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John Koeplin

University of San Francisco, koeplin@usfca.edu

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TEACHING FRESHMAN BUSINESS STUDENTS ETHICS: A CASE STUDY

John P. Koeplin

University of San Francisco

ABSTRACT

Making ethical decisions is important for both personal and business situations. This case study suggests a different approach to educating business students about ethics and personal character. By exposing beginning business students to personal and business dilemmas, requiring reflection papers on their experiences, debating business and political issues, and through other activities such as discussion various business ethical dilemmas, students will become more sensitive to ethical issues and ideally see character development as something directly related to their studies. Additionally, by having students take this course in their first year of undergraduate studies, this will affect the context and experience of most of their remaining courses, including business courses. This course's purpose ultimately is to help equip the student to be more morally perceptive and thoughtful, and in so doing, help them become mature professionals with improved excellence of character.

INTRODUCTION

Can ethics be taught? Can morality be taught? Can character development be taught? These are important questions, especially for business schools educating future managers. There have been far too many business (and accounting) scandals in the past decade. We are all familiar with the Enron's and WorldCom's of the world, forever identified as the epitome of corporate corruption and greed. We are aware of Wall Street firms using United State bailout funds for executive bonuses (Solomon, 2009). Time may well indicate that corporate and individual greed contributed heavily to the economic recession of 2008. The fallout from these scandals has destroyed the economic wellbeing of millions of people.

The vast majority of the major players in these business institutions are graduates of the colleges and universities of the United States. Might that indicate that Business Schools of these institutions bear some responsibility in these scandals? Is something missing in their university education that would enable graduates to "do the right thing" more often? Delbecq laments, "I find executives discouraged when they discover business students' ethics shallower and inner compasses more poorly calibrated than expected" (2009, 25). For a number of years, a cross section of people have called for business schools to include an ethical component in the curriculum (AACSB). Schools have responded differently to this call. Some have placed most of the ethical emphasis on a single course while other schools have attempted to integrate ethics throughout the curriculum. The results of such approaches are mixed at best.

Most, if not all, universities and business schools have a mission statement or vision statement that inevitably mentions ethics in some form or another. How should universities, and specifically business schools, meet the call to educate their students to be persons of integrity, persons who will make ethical decisions in their chosen fields as well as in their personal lives?

This paper uses a case study to describe the design, delivery and evaluation of an approach that differs from that of a typical business ethics course. Traditional business ethics courses have usually stressed a philosophical basis and offer various approaches to explaining ethical theory. Additionally, most of these business ethics courses are offered during the third or fourth year of an undergraduate business program. A proposed approach exposes business students to ethical matters directly as they begin their university studies in the freshman year. Its purpose is to enhance the effect on their ethical development as future business leaders from the very beginning of their college studies. Such a course called "Becoming Principled Business Leaders," will stress character issues and dilemmas, with the purpose of enhancing the student's character development.

What, we ask ourselves, is the value of any business ethics course? What is it that we as educators expect our students to receive from such a course? Should a course in business ethics help students develop certain skills akin to learning about other business disciplines? Is there a specific business ethics content that we wish to impart on students? Or is the real purpose of such a course to educate students to learn to think on their own and make decisions that are based on values and principles focused more on the common good and not individual gain? This latter approach challenges students to wrestle with a number of business and societal issues. The goal is that they may be able to develop internal abilities to analyze situations as well as become aware of the consequences of choices that they make. Hopefully students will become aware of what it means to be a person of integrity, and be

able to express their integrity in word and in their actions, both as business professionals and in their personal lives. Ultimately this course's purpose ultimately is to help equip the student to be more morally perceptive and thoughtful.

This course is taught at a Catholic, Jesuit Institution in the Western United States. The mission of this Jesuit institution is to strive to bring about positive character change in our students. Koehn (2005) insisted that such an institution of higher learning should not only make a difference about personal virtue but also make this the aim of business ethics courses. Williams and Dewett (2005) in their literature review on teaching business ethics concluded that there is significant evidence that business ethics education is worthwhile. Research indicates that students' awareness of moral issues is developed (Weber & Glyptis, 2000); moral development is fostered (Penn & Collier, 1985); and students' ability to handle complex ethical decision making is improved (MacFarlane, 2001). On point to the approach taken in this course, Begley (2006) asserted that 'there is a need to teach more than theoretical ethics and that the ethics teacher must facilitate the acquisition of *practical* wisdom and *excellence of character*' (Begley 2006: emphasis in original).

