A CONTENT ANALYSIS ON THE ROLE OF ETHICS IN THE BUSINESS CURRICULUM

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ABSTRACT

The renewed emphasis on teaching organizational ethics, corporate social responsibility, and the ethical orientation of the individual business manager has thus served to promote vigorous discussion (among both business leaders and academicians) as to how these topics should be covered in the Business Curriculum. The purpose of the current exploratory study was to assess the state of business ethics education provided in core programs at business schools across the United States. The authors discuss the results and implications of the findings.

INTRODUCTION

Due to the notoriety of some of the more recent examples of unethical behavior by corporate leaders at some of Wall Street's most respected firms, academicians have been forced to give new urgency to the study of business ethics. While the study of business ethics has long been an AACSB requirement and courses have routinely been incorporated into the core curricula of most business schools (Allen, Bacdayan, Kowalski, and Roy 2005), some academic scholars still question the efficacy of ethics related course requirements in promoting ethical behavior among business students and their corresponding ability to respond to societal ethical concerns. College administrators, however, take the topic seriously and many have urged their business faculty to develop innovative new approaches to the teaching of ethics related business topics. Indeed, academic instruction in ethical principles has become so important to the corporate business community that such instruction is now considered part of an overall strategy to promote its own survival (AACSB International 2004). The renewed emphasis on teaching organizational ethics, corporate social responsibility, and the ethical orientation of the individual business manager has thus served to promote vigorous discussion among both business leaders and academicians as to how these topics should be covered and where they should be placed among the courses being offered.

Taking the lead on this issue in July 2000, AACSB began to revise its accreditation standards, including the requirement that business schools make concerted effort to emphasize ethics as part of the business curricula. In addition to the curricula imperative established in April 2003, AACSB made it clear that schools would establish ethical standards for administrators, faculty, and students in the form of codes of conduct and procedures for handling allegations of misconduct. Interestingly, however, the new standards *do not require any specific ethics course in the curriculum.* Instead, business professors are required to allocate time to the study of ethics alongside the other topics covered as part of the class objectives. Since no true ethics specific class is required by the 2003 AACSB standards, the level of ethics instruction presented to the students in each class will be highly dependent on: (1) the expertise and interest of the individual instructor, and (2) the instructor's ability to adequately cover whatever material is presented in the principle's textbook s/he is using.

The purpose of the current exploratory study was to assess the state of business ethics education provided in a core business program not unlike those received by students enrolled in business schools across the United States. In addition, since re-accreditation is a major objective for many business schools, one of the secondary purposes of the study was to evaluate the usefulness/ thoroughness of core business principles textbooks in providing business ethics instruction. In other words, do the authors of most well known principles texts, across business disciplines, adequately address the ethics topics listed as being key for accreditation in this area? Although re-accreditation in this case was not an issue (the business school in question had recently been recertified), the authors nonetheless attempted to assess the level of instruction being provided in the area of business ethics as part of an ongoing program of self-evaluation and introspection to insure that students are adequately prepared to meet the ethical challenges they will face upon graduation. As part of the introspection process, the authors conducted a two part content analysis; the first study involved inspecting randomly selected school of business websites for evidence of ethics in the curricula. The criteria used in the evaluation included the following:

1. Does the business school mission statement mention or imply an emphasis on ethical behavior on the part of administrators, faculty, or students; or, emphasis placed on ethics as part of the instructional mission?
2. Does the school offer a business law or business environment type course as part of the core requirement that does not contain the term "ethics, but which includes as part of the course description, a substantial level of ethics related content?
3. Does the business school core offering include a required business ethics course?

A follow-up effort was made for our own clarification and verification purposes. One of the researchers sent an email message and then made follow-up calls to administrators at fifteen of the fifty-one schools of business under investigation in the initial study. Administrator comments re included.

