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## Making the Right Decision: Incorporating ethics into business education

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# Making the Right Decision: Incorporating ethics into business education

## Summary

Every year a small number of business managers and executives are caught engaging in fraudulent behaviours and making questionable decisions (e.g., Enron). These headline-making actions become discussion points in many business schools; however, undergraduate business students receive little organized, formal education in business ethics. Using a multidisciplinary approach, this workshop emphasizes the importance of teaching business students about ethics in all undergraduate classrooms. In 90 minutes, participants will learn about the importance of business ethics, how to effectively incorporate a dialogue about ethical practices into any business classroom, and how to create a confidential learning environment to facilitate effective ethics discussions.

## Keywords

ethics, business education, class discussion, ethical decision-making

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### SUMMARY

Every year a small number of business managers and executives are caught engaging in fraudulent behaviours and making questionable decisions (e.g., Enron). These headline-making actions become discussion points in many business schools; however, undergraduate business students receive little organized, formal education in business ethics. Using a multidisciplinary approach, this workshop emphasizes the importance of teaching business students about ethics in all undergraduate classrooms. In 90 minutes, participants will learn about the importance of business ethics, how to effectively incorporate a dialogue about ethical practices into any business classroom, and how to create a confidential learning environment to facilitate effective ethics discussions.

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### LEARNING OBJECTIVES

By the end of this lecture participants will be able to:

- identify reasons why teaching ethics in the business curriculum is important
- discuss the pros and cons of isolating ethics instruction in one course in the curriculum versus distributing it over multiple courses
- implement strategies for incorporating ethics into any business classroom

### REFERENCE SUMMARIES

Five references are used in this project. Selected key points are summarized below.

Oddo, A. R. (1997). A framework for teaching business ethics. *Journal of Business Ethics*, 16(3), 293-297.

Oddo compares and contrasts the teaching of ethics in one specific business course with its incorporation throughout the entire business curriculum. The principal theme argued in this paper is that business ethics needs to be integrated across the business curriculum to better prepare students for future ethical dilemmas in their professional context. However, because ethics in business is a fairly new and potentially contentious field of study, few professors are comfortable dealing with ethical issues in depth. Professors often view ethics as an 'add-on' to an already busy curriculum, and therefore it does not get the attention it deserves.

Five frameworks of ethics are discussed:

1. Normative theories – business ethics is taught in an interdisciplinary manner where students take mandatory ethics classes in a range of subjects and cross-collaboration between classes is encouraged.

2. Vincentian tradition – students learn about the rights and dignity of the human person, especially for the poor, the suffering, the handicapped, and the outcasts.
3. Professional codes of ethics – standards are set by private associations which govern their members under a set of principles and rules. Members that disobey the rules are subject to disciplinary action (often mandatory loss of license/designation).
4. Corporate codes of ethics – similar to professional associations' codes of ethics, rules are set forth by organizations for their employees.
5. Personal values – students should learn how to incorporate their own values into ethical decisions in business rather than learning what is right or wrong.

Two criticisms of teaching ethics in the business classroom are addressed. First, some people believe that ethics are something that are learned early in life and that by the time a student reaches the university level, their values and morals are already solidified. Second, ethics education is sometimes based on unrealistic situations to which students cannot relate. Fortunately Oddo offers some suggestions for combating these issues.

First, Oddo argues that people's value systems are not static or permanent but can be influenced and modified throughout their lifetimes. So while our foundation may be formed during our early years, we may be continuously influenced throughout our lives, including the time we spend in university.

Second, we can overcome the latter issue by incorporating real-world cases and examples into ethics teaching. Oddo suggests using popular historical examples or current examples with which students would be familiar.

Sims, R. R., & Brinkmann, J. (2003). Business ethics curriculum design: Suggestions and illustrations. *Teaching Business Ethics*, 7(1), 69-86.

The design of business ethics curricula should start with the very basics: a school-wide dialogue about top goals, priorities, and working conditions. After this step has been completed, schools need to formulate a plan for both dispersing ethics education into business classrooms and developing a core ethics-specific course. The argument is made that ethics is far too broad and deep of a subject to be dissolved among all classes. Thus, a balance of dispersion and specification are needed.