BECOMING PRINCIPLED BUSINESS LEADERS

This course is taught to incoming freshman, and is the first and only business course that they will take in their first year. This course is not taught by the liberal arts faculty members but by a business professor. Such an approach is very different from many schools that have instructors from the philosophy department teach business ethics. Having a business professor teach it gives it a different emphasis that should not be lost on the student's perception of the importance of this material. The primary focus in this course is on character development. Rather than covering philosophical theories regarding general ethics, this course focuses on situations and circumstances that students may have already encountered or may encounter in their lives. This approach emphasizes personal choices and how these choices directly impact one's character.

Since the design of this course requires significant student interaction, it is imperative that students feel free to voice their opinion. Each student is required to sign a confidentiality agreement regarding the course. Specifically, anything said within the class is confidential and should not leave the classroom. As part of the course material, students must purchase individual keypad which allows them to respond anonymously to any number of questions, i.e., true/false, yes/no, multiple choice, etc. posed by the instructor so that the aggregate results may be displayed to the class immediately. (For information on this keypad technology, see Classroom Performance System at www.einstruction.com.) This approach encourages honest responses to various questions, especially personal, as opposed doing so "publicly" even within the confines of the classroom. Additionally, the use of these keypads sparks spirited classroom discussions once the aggregate responses have been revealed to the class.

The course comprises four elements: (1) business and personal ethics issues; (2) concepts related to character development (3) tools, including templates or rules for solving ethical dilemmas, at an individual and corporate level ; (4) reason and argument. Writings by William Bryon's *The Power of Principles: Ethics for the New Corporate Culture* (2006) and Chris Lowney's *Heroic Leadership: Best Practices From a 450-Year-Old Company That Changed the World* (2003) specifically support this method of character development. Bryon's book proposes ten principles to avoid the ethical quicksand that has pulled down countless managers and executives as well as too many companies. Lowney's book describes the managerial approaches taken by the Jesuits in their 450 year history and connects them to today's business world. Items for students' assessment include an autobiographical essay, reflection papers, debates, major group project, quizzes and an exam.

The first assignment requires the students to submit a short autobiography with special emphasis on reasons they have chosen business as their course of study. Suggested questions to which they could respond include: "What do I want to do? How will I achieve meaning through a career in business? How much money do I want to make? How will I contribute to the well-being of my fellow man? What do I want to be in 20 years?" Additionally, part of the students' evaluation depends on reflection papers that they are required to submit throughout the semester. Students must coherently reflect on what they have learned in class. Suggested questions touch on topics such as: "What aspects of the class most deeply affected me? Why? Did I gain any new insights in class? Did anything I experienced in class change the way I see myself? Others?" These questions are only suggestions, and students may take another direction in their reflections. Students need to submit their reflections no later than 48 hours after the class they are reflecting on. Harris (2008) suggests that "a capacity for personal reflection is essential for the development of ethical wisdom".

The debate segment enables students to argue positions for or against on a number of business, political or personal issues. The purpose is to support the acquisition of reasoning and analytical skills. Students are expected to argue their side of an issue for 3-5 minutes followed by 3-5 minutes of discussion between the two presenting

groups. A public discussion follows with questions and comments posed by the rest of the class. Following a summation by the professor, students are queried with their keypads on what they may have learned from the debate. In a 17 week semester, each student normally will present a position in 2-3 debates. Those not debating are required to be familiar with the topics being debated and participate in the public portion of the class. Topics include gender issues, whistle-blowing, outsourcing, profitability for ethical vs. unethical companies, and executive compensation. Throughout the course a number of ethical scenarios are presented to the class for discussion. A number of resources are available that detail approaches on dealing with ethical situations. I call these ethical response templates (see Valasquez 1997). After an ethical scenario is presented to the class, students meet in small groups to discuss the case. The ethical response templates are one way to frame the issue as well as propose possible resolutions to the dilemma. Subsequently the scenario and possible resolutions are discussed by the entire class. The quizzes and final exam include dilemmas of these types that students complete on their own. Responses are evaluated based on the students' analysis and reasoning in a logical manner.

A capstone group project completes the semester. Each group is assigned a company/business ethical scandal for which they are to do a class presentation and report. Both the presentation and report include (but are not limited to) the following:

Demographic information about the company, i.e., product or service, where firm revenues come from, earnings, stock prices, competitors if any, major players, etc. What was the "unethical" action? What was the motivation for unethical impropriety? Why did the "people involved" do what they did? How did the "unethical action" come to light? What happened to the company and to the company personnel involved? What lessons can be learned from this company?

