

Building business ethics awareness in diverse teaching environments

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Abstract

The importance of discussing ethics in business education has long been recognized. Accrediting bodies such as the ACBSP and AACSB require business curricula to include business ethics as a standalone course and/or for it to be woven into subject matter of other courses. The premise is that, as future managers and business owners, business students need to be aware of how ethics influence and are related to decision making.

An individual's ethical attitudes and outlooks are related to values that they consider important. Values vary across individuals, and even societies. For instance, the approach of Hofstede (1991) is considered a standard for viewing cultural differences in certain values, as they apply to workplaces. Individual values have also been studied extensively (example: Rokeach, 1973). The Rokeach Values Survey is an established tool for understanding individual attitudes towards values. The Rokeach Values Survey has been used in a variety of contexts over many decades. In particular, Weber (1990, 2015) used it to study value preferences of business students, and alumni, and also link it to managerial orientations.

We note that, in general, students from underrepresented groups have been under-researched, as has been their educational experiences. In this paper, we discuss the issue of integrating ethics in business teaching which responds to the experiences and attitudes of this student group in the context of business education pedagogies, and seek to link it to the Rokeach survey.

1) Introduction

The question of the essential purpose of a business has existed for a long time. It can be framed as a debate on whether the purpose of a business is to deliver financial outcomes or to do social good (Lawrence & Webber, 2015). While that is a complex issue with no clear winning side, everyone agrees on the importance of businesses functioning with an ethical compass. Indeed, in recent years, it appears that society's view is that business goals have swung too far in the direction of profitability at any cost and that businesses need a course correction. This is reflected in increasing calls for firms to increase their commitment to CSR (Corporate Social Responsibility), DEI (Diversity, Equity, Inclusiveness), and ESG (Environmental, Social, Governance) matters.

Christie et al. (2003, p. 266) noted that "business ethics is the application of ethical principles to issues that arise in the conduct of business activity". Corporate actions are inextricably linked to the ethics and values of managerial decision makers. Values indicate what is important to individuals and consist of "opinions of what is right, fair, or just, and behaviors are strongly influenced by such preferred beliefs (Posner & Munson, 1979)". An individual's value system informs their motivations as the foundation of many decisions, and managerial value profiles affect business ethics. Managerial decisions, ethical and unethical, have policy and practice implications for organizations (Posner & Munson, 1979).

Business actions affect not only that entity, and its major stakeholders, but broader society as well. The ramifications of unethical, yet perfectly legal, decision making have been made abundantly clear through some shocking scandals. An exemplar is Enron, a Wall Street darling and one in which major institutional investors (such as pension funds) had placed faith. Enron abruptly declared bankruptcy in 2001. It came to light that the debacle was due to intentional unethical decisions, designed to skirt the law even as decision makers were aware of predictable problems. What happened at Enron had ripple effects

on the entire economy and society; several former employees swore off corporate life and decided to instead become (small) business owners where they could control decision making. The Enron situation was the subject of a book, "The Smartest Guys in the Room" (McLean & Elkind, 2003). There have been other, more recent, examples as well. For instance, FTX and Alameda Research, related companies trading in cybercurrency, went bankrupt abruptly and with little warning. This too appeared to be a situation where powerful decision makers, knowingly or not, made unethical choices of consequential impact.

The continuing incidence of unethical and harmful decision making by business leaders, and the growing recognition that businesses need to act on their social responsibilities, leads directly to the need for managers to be educated in matters of ethics. An opportunity to do so, at least for a subsection of managers, exists in college business programs. Indeed, accrediting bodies of business programs such as the AACSB and ACBSP include ethics as a curriculum requirement.

In teaching ethics in business programs, the hopes and expectations are that this will result in ethical behaviour by students in their workplaces. Noel and Hathorn (2014, p. 19) noted that ethical behavior is "an extremely complex, multifaceted issue with significant individual and situational dimensions" with factors such as gender, age, and personality being of little use in predicting ethical choices or behaviors in various situations. They emphasized the need to be cognizant of situational variables and the need for ethics training in building awareness. Christie et al. (2003, p. 263) proposed that culture is "a significant determinant of ethical values of business managers."

Ethics and ethical behaviour are linked to values. In particular, Posner and Munson (1979) noted that value homogeneity (or heterogeneity) impacts behaviour in group settings. Earlier work by Hofstede (1991) is considered a standard for viewing cultural differences in certain values, as they apply to workplaces. In that sense, the increasing diversity in business organizations (as well as in student populations) makes for intriguing challenges arising from cultural differences in values. Christie et al. (2003) reported finding that there was consistent response across cultures towards clear, concretely unethical business actions. However, cultural differences informed difference in attitudes toward certain questionable practices. Such ethically ambiguous business practices included gift giving, software piracy, nepotism, sharing of insider information and firing of older employees.

