New Visions of Graduate Management Education

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Best Practices in Teaching and Integrating Business Ethics Within a Business Program

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Business ethics professors stand at the epicenter of many higher education reforms directed at business schools. For many decades, business schools have been criticized for being too isolated from the liberal arts, emphasizing functional knowledge to the detriment of integrative knowledge, and relying too heavily on traditional lecturing and memorization classroom techniques. This chapter describes how to integrate the teaching of ethics into the business curriculum by applying innovative teaching methods that engage students in higher level learning and through a host of other activities. The Business Ethics course described in this chapter is designed according to Kohlberg's stages of moral development (Kohlberg, 1981). Students begin the semester exploring egoism, advance through social group relativism and cultural relativism, and conclude in the realms of utilitarianism and deontology. In addition to being based on relevant theories and empirical research, the chapter reflects the author’s 15 years of experience teaching business ethics to undergraduate and MBA students and dialoguing with both business ethics professors and functional business school professors about what works and does not work.

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INTRODUCTION

Socrates maintained that the unexamined life is not worth living. Although the famous statement is overly dramatic—even unexamined lives are worth living—Socrates' analysis highlights the central importance of ethics in management education. Business ethics professors should provide a safe environment for students to critically examine their own ethics within the context of business activities.

In addition, business ethics professors are at the vortex of two other educational reforms in business education—experiential education and curriculum integration. More than 30 years ago, Pablo Friere (1971) critiqued the banking style of education characterized by a sage on stage who deposits information into the minds of passive students and then withdraws the knowledge from the student's memory system at exam time to determine if any interest has been earned on the retained knowledge. A practical outgrowth of Friere's alternative style of education can be found in the management education literature about higher levels of learning activities, wherein students participate in experiential exercises and dialogue with each other under a professor's supervision, which purportedly provides deeper levels of understanding. This chapter summarizes some of the experiential and dialogical pedagogies professors can employ in the teaching of business ethics.

Second, external pressures from businesses and alumni are forcing business programs to develop a more cross-functional curriculum, where professors challenge students to make connections between functional streams of knowledge (Hamilton, McFarland, & Mirchandani, 2000; Schlesinger, 1996). In the business world, accounting, marketing, and finance are interrelated, not separate, entities. Business ethics professors can provide cross-functional knowledge by addressing ethical problems that arise within the course content of each business school discipline.

The American Assembly of Collegiate Schools of Business (AACSB) has been highlighting the cross-functional potential of business ethics since the 1970s by requiring that ethics be integrated throughout the curriculum or explored in a separate course. Many business ethics scholars, as well as undergraduate and MBA students (Power & Lundsten, 2001; Stewart, Felicetti, & Kuehn, 1996; Swanson & Frederick, 2003), maintain that the optimal strategy is to employ both a separate course and ethics integration across the curriculum. There is abundant material unique to the topic “business ethics” and central to the functioning of business to require a separate course taught by an expert in the field.

Despite the occasional teasing title on books and articles—that is, the Harvard Business School faculty titled their contribution to the subject Can Ethics Be Taught? (Piper, Gentile, & Parks, 1993)—ethics has been taught since the beginning of time to people of all ages and will continue to be taught until the end of time. The ethical knowledge taught in high schools and other mediating institutions is not adequate for handling the complex ethical problems with which managers wrestle on a daily basis. Newspaper and magazine headlines scream out the latest business misdeeds, informing the public that something is wrong with the way some businesses operate and something should, and can, be done about it.

This chapter addresses a pragmatic question: How should business ethics be taught as a separate course and integrated throughout the curriculum? Part I provides a brief history of business ethics education. Part II explores some best practices in teaching a separate business ethics course by addressing topics such as course goals, social desirability, logical flow of the semester along Kohlberg's theory of moral development, an ethical decision making framework, establishing relevancy, developing a moral solution, creating a personal moral code, sharing ethical dilemmas, journaling, ethical persuasion, role playing, service-learning, and a purposes in life essay. Part III examines a wide range of methods for integrating business ethics throughout a student's higher education experience, including student orientation, first-year forums, other courses, student organizations, and community outreach.

Much of the analysis that follows reflects my own experiences teaching business ethics to undergraduate and MBA students for nearly 20 years.

PART I: A BRIEF HISTORY

Business ethics topics appear in the earliest known legal writings of western civilization. In the opening paragraph of Hammurabi's Code of Laws, written in 1780 B. C., the Babylonian King notes that the purpose of his laws are "to bring about the rule of righteousness in the land, to destroy the wicked and the evil-doers; so that the strong should not harm the weak" (http://eawc.evansville.edu/anthology/hammurabi.htm). Inspired to create a society worthy of divine approbation, Hammurabi codified rules for governing economic transactions, such as the ownership and theft of agricultural products, animals, and slaves. Governments have been developing laws to restrict unethical business practices ever since.

According to the Council for a Parliament on the World's Religions (1993), there is significant agreement among the major world religions on five principles that should govern human behavior in all realms of life, including business: (1) "Do unto others as you would have them do to you," (2) "Thou shall not commit sexual impropriety," (3) "Thou shall not steal," (4) "Thou shall not lie," and (5) "Thou shalt not kill" (Koys, 2001). Systematic violations of these principles have given rise to major changes...
in the rules governing economic systems. Adam Smith’s conception of
capitalism followed from his critique of mercantilist policies that kept
many Scottish people immersed in poverty (Collins, 1988). Karl Marx’s
conception of communism followed from his critique of capitalist activi-
ties that exploited laborers.

