



Does Business Ethics Education Contribute to the Unethical Behavior of Management Students"?-A study of management students in the district of Kachchh, Gujarat

KEYWORDS

Prof. Surbhi Ahir

I/C Principal - Srk Institute Of Social Sciences.(Kutch)

Dr. Mahesh Barad

Sheth S.v.arts & Commerce College –Mandvi (Kutch)

ABSTRACT *Business schools have been grappling with how to include business ethics education into the curriculum. One of two approaches are generally used, either a stand-alone course or an embedded approach with ethical content included in all courses. Yet despite all the emphasis on ethics business students are found to cheat more than other majors and there are continuing ethics scandals in business. Critics have leveled charges at business schools on two counts, one is that a business education puts all the emphasis on the bottom line and two, that the manner in which ethics education is conducted is not effective in teaching ethical behavior. The concept of moral awareness is explored and its relation to ethical decision-making. This study did not answer the question of which approach is more effective at raising moral awareness, but it had the surprising result that even after the moral implications of a decision were discussed, about half of the students would still chose the less ethical option.*

Introduction:

There has been a great concern over teaching ethics to business students over the last few decades and indeed The Association to Advance Collegiate Schools of Business (AACSB) proposed new standards suggesting that schools make teaching ethics a higher priority (2003). Yet, in spite of all the attention to ethics education there are continuing abuses like the behavior of Enron and MCI World Com and recently SATYAM in India. Despite all this ethics education research has revealed that business students at both the undergraduate and graduate level cheat more than students in any other major, (Mcabe, 1997; McCabe & Trevino, 1995; McCabe, Butterfield & Trevino, 2006). McCabe, (1997) using a sample of 6 schools at the undergraduate level and graduate level that is schools teaching BBA and MBA in the district of Kaachchh reported that 84% of business students reported at least one incidence of cheating as opposed to 72% of engineering students and 66% of all participating students. McCabe, Butterfield & Trevino (2006) using data collected from 54 colleges and universities reported that 56% of graduate business students admitted to engaging in some form of cheating as compared to 47% of nonbusiness graduate students. Perhaps the way ethics is taught in business schools actually results in an increase in unethical behavior. The purpose of this study is to investigate the concept of moral awareness in a class where no ethics identifier is given as compared to moral awareness in a class with such an identifier. Also examined will be the criticisms of the case approach and the criticisms of business schools actually promoting unethical behavior through the method of instruction.

Review of the Literature

Most business schools have followed one of two approaches, either a stand alone business ethics course or a strategy of embedding ethical issues into several courses. However, the 2003 AACSB revisions have moved away from the stand-alone course toward advocating an approach that embeds ethical content in several courses. Indeed fewer than 10% of AACSB schools rely on a stand-alone course (Woo, 2003). Critics of this embedded approach say that this approach "may turn out to be little more than Pavlov-like conditioning of students to fear legal penalties," (Sims & Felton, 2006, 298). Another, criticism is that when an embedded approach is used, the faculty teaching those courses may not be prepared to teach ethics courses, (Felton & Sims, 2005; Baetz & Sharp, 2004). Finally, faculty who did not teach ethics within their courses cited among other constraints, lack of subject materials and lack of ability (Mintz, 1990). Interestingly, in a Business Week survey of its readers 64% of respondents thought that ethics should be required as a stand alone