2) Ethics Education - Background

Is teaching ethics effective in informing attitudes and behaviors (Peppas & Diskin, 2001)? Are not beliefs and values set during formative years and well before students enter college business programs? What should be the goals of ethics education? These are questions of import for educators. Ethics education can be complex and challenging since ethical behaviors themselves vary.

A longitudinal study of college students indicated that ethics education did have an impact on ethical attitudes of business students (Hollier et al., 2013). The study attempted to identify the importance of factors such as family income and parental professions in shaping ethical attitudes. Weber (1990) noted that teaching ethics does impact on students' choices in decision making, but that the effect wears away over time.

Noel and Hathorn (2014, p. 8) stated that "there is a growing urgency that business schools be proactive in ensuring adequate and appropriate ethics education of their graduates". They further contended that including ethical discussions explicitly in the curriculum does make a difference. According to them, ethics specify "rules of acceptable conduct" and "limitations on behavior" (Noel & Hathorn, 2014, p. 2). They recognized that ethical attitudes vary from person to person and identified factors affecting such differences to be - age, gender, and personality (Big Five - extraversion, openness, conscientiousness, agreeableness, neuroticism). They found that students who took a course on ethics scored higher on awareness and judgment and decreased in intent to act unethically. Saunders et al. (2022) noted the increasing demand placed on business managers to be socially responsible and specifically noted "the role of personal values in impacting perceptions of social responsibility" and thereby related behaviors. Beyond gaining knowledge of students' apriori value perceptions, Saunders et al. (2022) suggested pedagogical approaches that could influence said values and attitudes.

Findings of Ariail et al. (2021) in their study of students in an accounting program are aligned with other researchers' findings that education could indeed affect value orientations and ethics of students.

The authors found in an initial survey that students appeared not to be aligned with values required in the profession, what they termed as a poor “PO (profession orientation) fit”. They then designed two interventions in accounting courses, a Curriculum Modification and a Value Self-Confrontation. Course content included “a focus on students developing a theoretical and practical understanding” of Rokeach Values (Ariail et al., 2021, p. 9). In their study, Ariail et al. (2021) used only Instrumental Values in the Rokeach, arguing that those were primarily relevant to the profession. The interventions included students viewing videos related to values of importance such as YouTube video clips, viewing quotations pertaining to desired values (for the profession) on course landing pages and reading articles and poems of relevance. The authors reported that the interventions did change the priority, both short-term and long-term priority, that students have to certain targeted values.

3) The Rokeach Values Survey

The Rokeach Values Survey has been used in various groups, including students and professionals, various locations in many countries, and in various disciplines. While it has been administered in different educational settings, these have not included PBI's or HBCU's.

The Rokeach Values Survey obtains information about the importance a respondent assigns to various values. The survey has two sets of values – instrumental and terminal. Rokeach had proposed that 36 value items, 18 in each set, covered the entire range of values in a comprehensive manner, and that there was little correlation between different items. Originally, the survey required respondents to rank order values in each set. Later researchers proposed rating as a better option. For instance, Braithwaite and Law (1985) used a rating as well as indexed items in order to define value constructs. They also grouped value items in Rokeach into constructs such as Pleasure, Happiness, Social Stimulation and Traditional Religiosity,

The 18 instrumental and 18 terminal values of the Rokeach Values Survey can be grouped into categories as follows (Weber, 1990).

Terminal Values Groupings

- Personal: A Comfortable Life, An Exciting Life, A sense of Accomplishment, Family Security, Happiness, Inner Harmony, Mature Love, Pleasure, Salvation, Self-respect, True Friendship, Wisdom
- Social: A World at Peace, A World of Beauty, Equality, National Security
- Mixed: Freedom, Social Recognition

Instrumental Values Groupings

- Competence: Ambitious, Capable, Imaginative, Independent, Intellectual, Logical, Responsible
- Moral: Cheerful, Courageous, Forgiving, Helpful, Honest, Loving, Polite
- Mixed: Broadminded, Obedient, Clean, Self-controlled

The resulting four value orientations are Personal-Competence; Personal-Moral; Social-Competence; Social-Moral.

Data from the Rokeach Values Survey has been used to develop understanding of value orientations of respondents. Weber (1990) noted that the most common orientation for managers in that study was Personal-Competence, yet not all managers had this orientation. Ariail et al. (2021) considered a further interesting question of what orientations are best suited for certain professions, in particular, Accounting. It is likely that different respondent populations have other distributions of value orientations. Our study will provide information on relative frequency of occurrence of various orientations among students in business programs at a PBI and HBCU.