The AACSB has long ensured that accredited business programs in
higher education institutions were not devoid of ethical considerations.
The AACSB—recently renamed the Association to Advance Collegiate
Schools of Business—was created in 1916 when business school deans met
to establish common standards for their programs (Dirksen, 1966). Early
curriculum standards included the teaching of business law to educate
students about broader societal concerns. But in the late 1950s, reports by
the Ford and Carnegie Foundations concluded that the business law
course had become too narrow in content and they recommended a more
broad-based course that dealt with the social, political, and legal environ-
ments of business (Swanson & Frederick, 2003). As a result, business eth-
ics was granted a prominent place in the common body of business
knowledge (Collins & Wartick, 1995).

The AACSB granted business schools flexibility to determine how they
should meet the business ethics standard. Accredited schools could either
offer a separate business ethics course or infuse ethics into other business
courses, a position reinforced in the latest AACSB standards drafted in
2003. Based on an informal survey, the AACSB reports that only one-
third of accredited programs currently offer a required business ethics
course (Stewart, 2004), similar to the number of required offerings more
than a decade ago (Collins & Wartick, 1995). Barriers precluding the
offering of a separate business ethics course include scarce space in an
already overcrowded business curriculum and the employment of busi-
ness ethics scholars, who are few in number.

Most business schools have chosen to implement the infusion model by
encouraging discipline-based professors to address the now mandatory
ethical dilemmas found in functional textbooks. Unfortunately, students
report that their discipline-based professors avoid raising ethical issues in
their courses, thus inadequately preparing graduates for the types of eth-
ical dilemmas they are likely to encounter during their careers (Adams,
Taschian, & Shore, 1999).

The AACSB business ethics flexibility rule came under attack following
the most recent wave of corporate scandals. Swanson and Frederick
(2003), in A Call for Business School Responsibility, urged the AACSB to
adopt more rigorous standards because most business schools do not take

What such a solution could look like is explored in the next two sec-
tions.

PART II: THE SEPARATE BUSINESS ETHICS COURSE

Separate business ethics courses are often treated as peripheral to the
business school curriculum—a moral band-aid to the more substantive
functional business school courses. As a result, many business ethics pro-

Course Goals

The business ethics course is where the liberal arts intersects the
business curriculum by raising ethical awareness and applying ethical
analysis to business issues. According to Brinkman and Sims (2001),
this gives rise to values and teaching styles that opponents of a sepa-
rate course consider discordant to the rest of the curriculum. Func-
tional business school professors can feel as though some of their core
beliefs are under attack, which can be epitomized in the battle between the long maintained shareholder theory of the firm and the newly formulated stakeholder theory of the firm. This unhealthy tension can be minimized by initially obtaining buy-in on course goals from other business school professors.

Some business ethics professors might object to the need to obtain consensus from other faculty on the grounds that such a technique creates a double standard applicable only to business ethics courses, or that it infringes on their academic freedom. But accounting professors typically obtain consensus for course goals from their departmental peers, particularly in this age of course and program assessment, and then determine how best to achieve the goals within their own individual courses.

If the business ethics course is to be truly integrative and unifying, then every stakeholder should have the opportunity to provide input in course design, particularly given the nature of academic politics and faculty assumptions about the business ethics course being antibusiness. A consensus among business faculty could be achieved around four goals that many business ethics professors usually adopt for their courses (Brinkmann & Sims, 2001):

1. Awareness of one’s moral values and thresholds
2. Ability to identify and manage moral issues, conflicts and responsibilities
3. Ability to share moral understanding
4. Ability to exhibit moral courage

These four goals can be obtained while simultaneously honing a student’s higher order skills—analytical thinking, problem solving, communication, negotiation, and team development (Carlson & Burke, 1998; Smith, 2003). In terms of assessment, the first, third, and fourth goals may be difficult to measure. The second goal is probably the easiest to assess because the information is contained in most business ethics textbooks.

The Social Desirability Issue: What the Course is not About

Many functional business school professors and students express concern as to whether students enrolled in business ethics courses are being taught that there is one correct moral answer to the complex issues surrounding management decision making. It is essential to clarify that the business ethics course is about stimulating debate about right and wrong, not ending the debate. The business ethics course fails if at the end of the semester students merely repeat the professor’s own ethical viewpoints. The course should not be about generating politically correct opinions.

I continually remind students of the Shakespearean line inspired by Socrates: “To thine own self be true.” Student class contributions should be fueled by their own observations and previous behaviors. The more honest students are about themselves and their life experiences, the more they will learn.

Nor should the course be about generating ethical anarchy. Whereas accounting professors teach generally accepted accounting principles to help students generate appropriate answers, business ethics professors teach generally accepted ethical principles to help students generate appropriate answers. As will be discussed below, business ethics professors should develop a student’s ability to apply universal ethical principles—namely deontology (respect for everyone) complemented by utilitarianism (greatest good for the greatest number)—to the myriad of ethical dilemmas faced by managers on a daily basis. On contentious social issues, utilitarians disagree with utilitarians, deontologists disagree with deontologists, and utilitarians and deontologists disagree with each other, which makes for very interesting class discussions. The emphasis should be about helping students to use good reasons based on facts, and not about students agreeing with the professor’s political conclusions.

Overall Course Logic

Students arrive at a business ethics course with a set of preconceived ideas about right and wrong. These ideas are based on their life experiences and what they have absorbed from the surrounding culture, including parents, friends, teachers, and the media. Similar to other business courses, the business ethics course should begin with the exploration of the most basic ethical principle (egoism) and evolve toward the highest standard (deontology). See Table 13.1 for definitions of the five most prevalent ethical theories. A more in-depth discussion of egoism, social group relativism, cultural relativism, utilitarianism, and deontology appears in Collins and O’Rourke (1994) and Collins and Page (1997).