Three perspectives for teaching ethics in business are addressed in the paper:

- Reflection – students should be closely involved with the material while having the opportunity to test their own values and morals in ethics education. This provides students with some insight into their own character and allows for a deeper sense of self.
- Interdisciplinarity – students should learn about ethics from a variety of professors in a range of classrooms. These teachings should be spread throughout disciplines and relate to other material being taught in that subject.

- Curriculum logistics – ethics courses should be a mandatory part of the curriculum and not be the first class to be dropped when resources are cut. If a specific ethics course has to be cut, the material should be dispersed throughout other classes so that students are exposed to ethics.

Several suggestions are made for teaching business ethics to university students. First, students should be treated as individuals and the idea of what is right or wrong should not be forced on them. Second, undergraduate students should be exposed to ethics in a range of their classes, whereas graduate students should be able to enrol in ethics-specific classes. Finally, ethics courses need to be mandatory requirements for graduation.

Sims, R. R. (2002). Business ethics teaching for effective learning. *Teaching Business Ethics*, 6(4), 393-410.

Six particular areas are critical for effective ethics teaching in business: goals, relevancy, experiential pedagogy, classroom climate, debriefing, and outcomes assessment.

1. Goals must be established by key stakeholders in the business school prior to teaching ethics.
2. Perceptions of ethics in business must be seen as a relevant contribution to students' education.
3. Experiential teaching should be emphasized to teach effective ethics.
4. Classrooms must be associated with a safe environment for students to speak their minds.
5. Debriefing students after classes should take place to ensure confidentiality.
6. Assessing the outcomes of each class will facilitate effective learning.

Teaching ethics in business classes is not easy. Once these six key aspects to effective ethics teaching and learning are understood, professors and other stakeholders can take several steps to ensure the proper implementation of ethics in the classroom. **Foremost, a safe classroom environment needs to be created.** As well, professors must select material carefully in order to test students in a variety of ethical dilemmas as this will equip them for real-life scenarios in the workplace. Nearing the end of class, instructors should get students to reflect on the skills that they have gained through the process of exploring ethical dilemmas as this will help to bring the learning full circle. Finally, feedback needs to be provided to the students to help them understand how they are doing and where improvements can be made. Together, these six characteristics should be central goals if effective ethics education is to take place.

Gandz, J., & Hayes, N. (1988). Teaching business ethics. *Journal of Business Ethics*, 7(9), 657-669.

A dual focus on both analytical frameworks and their application should be introduced when teaching ethics in business. Before selecting content, instructors need to decide how they wish to frame their teaching. There are several frameworks to choose from and they should be judged by their acceptance, comprehension, structure, and applicability. Nine

frameworks are grouped into three categories: consequential, rule-based, and cultural (see Gandz & Hayes for a further explication.)

Professors are reluctant to handle ethical instruction because of the issues presented in these courses. Thus, a 'critical mass' of professors (and others) should work cooperatively to construct a collective series of material. Professors involved in the development process should disperse this material to their peers and take the lead by teaching the material in their own classes.

The authors argue that:

1. Teaching ethics is in the interest of the business school;
2. Business schools are obligated to teach business ethics; it is compulsory as a 'socially responsible organization;'
3. Full integration of ethics across classrooms and disciplines is the best approach;
4. A team of faculty should collectively develop relevant material;
5. Regular faculty should receive support and mentoring from specialized ethics faculty;
6. Case teaching should be emphasized in ethics education to introduce real-life scenarios.

Rossouw, G. (2002). Three approaches to teaching business ethics. *Teaching Business Ethics*, 6(4), 411-433.

Three purposes for teaching ethics in business schools exist, which include the development of cognitive competence, behaviour competence, and managerial competence. Each position complements the other—they are not mutually exclusive.

First, the cognitive competence perspective postulates that ethics are to allow students to acquire the ability to make proper ethical judgements outside of the classroom. The objective is to equip students with the right 'tools' to evaluate ethical situations. Students should be taught about moral awareness, understanding, reasoning, decision-making, and tolerance.

The second perspective, behavioural competence, places the emphasis of teaching business ethics on developing the morals of each student. The goal is to shape students into good moral human beings. The focus in the classroom shifts from moral cognition (cognitive competence) to moral character. Students will be required to learn about moral sensitivity, courage, and imagination.