4) TILTING Ethics Education

As discussed earlier, several related questions arise with regard to ethics education – does teaching ethics have any impact (Peppas & Diskin, 2001), what are its goals, and how can it be made effective? Since research has indicated that ethics education does make a difference, our focus is on matters of implementation. According to Callahan (1980), the goal of including ethics in business programs is to build an awareness of ethics. Ariail et al. (2021) went further; their goals were to not only build awareness but to also influence student perceptions, and even values.

There has been a growing realization that higher education needs to effectively address diversity in student populations, in terms of both content and delivery. A one-size fits approach does not deliver learning outcomes, as desired, to all students. This would apply to ethics education as well. Ethical education needs to be appropriate (Noel & Hathorn, 2014, p. 8) and inextricably linked to students served. Studies have pointed to the importance of ethical curriculum in business programs to take student demographics into consideration (Grant & Broom, 1988; Hollier et al. 2013).

Students from underrepresented groups continue to be under-served by higher education programs. A general approach in college education that has been shown to improve student learning outcomes in general but especially for students from underrepresented groups is TILT – Transparency in Teaching and Learning (Winkelman et al., 2016). The key principles of TILT are access and relevance. Access refers to students feeling and being able to gain knowledge as needed, and relevance to their viewing such learning as useful and pertaining to their situations.

Implementing TILT requires providing greater transparency in the learning process. As noted by Lakshminarayanan and Best (2022), providing room for students to share their experiences has great value in this regard. It makes coursework appear “more relevant, authentic, and deeply personal” and also helps build “a sense of self-efficacy among students (Lakshminarayanan & Best, 2022)”. Business education uses a mix of pedagogical approaches. The most popular are – lecture/ discussions, case studies, experiential exercises, group work, and problem solving. Based on the chapter, some suggestions for “TILT”ing each pedagogy are as follows, keeping in mind the importance of access and relevance:

- Lecture/ discussions: Bring up ways of viewing the situation from perspectives that students are likely to have.
- Case studies: Discuss cases where the protagonist, or business, or situation one student is familiar with and likely to have encountered.
- Experiential exercises: Design exercises that speak to situations that students are likely to have experience with, in the past or future.
- Problem solving: Rather than advocating for one correct way, provide room for solutions that may be “correct” in contexts that students are familiar with.

In each of these, it is important to design discussions which give importance to students’ experiences, opinions, and perceptions. This is where we plan to utilize information from the Rokeach Survey.

5) Implementation Issues

Ethics education has been shown to impact understanding of ethical issues and decisions, and TILT has been shown to positively affect learning outcomes. Thus, our approach to ethics education would plan to follow TILT principles of transparency wherein the two issues of content and delivery are inextricable. Lakshminarayanan and Best (2022) discuss how various business pedagogies can be TILTed.

Some issues in implementing ethics education are:

- What should be the goal(s)? Is it to create awareness, encourage critical analysis, or build certain value systems?
- Is it important to know student apriori attitudes and beliefs about values and ethics? How could this information be gathered? One way is through the Rokeach Survey.
- What frame(s) of reference should students use to analyze business actions?
- What are the value orientations of students at PBI/ HBCU institutions? How much do they vary within the groups? How can information about student value orientations be used in making the content and delivery of education aligned with TILT principles?

On the matter of content choices of consequence are topics for discussion and illustrative business examples. For instance, topics in a Business Ethics course included - Corporation, Stakeholder rights, CSR, Global Ethics, Organizational Ethics, Business-Government relationship, Sustainability and Natural Environment, Consumer Protection, IT Regulation, Workers, The Community, Public Relations, Advertising. A corresponding question is about the relative importance of these topics and time devoted to each.

Business education necessarily uses business and corporate actions for illustrative and educational purposes. This brings the question of what kinds of businesses should be analyzed or examined through an ethical lens. Should they be businesses where students are likely to have direct experience of working, rather than which might be of broader importance financially. For instance, this might imply examining business models and functioning of companies like Uber and McDonald's rather than Nike and Apple.

The Rokeach Values Survey provides important insight into how students view different values, and hence their value orientations. This information could be used to guide discussions in various pedagogies like case analyses and experiential exercises. An important issue in such discussions is whether to build awareness (present students with various ethical decisions made and analyze why these might have been made) or to be prescriptive (propose that decisions should have been made a certain way).

In conclusion, there is greater demand for businesses to act in ways that are considered ethical. Correspondingly, there is demand for business programs to educate students on ethics. Ethics education needs to be designed and implemented with care to achieve desired goals. In keeping with findings in higher education, a uniform approach may not be effective in certain students, especially from under-represented groups, accruing benefits of such ethics education. Transparency of ethics education, making it relevant and accessible to all groups of students is critical.

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