Lawrence Kohlberg (1981) found that people sequentially progress through the six stages of moral development listed in Table 13.2, beginning with punishment avoidance and culminating at the level of universal


Table 13.1. Five Prevalent Ethical Theories

<table>
<thead>
<tr>
<th>Ethical Theory</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EGOISM</td>
<td>How does the action relate to me? If the action furthers my interests, then it is right.</td>
</tr>
<tr>
<td>SOCIAL GROUP RELATIVISM</td>
<td>How does the action relate to my social group (peers, friends, etc.)? If the action conforms with the social group's norms, then it is right.</td>
</tr>
<tr>
<td>CULTURAL RELATIVISM</td>
<td>How does the action relate to the national culture, particularly its laws? If the action conforms with the law, then it is right.</td>
</tr>
<tr>
<td>UTILITARIANISM</td>
<td>How does the action relate to everyone who is affected by it? If the action is beneficial to the greatest number of people affected by it, then it is right.</td>
</tr>
<tr>
<td>DEONTOLOGY</td>
<td>How does the action relate to my duty to become an ideal human being who treats others in the way that I would want to be treated? Does it treat every stakeholder truthfully and with respect and integrity? If it does, then it is right. If it does not, then it is wrong.</td>
</tr>
</tbody>
</table>

Table 13.2. Kohlberg's Stages of Moral Development and Ethical Theories

<table>
<thead>
<tr>
<th>Stage Of Moral Development</th>
<th>Ethical Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1: Punishment avoidance—obedience to rules due to fear of authority</td>
<td>Egoism (Does the action hurt me?)</td>
</tr>
<tr>
<td>Stage 2: Reward seeking—self-interest, fairness to me, reciprocity</td>
<td>Egoism (Does the action benefit me?)</td>
</tr>
<tr>
<td>Stage 3: Mutual interpersonal expectations—well-being of friends and coworkers</td>
<td>Social group relativism (Is the action supported by my peers?)</td>
</tr>
<tr>
<td>Stage 4: Social system—duty to society's customs, traditions, laws</td>
<td>Cultural relativism (Does the action maintain laws and customs?)</td>
</tr>
<tr>
<td>Stage 5: Prior rights, social contract, utilities—human rights</td>
<td>Deontological logic (Does the action maintain social contracts and laws?)</td>
</tr>
<tr>
<td>Stage 6: Universal ethical principles—justice, equality, fairness for everyone, universal human rights</td>
<td>Deontology (Does the action treat every stakeholder with respect?)</td>
</tr>
</tbody>
</table>

According to Kohlberg, students cannot leap from egoism to deontology; they must gradually and sequentially pass through each stage of moral reasoning. Individuals advance to the next higher level of moral reasoning only when they become dissatisfied with the beliefs and outcomes associated with their current level of moral reasoning. The dissatisfaction must be personally experienced and recognized by the student, it cannot be intellectually imposed or injected by the professor.

Rather than imposing utilitarianism and deontology on a group of egoists comfortable with their level of moral reasoning, business ethics professors should begin the course with a defense of egoism. In Theory of Moral Sentiments and Wealth of Nations, Adam Smith emphasizes that people very naturally make economic decisions based on self-interest (Collins, 1988). The pursuit of self-interest, restrained by concerns raised by utilitarianism and deontology, justifies the extensive granting of liberty found in democratic capitalist societies.

As such, students and business people are more likely to adopt the highest ethical standards if they can be shown that doing so is in their self-interests and good for business. Researchers have noted that ethical behavior is positively associated with employee trust and commitment, customer trust and satisfaction, and organizational reputation, all of which have a positive impact on financial performance (Ferrell, Fraedrich, & Ferrell, 2005). It is in a company's financial self-interest to behave ethically; unethical behavior can result in fines and jail.
I have found that students are much more receptive to learning about the higher ethical theories after the professor has reinforced the dominant mode of ethical analysis, namely egoism. Students are now more willing to begin the trek up the ethics ladder.

Through the use of textbook material, cases, dilemmas, and experiential exercises, students should learn that applying social group relativism tends to generate better ethical outcomes than egoism, cultural relativism tends to generate better ethical outcomes than social group relativism, utilitarianism tends to generate better ethical outcomes than cultural group relativism, and deontology tends to generate better ethical outcomes than utilitarianism. By the end of the semester, students should be comfortable applying utilitarianism and deontology—Kohlberg's highest stages of moral reasoning—to business situations.

As demonstrated in the "Developing a Moral Solution Framework" (see Table 13.3), all five ethical theories provide useful information, with utilitarianism and deontology pointing in the most ethically defensible direction. Students are often so focused on their own self-interests that simply listing all the stakeholders affected by a decision can be very illuminating. We examine how the act of cheating on an assignment can have a negative impact not only on the student getting caught, but also other students taking the exam, the reputation of the college, and family integ-

<table>
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<tr>
<th>Table 13.3: Developing a Moral Solution Framework</th>
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<tbody>
<tr>
<td>Instructions: Answer Questions 1 through 6 to gather the information necessary for performing an ethical analysis. Based on this information, develop a policy option that has the strongest ethical basis.</td>
</tr>
<tr>
<td>1. Who are all the people affected by the action (stakeholder analysis)?</td>
</tr>
<tr>
<td>2. Is the action beneficial to me (egoism)?</td>
</tr>
<tr>
<td>3. Is the action supported by my social group (social group relativism)?</td>
</tr>
<tr>
<td>4. Is the action supported by national laws (cultural relativism)?</td>
</tr>
<tr>
<td>5. Is the action for the greatest good of the greatest number of people affected by it (utilitarianism)?</td>
</tr>
<tr>
<td>6. Are the motives behind the action based on truthfulness and respect/integrity toward each stakeholder (deontology)?</td>
</tr>
<tr>
<td>If answers to Questions 2 through 6 are all &quot;yes,&quot; then do it.</td>
</tr>
<tr>
<td>If answers to Questions 2 through 6 are all &quot;no,&quot; then do not do it.</td>
</tr>
<tr>
<td>If answers to Questions 2 through 6 are mixed, then modify your decision.</td>
</tr>
<tr>
<td>If answers to Questions 5 and 6 are &quot;yes,&quot; this action is the most ethical. You may need to modify this decision in consideration of any &quot;no&quot; answer to Questions 2 through 4.</td>
</tr>
<tr>
<td>If answers to Questions 5 and 6 are &quot;no,&quot; this action is the least ethical. Modify this decision in consideration of these objections.</td>
</tr>
<tr>
<td>If answers to Questions 5 and 6 are mixed, this action is moderately ethical. Modify this decision in considerations of objections raised by Questions 5 or 6. You may need to further modify this decision in consideration of any &quot;no&quot; answer to Questions 2 through 4.</td>
</tr>
</tbody>
</table>