The final presentation requires students to demonstrate technological competence, written and verbal communication proficiency, and analytical skills expected of business professionals. The potential company/business ethical scandals include the Ford Pinto case, WorldCom accounting scandal, Sunbeam corporate scandal, Adelphia scandal, Hewlett-Packard spying scandal, Fannie Mae, and other banking/financial scandals. Since this is the first business course taken in their freshman year, the instructor needs to teach rudimentary business concepts. This requires the teacher to take one or two classes to explain business terminology as well as a basic explanation of financial statements, the role of business in society, how businesses operate, stakeholder concepts, explanations of business and accounting scandals, and whatever assists the students in being able to get beyond the surface issues to ethical/character issues.

The intent of the course is to assist students to become more aware of ethical matters not only in the business world but in their personal lives as well. Williams and Dewett (2005, 110) assert that "business ethics education should enhance students' awareness of and sensitivity towards the ethical consequences of their actions." For instance, in one of the first classes the discussion begins with downloading music illegally from the Internet. Students can certainly resonate with this example. This leads to a discussion of integrity, which includes what one does when no one is watching. Most students will admit to having downloaded music illegally, but will "defend" their actions through any number of common justifications, i.e., this really isn't hurting anyone, the record companies are gouging the public and similar arguments. After the introductory discussion on this matter, the instructor presents to the students the following principle: If one is willing to bend the rules over a fairly inexpensive item like a song, how is that person going to be able to make significantly more material decisions when he or she may be serving as a manager of a company, especially given the pressures that managers are often under? Ultimately the decisions we make in our daily lives define our character and directly impacts the day to day decisions we make in life, both in our chosen careers and also in our personal lives.

The intent of the course's progression is to move from description to explanation to justification and reflection. This process leads students to be able to first see ethical dilemmas where they might not normally see them, and gives them some tools to help them respond. The case studies, reflection papers, in-class exercises dealing with ethical dilemmas, and the final group project and report all provide opportunities for practicing what ultimately is the mission of our University, that is, not solely to become successful business persons in terms of wealth and power, but how to ethically use their skills, to be persons of integrity, and to do the right thing, no matter the consequences their choices may bring. Harris (2008) asserts that "managerial success requires more than theoretical excellence and it is widely accepted that it has to be tempered with a degree of practicality". Begley (2006) lists the three components for a mature professional: theoretical wisdom, practical wisdom and excellence of character. This course is designed to educate students with an eye towards some of the ways one can improve one's character and provides tools to help them do just that.

Koehn (2005) and Begley (2006) have both suggested that there are activities that can be used to develop practical wisdom and positive character. Likewise, they list practice, narrative, exemplars, and reflective writing as ways to do this. Additionally, Sims and Brinkmann (2003, 70) propose that in teaching business ethics business schools should develop “communication and participation opportunities in the course for stakeholders (e.g., students) as early as possible by appropriate listening mechanisms is important, e.g., by inviting essay writing, group discussion about moral views and positions which individuals “bring with them”. In this light Koehn (2005) argues that although transformation cannot be mandated, “the classroom experience should be transformational” so that “the students cast their gaze inward, scrutinizing their behaviors and desires”. This examination, he argues, is the beginning of wisdom.

Unlike most other “business ethics” courses, this course is taught during the first year of University studies. This allows business ethical and integrity issues to be brought to the forefront prior to their taking normal business courses. These students will be able to then bring their ethical wisdom to future courses. Such a procedure highlights the importance not only of sound technical understanding of the respective business material, but also the significance of the ethical component. This ideally will provide a firm context within which students undertake their business classes and improve the chances to become mature professionals.

CONCLUSION

The inclusion of a business ethics course is one way to address in part what Begley (2006) listed as one of the three components for a mature professional, excellence of character. This course cannot do it alone, but as an introductory experience taught at the beginning of a business student’s studies, it could be an important start since it stresses that students should know the importance of personal integrity in their professional development. Obviously this course is one way for schools to concretize mission statements that explicitly mention ethics and character development as one of the goals for graduates.

Few would argue that ethics and character are not admirable goals for any academic institutions should impart to their students. How this is to be done ultimately becomes the question. Future research should include a longitudinal study of these students to determine if and how much “character development” is occurring. Various assessments for moral development, character development, values, and like areas are all be useful in determining the value of this approach, especially since it is done so early relatively to other business ethics courses normally taken by business students.

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