The second study, which at the onset was the primary focus of the current research effort, involved a content analysis of nationally recognized, interdisciplinary business principles textbooks. The titles/authors of the principles texts selected for investigation in the study included all those currently in use by the business faculties of the authors' three respective universities. Additionally, because AACSB specifies only four broad categories of ethical issues to be covered in the classroom, the researchers conducted a preliminary search of the treatment of these issues by the author of each text. The framework developed for use in evaluating the content of the principle's texts is thus a collective interpretation of what constitutes a subset of topics common to most of the texts. Results of the findings are presented in a series of descriptive statistical tables along with an assessment of the adequacy of coverage, across the various disciplines.

The current study is instructive and insightful, both from a theoretical/academic perspective as well as from a practitioner perspective. In order to make informed decisions as to whether their program's instruction in ethics is adequate, academic administrators need to understand the nature and treatment of ethics vis-à-vis what is provided in basic college business texts. Such knowledge would be quite useful in making judgments as to whether additional augmentation of the topic is required, thus helping to alleviate some of the anxiety associated with AACSB reviews of the adequacy of the curricula content. Faculty and students both benefit because valuable time and financial expenditures associated with offering a stand alone ethics class is avoided.

From a practitioner perspective, employers routinely seek entry-level employees with well developed ethical reasoning skills. Evidence of classroom exposure to business ethics would assist employers during the screening process since such exposure increases the likelihood that candidates are at least aware of the sort of ethical pitfalls they may encounter in the business environment.

The following sections include a brief discussion of why business ethics is important, an explanation of what AACSB requires in terms of the ethics component, and a discussion of the methodology used in the study. Findings are presented along with implications for the current and future importance of the study.

DISCUSSION AND BACKGROUND

Assessing the Need from a Societal Standpoint

As noted earlier, a recent AACSB report has indicated that societal mistrust in the ethical behavior of corporate leaders has promoted a renewed surge of interest in the topic of business ethics, prompting administrators to re-evaluate the way the topic is covered so as to better incorporate the subject matter into the existing business curricula. From an academic as well as practitioner perspective, the perceived lapse in ethical judgment among many of America's top business leaders threatens the very future of free markets, in large part because such behavior undermines investor trust in the marketplace (Taub 2002; AACSB International 2004). Although business schools are not expected to be the sole provider of ethical instruction for future generations of business leaders, just as they are not expected to shoulder the responsibility for future ethical debacles on the part of former students, instruction in ethics education is viewed as one of the ongoing responsibilities of business schools. As such, providing rudimentary instruction in business ethics has long been an expectation of the AACSB and one of the accreditation requirements of any business degree program. This dynamic is not likely to change any time soon.

With the need for programs in ethics education firmly established both from a practitioner and academic perspective, business schools are expected to take the lead role in developing engaging educational strategies designed to prepare students for the ethical challenges awaiting them upon graduation. As a minimum, society expects business schools to provide students with the ability to recognize and respond to emerging ethical issues. Given the volume of ethical infractions recently witnessed in the business community, college of business administrators have been forced to refocus their attention on the level and type of ethical instruction business students receive in the classroom. In some cases, that has meant redesigning the course material to include additional ethics instruction. One of the main concerns for administrators inclined to agree with the need appears to be one of scheduling. Where, for example, does one find room for a beefed-up ethics curriculum in already overfilled syllabus? Anecdotal teaching experience alone suggests that adding new subject material often forces removal of other subject material.

Perhaps to its credit, AACSB has narrowed the required ethics regimen to a few universal business ethics related issues (e.g., *responsibility of business in society; ethical leadership; ethical decision making; and corporate governance*), leaving the specifics of what and how the ethics content will be covered to the discretion of the individual business schools and their faculty. A review of AACSB accreditation standards in fact suggests that the agency is more interested in business students developing the ability to recognize, analyze, and respond to ethical issues – in other words, developing critical thinking skills – than their gaining an in-depth knowledge of basic ethics theory. Hence, if one takes the approach that memorization of specific ethical models offers no real advantage to students asked to analyze issues, evaluate options, and provide solutions to real-world ethical problems, then omitting ethics specific theoretical models poses no harm.