We conclude the first class with an exercise developed by the Josephson Institute (Lampe, 1997). Students, concerned with protecting their own self-interests, derive a list of core ethical values for guiding society, first independently, then in small groups, and lastly as an entire class. The list typically includes deontological concepts such as trustworthiness, respect, responsibility, justice, fairness, caring, and good citizenship.
Although some students consider these values unobtainable in a business setting due to egoistic concerns about profit and promotion, the student-generated conceptions about the values associated with a "good society" can be referred to throughout the semester.

Developing a Moral Solution

In the second class we discuss two ethical dilemmas experienced by people similar to them, students who took the course the previous semester. These real-life dilemmas typically include observing coworkers stealing money or a boss verbally abusing a subordinate or misusing his/her authority (MacFarlane, 2003).

I read the first dilemma, require students to write down what they would do, and then facilitate a free flowing discussion where they question one another about what response would be appropriate. I conclude the discussion after about 10 minutes and ask students to critique what just happened. Most students express dissatisfaction with the superficiality of the discussion, complain that viewpoints were ignored and very little progress occurred.

I then read the second dilemma and require the students to use the "Developing a Moral Solution Framework" shown in Table 13.3 to develop a moral solution. This trains the student to consider the perspectives of all affected stakeholders (Collins & Page, 1997) and to consider the impact of one's actions based on egoism, social group relativism, cultural relativism, utilitarianism, and deontology. Hosmer (2000) offers a more complex set of questions for deriving a moral solution. We then discuss the dilemma one ethical theory at a time, reaching a consensus on each question before moving forward. Sometimes the students will reach a consensus at the end of the discussion, sometimes they do not. In either case, all perspectives are explored and treated respectfully.

Given the personal dimension of the ethical issues discussed during this class session, I instruct the students to construct their own personal moral anchor, or set of rules, to adequately guide them when ethical issues arise, one that clearly states principles and aspirations (Ferris, 1996). Most students use an inspiring quote from literature or someone they admire that moves them to do the right thing, whatever the right thing happens to be. This personal code is representative of their worldview or meaning of life. Students share their personal codes with each other, highlighting similarities and differences.

Comfortably Sharing Personally Experienced Ethical Dilemmas

Discussing unethical issues involving strangers written about in a newspaper and students who previously took the class opens students up to discussing ethical dilemmas they have personally experienced at work. By now the students have a general understanding as to what it means to face an ethical dilemma.

For the third class, students compose a brief paragraph describing an incident at work that represented an ethical dilemma, either something that bothered their conscience or was contrary to the firm's interests, industry standards, national laws, not to the greatest good of the greatest number affected by it, or disrespectful toward other human beings. They also comment on their personal feelings about the actions taken. I briefly share stories about ethical dilemmas I experienced as a 12 year old with a newspaper delivery route, a 18 year old working part-time at a summer job, a 25 year old manager, and a professor.

As an ice-breaking activity, Sims (2004) recommends that students share their ethical stories with a partner, who then conveys the story to the rest of the class. In the process of public self-disclosure, students practice listening and communication skills and form special bonds with other classmates. When facilitated appropriately, a safe conversational learning environment begins to take shape. Later in the semester, students are put in teams to further develop one of the dilemmas and facilitate an in-depth class discussion about it.

In many of the ethical dilemmas shared by the students, they either did nothing or what everyone else did when the ethical problem arose. I ask the students if their behavior upheld the values of a "good society" that we developed during our first class session or the personal moral codes they developed during our second class session. If not, why not? This helps the students to better understand the distinction between knowing what is right and doing what is right. We also explore the obstacles that prevented them from taking right action and discuss how difficult it can be at times to behave ethically in the workplace.

In addition, I introduce the concept of journaling during the second class. Throughout the semester students write about their experiences inside and outside the classroom, reflecting on the types of ethical dilemmas they experience or observe in terms of the personal code of ethics they constructed and the core values of a "good society" developed by their classmates. Students write about how people, including themselves, responded to the dilemmas and how a more socially desired outcome could have been achieved (Denney, Sims, & Collins, 1998; McNeeley, 2000). Journaling provides an important outlet for students who are not
comfortable with public disclosure, particularly international or shy students (Sims, 2002), and can be particularly effective in response to public policy (Lenn, 1997) or service-learning experiences.

**Persuading Others by Speaking the Same Ethical Language**

By the fourth class, many students are curious to know where they stand on the ethics continuum and how this knowledge can help them become better managers. Students complete a Machiavellian survey instrument to enhance self-understanding (Christie & Geis, 1970). In addition, I have modified a managerial dilemma developed by Mallinger (1997) to provide some insight on their preferred ethical style.

In the ethical dilemma, a seismologist receives data predicting an 80% probability of a 7.3 magnitude earthquake hitting one of four fault lines in Southern California within the next 2 days, including the populated San Andreas fault. Should the seismologist disclose this information to the public? Each prompt response to the dilemma represents the application of one of the five ethical theories, ranging from egoism to deontology.