course for MBA students (McDonald, 2004, citing Business Week Online, January 17, 2003). It appears that practitioners have a preference for a stand-alone course whereas academics prefer an embedded approach. Two common methods for teaching business ethics are structured lectures and case analysis, (Sims & Felton, 2006). According to Sims and Felton, (2006) the structured lecture approach emphasizes imparting information and devotes little time to discussion. The case analysis uses a dissection of ethical judgments and their fallouts. The problem with both of these approaches is they do not consider moral awareness. According to Rest (1986) before an ethical decision can be made individuals must be aware that a moral issues is involved. Butterfield, Trevino and Weaver (2000) stated that "Moral issues rarely come equipped with red flags identifying them as moral, and as a result the ethical component of a decision may not be apparent to the decision maker,". Yet, ethics education as it is presently structured is focused on making moral judgments and comes with an attached label, i.e. business ethics. Even when that ethics education is embedded within courses the chapter or syllabus specifically states subjects like business ethics, ethics in accounting, ethics for marketers, etc. It would appear that students are given the "red flag" identifying the content as ethics related.. The teaching of business ethics as it is presently structured gives little attention to moral awareness.

Research Questions

The previous research and criticism gave rise to the following research questions:

1. Will students who have only had the embedded approach to teaching business ethics be able to identify an ethical issue in the absence of an ethics identifier as compared to students enrolled in a business ethics course?
2. After the ethical issues are identified will students who have only had the embedded approach and failed to identify the ethical issue change their position as compared to students enrolled in a business ethics course?

Methodology

Students of BBA and MBA Colleges of the Kachchh district were selected for the study. The BBA students were taught the ethical embedded course in the subject Business Environment and in MBA. In BBA, 43 students completed the case analysis and the questionnaire and 41 students in MBA completed both. In BBA, 22 students were male and 21 were female with the average age of 22. In MBA, 37 students were Management majors, two were dual Marketing majors and two were Finance majors. In MBA, 18 students were male and 23 were female with an average age of 22. A case with ethical

implications was selected and students in both courses were required to complete an analysis of the case (summary found in appendix A). The case was assigned to all students in the final year. The questionnaire, (found in appendix B) was completed by all students during the final year. The instructors in both courses debriefed the case during the second & third of BBA and the final year MBA students. Discussing the ethical issues and the implications of a decision to "donate" money.

Limitations:

The study has several obvious limitations. The sample sizes are relatively small and are limited to one university. Given the categorical nature of the data conclusions about statistical significance could not be drawn. Only the classes of one instructor for B2B and one instructor for B&S were studied and there may be inherent biases in the approach that the instructors use.

Results:

Table 1. BBA Students Responses after case analysis:

Question and Question Combinations	Yes	No
At the time you read the Matworks case were you aware of any ethical issues involving SOSLP's "donation" to Matworks' meeting?	28 (65%)	15 (34%)
Aware of ethical issues at time of reading case and now would consider a decision to give Matworks money for sponsorship at its annual meeting unethical	10 (23%)	18 (41.8%)
Not aware of ethical issues at time of reading case and now would consider a decision to give Matworks money for sponsorship at its annual meeting unethical.	10 (23%)	5 (11.6%)

*****Table is based on the research findings.

Table 2. MBA final year students.

Question and Question Combinations	Yes	No
At the time you read the Matworks case were you aware of any ethical issues involving SOSLP's "donation" to Matworks' meeting?	22 (53.7%)	19 (46.3%)
Aware of ethical issues at time of reading case and now would consider a decision to give Matworks money for sponsorship at its annual meeting unethical	11 (26.8%)	11 (26.8%)
Not aware of ethical issues at time of reading case and now would consider a decision to give Matworks money for sponsorship at its annual meeting unethical	12 (29.2%)	7 (17%)

*****Table is based on the research findings.

From these tables it can be seen that in BBA, 20 students or 46.5% of students enrolled in the course would consider a donation to Matworks for sponsorship of its annual meeting unethical; this compares to a total of 23 students or 56% of students enrolled in MBA.

