tr>
<td>I am motivated to achieve the learning outcomes in this unit.</td>
<td>87%</td>
</tr>
<tr>
<td>I make best use of the learning experiences in this unit.</td>
<td>93%</td>
</tr>
<tr>
<td>I think about how I can learn more effectively in this unit.</td>
<td>86%</td>
</tr>
<tr>
<td>Overall, I am satisfied with this unit.</td>
<td>89%</td>
</tr>
</tbody>
</table>

Table 1 provides averages of five semesters 2007-2010 where some of the items received as high as
100%. In several instances the percentage of students’ satisfaction in relation to this measurement is much
higher than both the university and the faculty percentages, with the exception of semester 1, 2007. During
this time the unit was based on case studies and latest journal articles, however, following the weak results
the design of this unit was changed and a textbook was introduced, which reflected positively on
‘eVALUate’.

As for the qualitative data accompanying both the unit and teaching evaluations highlight student
satisfaction when it comes to these points:

Challenge students to think critically and out of the box. Lecturer’s class is like a mental Yoga class. Very
engaging lectures ... Great class activities and discussions. (Sem 1, 2007)

Provides suitable examples and case studies for discussion in class to assist in understanding of concept.
(Sem 1, 2009)

Lots of real life case studies and constructive group discussions. (Sem 2, 2009)

The above in some way echoes what Sims (2004) concludes that teaching business ethics can be
enhanced through building conversational learning to build an effective classroom learning environment.

4.2 Business Ethics Teaching and Narratives

Fisher and Lovell, (2009) highlight that teaching business ethics can be done through narratives and those
narratives would either be in the form of romance, tragedy, comedy or satire. In addition, Falkenberg and
Woiceshyn (2008) contend that using business cases in teaching moral reasoning enhances business ethics.
Therefore, on facilitating this unit, we incorporate stories, and several of the stories are derived from the daily
news with some specific topical news gathered during the week leading to the seminar, which changes each
semester, coupled with case studies derived from peer-reviewed high ranking journals. Students expressed their satisfaction with this method especially as it is linked to the topic being discussed, providing them with a platform to apply the theories that they have been taught throughout the semester:

The topics we've learned are all relevant to the real life situation; therefore, it is very useful and practical. Unit structure is well designed as it starts with the personal issues and then leads to an international at the end. This unit also encourage student to do a lot of thinking and discussion which is great as we can share our idea together in class. (Sem 1, 2009)

Very good connection and communication with students. [lecturer] has own novel ways and means of inculcating the flavour of a tough subject on students. The general discussion of ‘Current News’ is a good means of bringing all into discussion mode, prior to actual commencement of that day’s class work. (Sem 1, 2010)

4.3 Lecturers’ Interest in Students and Material – Providing Constructive Feedback

Students seemed to evaluate the lecturers’ enthusiasm and work, and have commented positively on the two lecturers who ran these five semesters. This echoes Michalos (1997) who argues that teaching business ethics is designed for those with a special interest in teaching.

[Lecturer’s method] helps me to have a broader view of what corporate social responsibilities that MNEs and organizations can get themselves involve into. (Sem 1, 2007)

It is easy to accept [Lecturer’s] enthusiasm for and belief in ethics and ethical actions, from this there is a sense of genuineness in the teaching (being done as an interest rather than a job). The enthusiasm extends to [lecturer] wanting us to be as informed/involved in ethics. Very useful resources are provided, great feedback on assignments, hints for improving the quality of work are all appreciated. (Sem 1, 2010)

[Lecturer] experience has taught me the meanings of ethics. I now strongly believe that I do not have to compromise my ethical values just to make others happy. (Sem 1, 2010)

The above comments from the students highlight the importance of such a course, and the impact such a unit make on postgraduate students, where interest in ethics is generated, and the fact that students came to understand that they should not compromise their ethical values to make others happy.

In addition, and as part of ‘eVAlUate’ anonymous feedback system, students were required to provide comment as to where the lecturer’s method of teaching can improve to allow the improvement of the overall teaching and learning of the unit. Students can only write 600 characters.

Assignment questions should be more specific to know what to focus on (Sem 1, 2007)

The assessment components should have a narrower scope in terms of topic. (Sem 1, 2007)

Would prefer to have a textbook in the unit that covers the theory part as well (Sem 1, 2007)

These comments were taken on board, and a text book was introduced, with more explanations provided on assessments. Thus students’ comments for improving overall teaching and learning became different:

I believe the format as it is, is working very well. May be a bit more emphasis on the theory part would be helpful to understand the underlying themes a bit better. (Sem 1, 2008)

Nothing, [lecturer] is very good at what [lecturer] does and should be able to continue with the current format for future seminars. (Sem 1, 2010)

In these comments it is noticed that students would reflect on their experience as part of a group of students, and their relationship with the lecturer, highlighting the strengths and weaknesses of the way lectures are delivered. Though students were pleased with the way teaching was conducted, they were of the idea that marking was very strict as evident in their comments:

Firstly, the major assignment (case-study) is very interesting and useful as I learn and study more while writing it. Also, it gives wide and deep knowledge while exploring the ethical topics used for case-study. Writing a proposal is definitely helpful with preparing a case-study. Bringing out class participation through the small group discussion is very helpful. (Sem 1, 2008)

Was strict with marking paper, punish for small mistake but I think as well that it is good for student to know their mistakes. overall [lecturer] gave a lot of information about the ethics problems and how to deal with them. (Sem 1, 2009)

It is worthwhile to note here that students who were in the class merely to cover a core unit found it a challenge to cope with the requirements of the readings, being up to date with the contemporary events, using
their critical thinking skills to analyse and relate to business ethics topics, and ready to engage in debates, arguments and group discussions. This added to the stress that some of those postgraduate students had recently joined Curtin University for their Masters degree, which meant, in some instances, lecturers needed to go to basics in assignments writings, and exerted many efforts in bringing those students from different countries and different cultures into the discussion. This was clear in comments provided by students on the ‘eVALUate’

[Lecturer] gives constructive criticism which helps in improving the next assignment from previous. She is also very particular in all aspects of the assignment, which is good because students will learn from their mistakes and give their best in the next assignment. (Sem 2, 2009)

[Lecturer] is passionate about [the] subject, [lecturer] is very knowledgeable and inclusive. [lecturer] enthusiasm in the seminars is evident and [lecturer] tries hard to engage all of the students in all discussions through group work, individual questions etc, however, some students have been quite difficult or unwilling to engage. (Sem 1, 2010)

These students, like the local students might have been taught these generic skills, yet as Tognolini (2001) argues while most are taught such skills within subject boundaries, and the acknowledgement that the value in students being able to generalize these skills across subject boundaries, yet this is not witnessed at this level. This is very worrying especially when the most recent literature on teaching and learning stresses on the importance of generic skills as outlined by Hoover et al. (2010) who acknowledge that generic competencies are widely recognised as being essential for an individual’s integration into a rapidly changing workplace.

5. SIGNIFICANCE AND LIMITATIONS

This paper provided empirical evidence that teaching business ethics can and would change the students’ mind sets. The evidence cannot be generalized being a one country viewpoint (i.e. Australia). Nonetheless, the significance of this paper is providing evidence that it is not only the material that plays a role, as indicated by the students’ feedback, but rather it is the enthusiasm and knowledge of the facilitators who run this unit that matter. This comes in a way as a contradiction to comments made by Frank, Ofobike and Gradisher (2010) who conclude that lecturers face pressure to include business ethics in their curriculum and this pressure as not all are equally comfortable or knowledgeable of models of ethics. These comments have been specific to incorporating business ethics in accounting curriculum. Thus, it is important that those teaching business ethics need to be student-centered, have the necessary knowledge coupled and intertwined with their enthusiasm to teaching such an evolving, ever-changing and challenging unit as business ethics. While it can be noticed that students’ way of thinking would improve towards becoming more ethical as they finish the course, yet the limitation lies in the fact that there is no empirical evidence if this improvement is only short-lived. This might be partly solved through the forthcoming deployment of an online survey examining ethical mindsets and ethical climates through the Curtin Alumni, which might prove to be a first step in ensuring that the shifts in students’ mind sets is long-lived.

6. CONCLUSION

The main aim of this paper was to examine as to whether teaching a postgraduate business ethics unit makes a difference in postgraduate students minds and might ultimately shift students mind sets. While the findings of this research are limited to the Australian context, the results provide evidence that teaching business ethics does have an effect on the mind sets of students as they become aware of ethical theories and their applications to the contemporary business world. Thus, giving students the opportunities to study business ethics makes a difference and has the potential to encourage a shift from the conventional ‘business mind set’ students seem to become acquainted in their studies to a more critical perspective. The ‘eVALUate’ results clearly suggest that this unit (BE567) has encouraging results on students’ learning about business ethics and shifting their mind sets. Though this unit is taught broadly in line with Harris’ (2008) suggestions with opportunities being provided to enhance the development of a reflective capability, including narrative, and role models. Nonetheless, in semester 1, 2009 students were requested to establish a journal (not marked but
shared in the class with students) of the news, in addition, and in semester 2, 2009 reflection at the end of the semester was introduced, this has provided some insights into the shift of students’ mind sets moving from not recognizing what an ethical dilemma is on the first seminar into providing an ethical dilemma with a proper solution based on ethical theories discussed during the semester in the final seminar. On reviewing the material and assessments for this unit, consideration will be taken to include more items to be assessed to reduce the difficulties of assessing intention and commitment to ethical action. Reviewing the course’s material is especially important as outlined by Vasconcelos (2010) who states in response to the demands of the 21st century marketplace and the need to stay in step with peers, companies continue to seek the help of business schools in redefining what it means to be socially responsible, and teaching students to have a socially responsible mind set with decision-making skills that look beyond short-term benefits. It seems though that while the design of the unit is important, the attitudes and skills of the teaching staff have a significant impact on how well the students learn. The evidence from the literature combined with the findings of this research support the idea that business ethics should become a compulsory unit in the business curriculum.

REFERENCES