I group together the students who applied the same ethical theory to the dilemma (i.e., all those who chose the social group relativist response are put in the same group). The groups then develop persuasive arguments to convince students one step lower on Kohlberg’s stages of moral development to join their group. For instance, the social group relativists must develop egoistic reasons why egoists should adopt the social group relativist action response, cultural relativists must develop social group relativistic reasons why the social group relativists should adopt the cultural relativist action response, and so on. Egoists are assigned the task of convincing deontologists to choose the egoist option.

This activity demonstrates how to successfully persuade others. Egoists are unlikely to change behavior unless provided with an egoistic reason for doing so. Similarly, giving a deontologist egoistic reasons for changing behavior will most likely be unsuccessful. However, an egoist could influence a deontologist by reasoning like a deontologist, framing the desired behavior in terms of duties and respect for all stakeholders.

We end this class session the way we end all class sessions, with the question “What did you learn today in class?” Debriefing is essential to connect the student’s experience with the conceptual knowledge being taught and reinforce the learning that has taken place (Dennehy, Sims, & Collins, 1998; Sims, 2002).

**Role Playing to Understand Social Group and Cultural Relativism**

As noted earlier, the class is structured to move students through Kohlberg’s stages of moral development, from egoists to deontologists. I do not expect all the students to reason like deontologists and utilitarians by the end of the semester, but I do expect them to have a more sympathetic understanding of how these higher stages of moral development reason through ethical dilemmas. Role playing is a very useful technique for achieving this goal.

Typically, professors use role playing to provide students with an opportunity to consider alternatives from different stakeholder perspectives (Brown, 1994; Raisner, 1997). Role playing also provides a unique opportunity to demonstrate (1) the superiority of social group relativism over egoism and (2) the inadequacy of social group relativism.

Landrum (2001) constructs an ethical dilemma wherein the decision maker must decide whether to recommend Morgan, an ethically-challenged friend, for a job. I have modified the dilemma slightly to enhance its relevancy for students. The central decision maker is now a student working as an assistant weekend store manager. Morgan, who had falsified records at a previous employer, requests a favorable recommendation for a job opening as the second assistant weekend store manager. Most students would recommend Morgan for the position without informing anyone about Morgan’s past misbehaviors. They justify the decision using egoism (Morgan would praise or blame the decision maker) and social group relativism (Morgan, as a friend, deserves special consideration). Students generally agree that social group relativism—an obligation developed out of friendship—provides a stronger ethical reason than egoism.

Then we change roles. The student is now the current store manager rather than Morgan’s friend. If the store manager, most students would want to be informed about Morgan’s previous misbehaviors. Most students are uncomfortable with right or wrong being dependent on whether the student is either the one making the recommendation to the manager or the manager receiving the recommendation. They desire greater moral consistency.

Eventually, a student has an “aha” experience and asks about the status of the law on this matter. I explain that it is illegal to knowingly provide false information. The law provides moral guidance that addresses ethical problems associated with the application of social group relativism. The law encourages honesty independent of one’s social group preferences.

I further reinforce this lesson with an ethical dilemma developed by Sanyal (2000). I have modified the dilemma by putting the decision...
maker into five different roles—an uninformed consumer, an informed consumer, the purchasing manager, the CEO, and a societal perspective.

A person shopping in a national hardware store must choose between two identical hammers of similar quality, one costs $5.99 and the other $8.29. Which hammer should the shopper purchase? Most students would purchase the lower-priced hammer. Next the person notices that the lower-priced hammer has a "Made in China" sticker on it and the higher-priced hammer does not have any sticker. Which hammer should the person purchase? Most students would still purchase the lower-priced hammer.

The decision maker is now the purchasing manager of a national hardware company that employs many people. Managers at every unit were directed to cut costs and increase revenues to prevent bankruptcy. The purchasing manager locates a Chinese supplier of hammers, screwdrivers and other hardware with prices way below that of other suppliers, enabling the company to simultaneously lower prices and increase profits on each item sold. Unfortunately, the Chinese supplier, which sells to other American hardware companies, employs prisoners required to work long hours under very harsh conditions and no wages. Money paid the supplier goes to pay the prison officials rather than the prisoners. Most American consumers are unaware of the Chinese prison labor conditions, while others have heard about it but do not care. Should the purchasing manager recommend to corporate headquarters that the company switch to the Chinese supplier? If, instead of purchasing manager, the student was the CEO, would the student sign the contract with the Chinese supplier?

Last, students evaluate the same dilemma from a societal perspective. In the United States, the use of prison labor to manufacture products for commercial sale is generally banned, otherwise American companies paying regular labor costs could not compete on price. Should the United States government ban importing Chinese hardware made by unpaid prison laborers? Most students—even those who would have purchased the product in their roles as consumers, CEO and purchasing agent—vote to ban such products. Typically, they justify their decision change based on utilitarianism or deontology. This leads to a discussion as to why we prefer laws to be based on utilitarianism or deontology, rather than egoism or social group relativism.

A similar role play dilemma could be developed based on the Maquiladora vignette on sweatshop labor provided by Raisner (1997). Students can determine the ethics of where to locate a new production facility by comparing the perspectives of a United States labor union member, a Guatemalan laborer, the CEO, and a human rights activist. The use of a "mock trial" also generates lively discussions by forcing students to struggle with the incongruity of applying the logic of social group relativism to people in different roles facing the same information. In the mock trial, students must defend, prosecute or serve on a jury in a case involving an executive who committed a questionable behavior (Orlitzky, 1997). Such discussions push students into using utilitarian and deontological analysis to smooth out the moral ambiguity of social group and cultural relativism.