Conversely, for those who believe that students should first be exposed to the conceptual foundation and learn the basic terminology of a discipline before being expected to apply concepts and analyze ethical scenarios, the latitude provided by AACSB may be akin to placing the cart before the horse. Principle's courses, by their very nature, cover the basic terminology, concepts, and theoretical models associated with a particular discipline, much of which is new information to the student. Expecting a student to critically analyze a case that requires a fundamental base of knowledge associated with the discipline is probably not a realistic expectation. Hence, the omission of basic concepts and models, many of them considered crucial to the study of business ethics and corporate social responsibility (e.g., culturally based ethical norms, the ethical pathways to decision making, manager responsibility to shareholders, protection of whistle blowers, codes of ethics, etc.), would seem an unacceptable approach.

Whether one agrees with the ambiguity inherent in the AACSB guidelines or not, the requirement to inculcate business students with basic ethical reasoning skills "adequate to face the typical business ethics dilemma" is justified. The AACSB guidelines, vague as they are in terms of providing approved solutions and/or suggested pedagogical approaches to instruction, allow instructors to make their own decisions about what ethics material to cover and which pedagogical method to use. Since some disciplines do appear at times to be more at risk for ethical infractions than others (as noted by Chonko and Hunt 1985), the AACSB tact of providing "ambiguous guidance" is considered both an appropriate and logical approach. As long as business schools are able to demonstrate adequacy of coverage over a broad set of core business ethical issues, the AACSB imposes no requirement for a stand alone business ethics course. Based upon our initial investigation, this approach appears to the one most business schools have chosen.

Business Ethics: The Topic that Never Goes Away

It may be impossible to precisely define the term *Business Ethics* to the satisfaction of all interested parties, particularly if the goal is to establish an operational framework. This does not mean, however, that a practical definition has not been offered by academicians and practitioners alike. Business ethics, in its simplest form, can be described as the application of ethical values to business behavior. As Arthur (1984) notes, *Applied business ethics embraces patterns of business conduct that are accepted as good within the particular environment where they are applied* (p. 322).

Business ethics involves basically all aspects of business conduct, from how individuals and firms apply marketing strategies, to how companies treat their suppliers, employees, and stockholders. The term implies expectation that an established pattern of business conduct will adhered to by individuals across functional boundaries – from the sales techniques used to a firm's accounting practices. Business ethics applies to the conduct of both individuals and the organization as a whole. In essence, business ethics relates to how companies *should* behave in their interactions with the public while conducting business for a profit (Institute of Business Ethics).

Business ethics is thus generally considered from a normative perspective, such that individual ethical standards are assumed to exist, and when applied, can be used to make specific judgments concerning right and wrong. Hence, business ethics relates to what *ought and ought not to be done* in a particular instance. While there are some exceptions, most business schools appear to favor pedagogical approaches which treat business ethics as a utilitarian body of concepts and skills rather than a philosophy of social and political structures and processes (Delbeca 1999). In general, business ethicists are usually less concerned with the foundations of ethics (metaethics) or with justifying the most basic ethical principles, and more concerned with practical problems and applications, and any specific duties that might apply to business relationships. In other words, the reason business ethics tends to be focused on the problems faced by business practitioners rather than taught from a purely theoretical basis – is because *it should be taught that way*.

Indeed, business schools have traditionally focused student attention on problem solving scenarios involving ethical dilemmas rather than memorization of theoretical conceptualizations and ethical models. As Hunt (1990) indicates, ethical models are the domain of philosophy majors, not practitioner oriented business students. Nonetheless, because high profile cases of ethical misconduct tend to create mistrust and cynicism among society at large, academic theoreticians have had to scramble to come up with innovative new approaches to the study of business ethics (Allen et al. 2005).