Discussion:

The questionnaire uses categorical data and therefore, no conclusions can be made about statistical significance. The differences in the numbers and percentages of students in both classes do not seem to be dramatically different; therefore no conclusions can be made about either of the research

questions. Only two more students in MBA were not aware of the ethical implications of the case and would now consider a donation to be unethical. However the data do reveal some interesting observations. For example in BBA; 41.8% of students were aware of ethical issues at time of reading case and now would not consider a decision to give Matworks money for sponsorship at its annual meeting unethical; this compares to 26.8% of students in MBA. Since the questionnaire does not address the depth of the awareness it is possible that students were only vaguely aware of ethical issues and in MBA after a more through discussion of ethical theories and concepts were more readily able to now view the decision to give Matworks money as unethical as compared to students in BBA. It is also possible that students in MBA who were aware of the ethical issues in the case had those views reinforced and increased in the course material. Future research should address the depth of awareness.

Also it is interesting to note that about half of all students would not consider a "donation" to Matworks as unethical even after a discussion that such a decision represents a kickback. This result lends credence to some of the criticism of business schools and business ethics education. In particular it supports Buchholz and Rosenthal (2001) contention that case analysis in the absence of ethical results in a "my opinion versus your opinion" type analysis, (p.25). One critic contends that business ethics education "continues to only induce ethical conduct responsive to unethical incidents and is adapted to a particular pattern of repeated unethical incidents. This means that the effects of business ethics education do not bring a change in the ethical value nor a recognition of systemic structure of a total system by stimulating generative and creative ethical conduct," (Park, 1998, 966). This result also lends credence to the argument that critics have leveled at business schools that they have encouraged students to go to practically any lengths to increase corporate profits and short-term shareholder return (Alsop, 2006). Indeed one student who indicated he was aware of the ethical issues in the Matworks' case and reported that he would not consider a decision to give Matworks money for its annual sales' meeting unethical added a written comment: "It all depends on whether it benefits your company." Such Machiavellian thinking is illustrative of the critics' view of business education and current business education may not be improving the situation.

Implications for Research and Business Ethics Education:

Future research should look at further at the reasoning of students who would still advocate a decision even after its ethical consequences are identified. Also future research should look at these effects across a large number of university business schools.

The best approach to teaching business ethics is grounded in normative philosophy and ethical theory, by those who are uniquely qualified in those areas. But it appears that ethics education should not be isolated from the unique business specialties Students should also be aware of the business setting in which such decisions are made. Business ethics education as it is currently taught does not follow this model and as a result may actually increase the instances of unethical behavior of business students.

Business ethics curriculum should consider a combination of an embedded approach reinforced with a stand-alone course. Ethics instruction with the embedded approach should not be the obligatory two or three class periods, but rather woven throughout the course discussing the ethical aspects of various topics.

REFERENCES

- AACSB International:(2003). Business Accreditation Standards, Adopted April 25, 2003 (based on revised draft no. 3, March 10, 2003), replacing April 23, 1991, standards. Available at <http://www.aacsb.edu/accreditation/standards.asp>. Accessed March, 14, 2008).Alsop, R.J. (2006). Business ethics education in business schools: A commentary. *Journal of Management Education*, 30(1), 11-15. | • Baetz M.C. & Sharp, D.J. (2004). Integrating ethics content into the core business curriculum: Do core teaching materials do the job? *Journal of Education for Business*,51(1), 53-62. | • Bazerman, M.H. (1994). *Judgment in Managerial Decision Making*. New York: John Wiley.
- Buchholz, R. & Rosenthal, S.B. (2001). A philosophical framework for case studies. *Journal of Business Ethics*, 29(1-2), 25-31. | • Bunn, D.N., Caudill, S.B. & Gropper, D. M. (1992). Crime in the classroom: An economic analysis of undergraduate student cheating behavior. *Journal of Economic Education*, 23, 197-207. | • Butterfield, K.D., Trevino, L.K. & Weaver, G.R. (2000). Moral awareness in business organizations: Influences of issue-related and social context factors. *Human Relations*, 53(7), 981-1018.
- Cole, B.C. & Smith, D.L. (1995). Effects of ethics instruction on the ethical perceptions of college business students. *Journal of Education for Business*, 70(6), 351-357.