One other classroom activity that confronts students with the ethical shortcomings of social group relativism is an ethical analysis of papers or homework assignments they submitted to professors teaching functional business courses. I have offered this assignment to students wanting extra credit points. Students typically compartmentalize their learning, which is why curriculum integration is so important. In accounting courses, students seek to please their accounting professors by thinking like accountants. The same is true for marketing, finance, and even business ethics. After applying the "Developing a Moral Solution Framework" in Table 13.1 to the papers they wrote for other classes, students are quite surprised at the unethical nature of some of their recommendations.

**Service-Learning**

Service-learning projects are increasingly seen as a viable pedagogical tool for learning college course material. According to the 2002 National Survey of Student Engagement, 42% of graduating college seniors have participated in a community-based project as part of a regular course, and nearly two-thirds performed community service or volunteer work during the college years (National Survey of Student Engagement, 2002). The addition of a service-learning component to courses has been found to positively effect a student's moral development (Bass, 1994) and enhances critical thinking (Eyler & Giles, 1999), even beyond graduation (Astin, Sax, & Avalos, 1999).

Many schools have service-learning centers that can help professors develop projects associated with business ethics course learning objectives, such as enhancing a student's sensitivity to social issues, developing a deeper understanding of how businesses can address social problems, and learning how to manage a community service project (Collins, 1996; Lamb, Swinth, Vinton, & Lee, 1998; Shaffer & Collins, 1997). Businesses engage in community service activities to enhance their reputation in the community, as a form of team and management development, and to attract and retain employees. Participation in service-learning projects prepares students for this work expectation.
I have been conducting service-learning projects out of my business ethics courses since the early 1990s, ranging from a one-time serving of food at a homeless shelter to several weeks addressing a nonprofit agency's management needs. Students continually report that the service-learning project is one of their most enjoyable college learning experiences, even those students who begin the assignment with negative preconceptions about the subject matter. Business ethics professors can help students learn course content by tapping into their desire to become more involved in the local community and positively impact their values and opinions (Kracher, 1999; McCarthy & Tucker, 2002; 1999; Weber & Glyptis, 2000).

I allocate approximately 25% of my class time during a semester to service-learning activities. My course meets for 75 minutes, twice a week, for 15 weeks. Teams of three or four students apply the skills and knowledge they are learning in their business programs to a service-learning project during eight class sessions. I have formed a partnership with a nearby Boys & Girls Club and meet with its managers prior to the semester to design projects beneficial to the Boys & Girls Club that coincide with my curriculum goals. Many of the projects are on management's "to-do" list, but have not been accomplished due to a lack of time and resources. During the 2003-2004 academic year, student teams designed a program brochure, created manuals for hiring employees and managing volunteers, developed program guidelines for new member and new employee orientations, and reorganized the library. During class time I oversee the evolution of their work and provide feedback as needed.

The importance of team development as part of course goals and the business program should not be underestimated. Team activities at work will dominate the future lives of many students. Business ethics professors should assist students in interacting with team members, performing multiple team roles, and developing their social and group processing skills (Siciliano, 2001; St. Clair & Tschirhart, 2002).

The service activity could be directed at the college campus rather than the local community. I recently taught students how to use The Natural Step framework for improving environmental performance (James & Lahti, 2004; Nattrass & Altomare, 1999). Students applied the first three principles to the college campus and developed recommendations for improving our environmental performance, such as more recycling in the library, reducing energy usage in the dormitories, and providing locally grown organic food in the cafeteria. The students met with the appropriate administrator and collaboratively developed an action plan that the students then implemented.

### Table 13.4. Purposes In Life Essay Assignment

"The unexamined life is not worth living." —Socrates

"This is the true joy in life—the 'being' used for a purpose recognized by yourself as a mighty one; the 'being' a force of nature instead of a feverish, selfish little clot of ailments and grievances, complaining that the world will not devote itself to making you happy." —George Bernard Shaw

Every day we recreate ourselves, though we tend to be a lot like the person we were the previous day. As Socrates suggests, personal reflection on our own lives is very important to our evolution as individuals, community members, and a species. As George Bernard Shaw suggests, a life of meaning generates tremendous joy as we travel through life’s adventures.

Edgewood College’s Dominican educational tradition consists of study, reflection and action. Throughout the semester we have studied, reflected and acted. Now it is time to study yourself and reflect on the data you gather about yourself.

**Part I:** Compose a 4-6 page, double-spaced typed response to the following questions:

1. What three characteristics best describe who you are? Assume a judge responds: "That's not true!" Defend each characteristic you listed with a real experience that exemplifies it is true.
2. The five values at the heart of Edgewood College are: Truth, Justice, Compassion, Partnership and Community. Write five short paragraphs about whether people in your work organization (a) are truthful, (b) pursue justice, (c) are compassionate, (d) develop partnerships, and (e) engage others in the spirit of community, one short paragraph per value. Support your conclusions with examples.
3. At some point in your life an injustice to someone else cried out to your heart and mind that led you to demand justice. Whether it was a news story, an article, a talk you attended, a call from a friend, or something you observed, it moved you to seek justice. What was it? What did you do?
4. In class we examined ethical dilemmas, critical incidents and business scandals. Reflect on your journal entries regarding the positions you took in these discussions and summarize how they represent your belief system about human beings, business, and society.