As David, Anderson, and Lawrimore (1990) note, however, the AACSB has been concerned about this topic for years and formally recognized the importance of ethics training in the business curriculum as early as 1976. As the literature review conducted by Allen et al. (2005) indicates, the AACSB's initial efforts paid off. By 1988, ninety-one percent of AACSB schools had at least one course with at least 10 percent of its content devoted to the study of business ethics. Given that countries such as Great Britain had no corresponding ethics requirement as late as 1995 (Warren 1995), one is tempted to believe that the U.S. business school community has been doing a fine job of preparing its students for the ethical challenges that face them upon graduation. Cynically speaking, other than the insidious behavior of select CEO's representing the face of U.S. corporations to society at large, why would the business school community be re-subjecting itself to such hand wringing? Could it be that business school faculties have simply been giving the topic lip service all the while, devoting at best, 10 percent of their course time to the study of business ethics issues? Or perhaps even more ominous – could it be that the AACSB accreditation requirements are simply too ambiguous, maybe even lenient, to be considered adequate for the challenge? As the findings in Johnson and Greco (1997) indicate, this may just be the case.

While the stream of academic literature on this subject is indeed impressive and quite specific, expressing both the need and advocating the direction of effort in the study of business ethics (Shein 2005; Izzo 2000; Roselli 1998; Wolfe and Frizshe 1998; Lazere 1997; Warren 1995), surprisingly few studies have examined the treatment of the subject in the primary resource relied upon by the majority of instructors tasked with fulfilling the AACSB requirement. Perhaps principle's instructors having simply taken it as a matter of faith that the authors of these texts would know what is or is not essential in the study of business ethics, and that whatever is essential will be located somewhere in the chapter on ethics.

AACSB Ethics Requirements

Prior to discussing the results of the study, it is prudent to understand what business schools are required to do, vis-à-vis the ethics in business component, under the AACSB guidelines. The following statements/sections are taken from the AACSB International website (http://www.aacsb.edu/accreditation/business/STANDARDS.pdf) under the *Accreditation* heading link, with a subsequent *Adobe Reader* link subtitled, Business: *Eligibility Procedures and Standards for Business Accreditation* (Adopted April 2003, Revised in January 2006).

Under: Section 1: Eligibility Procedures for AACSB International Accreditation (p. 11).

E.   The institution or the business programs of the institution must establish expectations for ethical behavior by administrators, faculty, and students.

Section E. basically requires schools to establish a "code of conduct" that insures all participants in a business education will be held to a high ethical standard. The implementation of honor codes and/or disciplinary procedures for inappropriate personal and professional behavior is encouraged.

Under: Section 2: Standards for Business Accreditation; Strategic Management Standards, (p. 15). Under the heading: "Assurance of Learning Standards."

13.   Individual teaching faculty members (*italics added by the authors):
   ♦   *Operate with integrity in their dealings with students and colleagues.*
14.   Individual students:
   ♦   *Operate with integrity in their dealings with faculty and other students.*

Under (Same section): Assurance of Learning Standards.

15.   (Second paragraph). The standard requires the use of a systematic process for curriculum management but *does not require any specific courses in the curriculum.* Normally, the curriculum management process will result in an undergraduate degree program that includes learning experiences in such general knowledge and skill areas as:
   ♦   Communication abilities.
   ♦   Ethical understanding and reasoning abilities.*
   ♦   Analytic skills.
   ♦   Use of information technology.
   ♦   Multicultural and diversity understanding.
   ♦   Reflective thinking skills.

Normally the curriculum management process will result in undergraduate and master s level general management degree programs that will include learning experiences in such management-specific knowledge and skill areas as:
   ♦   Ethical and legal responsibilities in organizations and society.*
   ♦   Financial theories, analysis, reporting, and markets.
   ♦   Creation of value through the integrated production and distribution of goods, services, and information.
   ♦   Group and individual dynamics in organizations.
   ♦   Etc.

Under: Standards Addressing Defining Learning Goals and Measuring Achievements of Learning Goals [6] (Standards 16, 18, and 21), (p. 58).