Finally, managerial competence states that the purpose of ethics education in business is to allow managers and professionals to extend their abilities to moral situations. The focus here is specifically on the organization and situations that arise in the workplace. Students learn about systemic morality, moral efficiency, instrumental morality, and moral leadership.

In sum, although these three positions appear to be different on the surface, they should be used concurrently to ensure the most effective ethics teaching takes place. Each position complements the others as each comes from a unique perspective. Professors must learn how to bring each perspective into the classroom to facilitate comprehensive student learning.

## CONTENT AND ORGANIZATION

The following table presents an outline for teaching a group of business faculty members about introducing ethics into their classrooms. The outline draws on the previous five readings and other learning material, although it draws most heavily on Oddo (1997) and Sims & Brinkmann (2003) to teach the application of methods in ethics education. The lesson is scheduled for 90 minutes.

Duration	Subject	Activity/Purpose	Question(s)
0-5 minutes	Course overview	Brief introduction: <ul style="list-style-type: none"> <li>• Personal introductions</li> <li>• Workshop introduction</li> </ul>	<i>What will I learn?</i>
5-15 minutes	Briefly discuss the importance of ethics in business (sets the stage for the class)	Lecture – part one: <ul style="list-style-type: none"> <li>• Emphasize the importance of ethics in business using real-situations. Draw on: 1. <b>Oddo (1997)</b> for five frameworks to teaching ethics; and 2. <b>Sims &amp; Brinkmann (2003)</b> for three approaches to teaching ethics</li> <li>• Discuss link between education and future business leaders</li> </ul>	<i>Why are ethics important?</i> <i>Why can't students just learn about ethics on their own?</i> <i>What are some of the underlying frameworks in ethics teaching?</i>
15-30 minutes	Teach six criteria for effective ethics instruction in the classroom	Lecture – part two: <ul style="list-style-type: none"> <li>• Discuss ethics teaching methods for core business disciplines. Use <b>Sims (2002)</b> six criteria for effective ethics instruction in business. Emphasize how these can be applied and their importance</li> </ul>	<i>What are the most important criteria for teaching business ethics?</i>
30-50 minutes	Application	Using the same case study <i>What Are We Pouring in Our Morning Cereal*</i> small groups of students (2-3) will: <ul style="list-style-type: none"> <li>• Draft a mini-lesson that meets Sims' (2002) six criteria addressed in previous lecture</li> </ul>	<i>How can I apply what I have learned so far to teaching a real ethics case lesson?</i> <i>How can Sims (2002) six criteria be applied?</i>
50-80 minutes	Discuss case study	Using examples from several students, discuss with the	<i>What approach to teaching this case seemed</i>

		<p>participants their various approaches to teaching this case. Natural outcomes should include:</p> <ul style="list-style-type: none"> <li>• Pros and cons of each approach (e.g., were any of the six criteria missed?);</li> <li>• Likes and dislikes;</li> <li>• Future modifications</li> </ul>	<p><i>the most effective? Why? How did Sims (2002) six criteria come into play? Did they help with teaching the case effectively?</i></p>
80-90 minutes	Debriefing and concluding remarks	Students may ask unanswered questions followed by debriefing	<i>What final questions do I have?</i>

\**What Are We Pouring in Our Morning Cereal* is a short case that places a reporting team in an ethical dilemma when their investigative report on a biotech company's product is demanded to undergo alterations immediately before the series is aired. This case can be accessed through Ivey Cases ([www.iveycases.com](http://www.iveycases.com)) and purchased for \$3.40 CAD.

Name: What Are We Pouring in Our Morning Cereal?

Authors: Gerard Seijts, Dan Crim

Product Number: 9B05C028

Publication Date: 10/13/2005

Length: 10 pages

Product Type: Case (Library)

Source: The Ivey School of Business – Western University - Canada

## PRESENTATION STRATEGIES

The workshop is targeted to business faculty, so each learner will have their own ideas of how they plan to apply ethics in their classroom. It is important that multiple perspectives are heard (not just that of the workshop facilitator) so that each person can leave with a better idea of how they want to incorporate ethics in their own teaching context. Finishing with a brief overview, the importance of ethics will be reiterated.

It is especially important that emphasis is placed on learning the common methods used for teaching ethics in the classroom. Be sure to encourage new ways of teaching ethics and comparing and contrasting different approaches. This lecture focuses almost exclusively on the various methods for teaching ethics.