**Part II:** Compose a 4-6 page, double-spaced typed response to the following questions:

1. What is the purpose of life?
2. How will you fulfill this purpose through your work, career, and family?

### Purposes in Life Essay

My business ethics course culminates with the composition of a "Purposes in Life" essay that effectively provides a reflective debriefing of the entire semester. As shown in Table 13.4, students articulate their own purposes in life based on their journal entries, course activities and other life experiences. By the end of the assignment students have developed their own worldview, one that will influence the types of decisions they make during their professional careers.
Other Classroom Activities

The business ethics and management education literature abounds with many other innovative teaching methodologies, including in-depth case study analysis (Bezold, Wokutch, & Gerde, 1997; Dean & Fornaciari, 2002; Desiraju & Gopinath, 2001; Nelson & Wittmer, 2001; Schaupp & Lane, 1992; Siciliano & McAleen, 1997), crisis management simulations (Fryxell & Dooley, 1997; Muir, 2001; Weber, 1997; Zych, 1999), field trips to discuss ethics training with corporate ethics officers (Jones & Ottaway, 2001) or to observe how white collar criminals are processed and incarcerated (McPhail, 2002), theatrical movies that dramatize complex ethical dilemmas (Giacalone & Jurkiewicz, 2001; Hosmer & Stineck, 1989), novels (Garaventa, 1998), current events presentations (Ferris, 1996), and exploration of diversity issues (Clair, Crary, McDaniels, Spelman, Buote, & MacLean, 1997; Eylon & Langton, 1998; McQuarrie, 1998; Muller & Parham, 1998; Thompson, 2002). All of these activities can generate lively and meaningful discussions and understandings.

PART III: AN INTEGRATED BUSINESS ETHICS PROGRAM

In addition to a separate business ethics course, business ethics topics should be infused into other business courses. Business ethics professors can serve as change agents by developing partnerships with key subunits within the business school and local community. Business ethics integration programs have been created at private institutions, such as Wharton (http://ethics.wharton.upenn.edu), and public institutions, such as the University of Nebraska-Lincoln (http://www.cba.unl.edu/outreach/busethsoc/information.html). This section is written from the perspective of a one-professor operation with limited resources. I have tried, with various degrees of success and failure, to infuse business ethics into student orientations, first-year forums, other courses, student organizations, and community outreach.

Orientation Activities

Business ethics education should begin with a student’s orientation to the university and business program. It is essential to build moral expectations at the front end of the higher education process. The National Resource Center for the First-Year Experience & Students in Transition surveyed 1,013 higher education institutions in 2000 and found that 62% offered an extended orientation or college survival seminar, and half of them required this of all first-year students (www.sc.edu/fye/research/surveyfindings/surveys/survey00.html). Approximately 80% of these programs involved faculty in orientation activities.

Communication between faculty and students outside the classroom is an important predictor of student engagement and retention. At the University of Wisconsin-Madison, I conducted half-day orientation workshops in which new MBA students debated an ethical dilemma and learned an ethical vocabulary they could bring to their functional courses (Collins & Page, 1997). Incoming students can also participate in a service-learning project with a business ethics dimension, such as an environmental clean-up activity, that helps them develop communication, teamwork and leadership skills.

First-Year Forum Activities

For undergraduate students, first-year forum activities are an important layer in their socialization process. The Policy Center on the First Year of College reports that 94% of the schools they surveyed offered first-year seminars, and more than 40% required student participation (Barefoot, 2002). The first-year forum could be an ethics course that covers business issues, or a management course that covers ethics issues (Lamb, Lee, & Vinton, 1997). These courses should include student collaboration, active learning, a high degree of faculty interaction, and high expectations (Chickering & Gamson, 1987).

Many incoming freshman have participated in high school service-learning projects (Ducenfield, 2002; Fusco, 2002) and, as a result, are very receptive to deeper service-learning projects linked to the curriculum (DeVitis, Johns, & Simpson, 1998; Zlotkowski, 2002). Edgewood College offers a nonmandatory, one-credit, first-year forum course. During the Spring 2004 semester, three professors from different academic disciplines designed an environmental immersion course that begins during orientation and extends into the student’s first semester. The students and professors canoed around an adjacent lake, stopping at various points to hear guest lectures along the shoreline. My group of students studied the storm drain system within the local watershed and glued decals noting “this drain dumps to lake” on the storm drains nearest the lake. The objective of our first-year forum is to habituate students into the
cycle of study, reflection, and action, followed by more study, reflection, and action.

**Brown Bag Workshops on Teaching Ethics**

As discussed earlier, many functional business professors are reluctant to raise ethical issues in their courses. Business ethics professors can organize brown bag workshops on how to integrate ethics into other business disciplines. I achieved mixed results conducting these workshops at the University of Wisconsin-Madison Business School.

Importantly, I had the support of the then-dean of the business school, who sent a memo to each department requesting that they sponsor an ethics teaching workshop. My goal was to train each professor to facilitate one ethics discussion during the semester. The dean's more modest goal was for me to train one professor per department to facilitate one ethics discussion per semester. Attendance was voluntary and very few professors attended. Integrating ethics into their courses was not a high priority among the professors at this research institution.

I achieved slightly more success sponsoring my own brown bag workshops available to all business school faculty. Most of the attendees were nontenured professors sincerely interested in the subject, though they expressed concern that tenured colleagues preferred they spend more time conducting research rather than improving teaching pedagogy.

Prior to conducting the first workshop, I met with MBA students from each discipline and developed ethical dilemmas based on their previous work experiences. At the faculty workshops, I modeled how to facilitate an ethics discussion for the student developed dilemmas (Collins & Page, 1997). I read the real-life ethical dilemma, the participants wrote down what they would do and why, and I empowered those with the minority point of view to question those who held the majority point of view. We then developed a consensus around what would be the most ethical thing to do, and examined how to do it without alienating a powerful stakeholder (such as a boss or colleague). Most attendees found this format very helpful and simple to adopt in their own courses.

The business ethics and management education literatures contain many examples of ethical topics that can be addressed in functional courses, including courses in Accounting, Computer Science, Communication, Marketing, Operations Management, Organizational Behavior/Management, Personnel Administration, and Public Relations (Agarwal & Mallow, 2002; Buerck, 2002; Eylon & Langton, 1998; Piper, Gentile, 

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Integrating Ethics and Social Responsibility Into Management Courses

At Edgewood College I teach management courses as well as the business ethics course. According to a poll of business student recruiters conducted in 2003, the top five student attributes recruiters consider most important are: (1) communication and interpersonal skills, (2) ability to work well within a team, (3) analytical and problem-solving skills, (4) personal ethics and integrity, and (5) leadership potential (Wall Street Journal, 2003). As part of our assessment efforts, the full-time management faculty agreed on the following five learning outcome goals for the introductory management course required of all business majors: problem-solving, communication, teams, leadership/motivation, and ethics/social responsibility.