Approaches to Assurances of Learning: 2. Course Embedded Measurement: Required courses may expose students to systematic learning experiences designed to produce graduates with particular knowledge or abilities specified in the school s learning goals. In such cases, the school can establish assessments with the required courses for those learning goals. Some examples of course embedded measurements might be:

♦ A school with learning goals that require students . . . *or to incorporate ethical considerations into decision making, may embed the measurement of accomplishment (sic) on those goals into a capstone business-strategy course.* In addition to the information provided for course assessment by the projects that measure learning on those topics, the assessments provide the school with the assurance measures needed to ascertain whether the school s learning goals are being met (p. 64).

(An example of the sort of course embedded measurement described above is offered on the seceding page under the heading: Examples of Leaning Goals and Measures of Achievement):

Example 1

School A *has defined a learning goal in ethical reasoning* for each of its four undergraduate majors. Student achievement on this goal is relevant to demonstrating satisfaction of Standard 16. The school s faculty has defined the goal:

Learning Goal:
"Each student *can recognize and analyze ethical problems**and choose and defend resolutions for practical situations that occur in accounting, human resource management, and marketing."
For marketing, the example provided is as follows:
"In marketing, each student must compose a paper analyzing a current national or international marketing campaign. The analysis must include a specified set of components, and ethical issues that have been presented in lectures are among the required components. In addition to the overall grade of the paper, each student receives a pass/fail indicator on the ethics component."*
Further,
"In addition to reporting course grades, each instructor of these three courses provides a checklist of all those students who successfully completed the ethics expectation. This information is part of each student s record and all three parts of the learning goal must be achieved before graduation. Students who

fail the ethics evaluation while passing the course repeat the evaluation exercise or ethics module until they are successful"* (p. 65).

Under: A Statement about Curriculum Management and Content (Standard 15), p. 69.

Subparagraph: Topical Coverage Must Fit the School's Mission.

"There is no implication in these standards that these topics designate particular courses or treatments. Schools should assume great flexibility in fashioning curricula to meet their missions and to fit with the specific circumstances of particular programs . . . Schools are expected to determine how these, or other, topics occur in the learning experience of students, but accreditation does not mandate any particular set of courses, nor is a prescribed pattern or order intended"* (p. 69).

Topics typically found in general management degree programs include:

♦ Individual ethical behavior and community responsibilities in organizations and society* (p. 70).

Under: Standards Addressing the Level of educational Attainment (Standards 17 and 20):

Subtitle: The Assurance of Learning Standards:

. . . Normally, the curriculum management process will result in an undergraduate degree program that includes learning experiences in such general knowledge and skill areas as:

♦ ¨Ethical understanding and reasoning abilities.

. . . Normally, the curriculum management process will result in an undergraduate and Master s level general management degree programs that will include learning experiences in such management-specific knowledge and skill areas as:

♦ Ethical and legal responsibilities in organizations and societies (p. 71).

Pages 71–77 (or the remainder of the document) basically provide a basis for judgment, but nothing course specific.

METHODOLOGY

Discussion and Findings

Study 1; Section 1: Section 1 of the methodology section provides a cursory inspection of randomly selected business school websites for evidence of ethics content in both mission statements and curse descriptions. The content analysis was confined to an inspection of business school core courses. Because some business school core requirements include a business law or business environment type course, any course listing of that general title was checked for evidence of ethics related content. The three basic questions addressed were:

1. Does the business school mission statement mention or imply an emphasis on ethical behavior on the part of administrators, faculty, or students; or, emphasis placed on ethics as part of the instructional mission?
2. Does the school offer a business law or business environment type course as part of the core requirement that does not contain the term "ethics, but which includes as part of the course description, a substantial level of ethics related content?
3. Does the business school core offering include a required business ethics course?

A decision was made to check the website of every tenth business school listed on the AACSB list. Exceptions were made for non-U.S. affiliated business schools or U.S. affiliated business schools not located in one of the fifty states including Hawaii and Alaska. Occasionally, a website failed to include information sufficient to make an accurate determination, either because the information was not available or because the site itself was simply too difficult to navigate. In the latter situation, a multilateral decision was made to skip the site and to use a substitute. Whatever the reason for not including a site, efforts were made to include the next available school on the list. The authors thus selected 51 colleges and universities from a universe of 531 colleges and universities available on the AACSB website. Based on inspections of the mission statements and general descriptions of the campuses, the schools included in the study represent colleges and universities that could be classified as follows:

♦ Twelve large public universities offering Ph.D. programs in each of the various business disciplines (i.e., Division 1A "football" schools)
♦ Twenty-seven small to medium sized public colleges and universities offering MBA programs (5000–10,000 students)
♦ Three well known research oriented private universities
♦ Nine small (≤ 2500 students) private, undergraduate liberal arts colleges with business majors.