I have designed an extensive service-learning project that addresses all five learning outcome objectives around the teaching of "project management," a concept assigned to the course. Students learn project management by conducting an educational outreach project at a public or private grade school, middle school or high school. In conjunction with the mission of Students-In-Free-Enterprise (SIFE), which is discussed later in this section, student teams present workshops on how free markets work in the global economy, how entrepreneurs identify and serve market needs, skills needed to successfully compete in a free market economy, and practicing business ethics.

Similar service-learning projects can be built into other management courses. Students in my capstone management course on improving organizational effectiveness act as small business consultants by addressing a current organizational inefficiency, such as how to better market the company's products or services. My strategy students at the University of Bridgeport conducted a customer satisfaction survey for a nearby tutoring center and marketed the services of a free medical clinic to low-income families.

Integrating ethics and social responsibility in management courses can also be done on a much smaller scale. For an upper-level undergraduate management course that addresses diversity, my students interview someone of a different race, ethnic group, or religion about their life experiences. Shortly after the 9/11 tragedy, many students attended a local
Islamic service and interviewed attendees about their religious beliefs. This increased student awareness and empathy.

**Student Organizations and Activities**

Many student organizations have a statement in their constitutions about serving the campus or broader community. While at the University of Wisconsin-Madison, I held brainstorming sessions with student organization leaders to determine ways they could serve the local community. Some organizations decided to apply the skills they were learning, such as accounting club members providing free bookkeeping services to non-profit agencies. Other student organizations preferred undertaking a community service project unrelated to their area of study, such as finance club members participating in an environmental clean-up project.

Student organizations are notoriously understaffed and compete against each other to recruit new members. As the faculty advisor to the Edgewood Business Association (EBA), I encourage student organization members to cooperate with, rather than compete against, other student organizations. EBA members offer their services to other student organizations for joint projects, such as helping the Psychology Club advertise their events. In addition to reinforcing the habit of service among students, these joint activities help reduce the stereotypes different college majors have toward each other.

During the 2003-2004 academic year we created a Students-in-Free-Enterprise (SIFE) chapter at Edgewood College. SIFE's mission is "to provide college and university students with an opportunity to make a difference and to develop leadership, teamwork and communication skills through learning, practicing and teaching the principles of free enterprise" (www.sife.org). SIFE teams are active on more than 1,500 college and university campuses in 37 nations. Edgewood College SIFE team members conducted community workshops on business topics, and participated in a regional competition against SIFE teams from other colleges and universities.

Another possibility is student participation in an annual Ethics Bowl. Initiated by Robert Ladenson of the Illinois Institute of Technology in 1993, the national contest takes place in conjunction with the Association for Practical and Professional Ethics' annual February meeting (Borrego, 2004; Ladenson, 2001). Forty teams participated in the 2004 Ethics Bowl. A panel evaluates the teams according to intelligibility, depth, focus, and judgment.

Last, business ethics professors can assist student services in creating a cohesive life experience at college based on ethics. At Maharishi University of Management a student's daily schedule includes time for exercise, sports, and meditation (Schmidt-Wilk, Heaton, & Steingard, 2000). The school focuses on the emotional, social, and moral growth of students, in addition to cognitive growth.

**Business Ethics Center**

An increasing number of higher education institutions are sponsoring business ethics and leadership centers. Extensive lists of domestic and international centers and other very useful business ethics Internet links are available at http://ecampus.bentley.edu/dept/cbe/resources/ethicsorgs.html and www.web-miner.com/busethics.htm#orgs.

A primary activity of most centers is distributing information through conferences, workshops, and newsletters to local companies, the media, other professors, and alumni. Founded in 1976, the Center for Business Ethics at Bentley College is one of the earliest business ethics centers housed at an institution of higher education (http://ecampus.bentley.edu/dept/cbe). In addition to conferences, the center provides a variety of publications, research and teaching materials, and consulting services. In 1991, the center helped establish the Ethics Officer Association (www.eoa.org) for professional ethicists.

At Edgewood College, we are exploring the creation of a business executive support network wherein ethical issues can be confidentially addressed among colleagues and informed stakeholders. This format can be extended to practitioners in other fields and academic disciplines, such as political science, law, and medicine. Another possibility is the creation of a survey research center that researches public sentiments on business ethics issues.

**Community Outreach**

The business ethics professor's audience extends beyond the classroom and campus. Opportunities to educate the local, national, and international community includes op-ed essays for newspapers, media interviews, and presentations to professional groups and community organizations. One of my most recent rewarding activities is serving as a judge for the Wisconsin Business Ethics Award sponsored by the Society of Financial Services Professionals. The regional award feeds into a national competition. We have designed the judging process to include business students.
from several Wisconsin colleges and universities. Student teams evaluate the nominees according to the judging criteria and then present their conclusions to the business practitioners, community leaders, and academics judging the contest.

CONCLUDING COMMENTS

Business ethics professors can influence the lives of students, the business curriculum, and the culture of their institutions in a way unlike that of professors teaching more functional disciplines. The course content—the integration of ethics with professional skills—is central to the mission of higher education institutions. Although at times the mission can be burdensome and isolating, this article’s emphasis on partnering with key units throughout the institution suggests that it need not be. We are uniquely positioned to assist in the implementation of higher education reforms that have long been called for and central to keeping colleges and universities active players in shaping our future leaders.

REFERENCES