Each researcher involved in the content analysis was provided a list of 12 schools and instructed to go to the AACSB website, search for, and then download the results of each search. Because the search process essentially involved inspecting only three pieces of required information, the process was accomplished relatively quickly. Once the information was gathered and the results tabulated, however, a copy of the information was then forwarded to the other members for inspection. The second part of the process was thus more time consuming since any questions or discrepancies noted by any of the four researchers then had to be discussed either by phone or via email. The Tables thus reflect a high degree of group consensus as to the accuracy of the information obtained from each website.

The following Table summarizes our findings:

Criteria #1: 14 of the 51 schools (27.5%) examined included an ethics oriented goal or strongly implied ethical sentiment within the body of the business school mission statement.

Criteria #2: 39 of the 51 schools (76.5%) offered a business law or introductory business environment course containing a strong ethical content (as noted by the course description).

Criteria #3: 13 of the 51 schools (25.4%) examined offered what is considered a stand alone ethics course as part of that school s course requirements.

Further inspection of the findings indicates that some institutions may require ethics as part of the university s

TABLE 1		
Criteria	Yes	%
#1 (Include an Ethics related Mission Statement)	14/51	27.5%
#2 (Required course with substantial Ethics content)	39/51	76.5%
#3 (Required Business Ethics Course)	13/51	25.4%

Items Evaluated:

♦ Does the business school mission statement mention or imply an emphasis on ethical behavior on the part of administrators, faculty, or students; or, emphasis placed on ethics as part of the instructional mission?
♦ Does the school offer a business law or business environment type course as part of the core requirement that does not contain the term "ethics, but which includes as part of the course description, a substantial level of ethics related content?
♦ Does the business school core offering include a required business ethics course?

requirement, as was noted in one instance. Additionally, some schools may offer a *stand alone* ethics course within the business curricula *as an elective* (as noted in one of the school s examined). Further, in two of the cases examined, an ethics course *was required*, but the course itself *was offered through the Philosophy department*. One school noted in an asterisk that accounting majors were required to take a course in ethics, but the same requirement did not appear among the other disciplines a part of their core requirements. Hence, while some of the figures appear upon initial inspection to be on the low side, they are consistent with other similar studies (e.g., Johnson and Greco 1997). Evidence thus suggests that business schools do emphasize the study of ethics in a variety of ways and faculty utilize the flexibility allowed under the guidelines in terms of how the material can be covered. Although no apparent approved solution appears to apply across the board, nothing in the data should suggest that *no* standard exists.

Study 1; Section 2: Section 2 is a follow-up investigation the researchers conducted in an effort to better interpret and clarify the descriptive information collected in section 1 above. An email message was sent to business school administrators listed as points-of-contact at fifteen of the fifty-one schools represented during the initial study. A follow-up call was made to direct administrators attention to the email that had been sent, with the caller explaining that the exercise was part of her semester marketing research requirement – perhaps accounting for the high response rate (12 of 15 responses). A general question was posed to each administrator asking them to comment on how their business school handled ethics in their school s curricula. The comments received are included below:

"At the undergraduate and graduate level we have a required business course that has a significant module dealing with ethics. In addition at the undergraduate level there is an elective course in the philosophy dept on ethics that it is estimated between 60 percent and 70 percent of our students take. At both the undergraduate and graduate level individual professors have modules on ethics coverage imbedded in courses in each of the majors; especially accounting.

"We offer both a graduate and for the first time this fall will offer an undergraduate Business Ethics Course. Both are electives. Not sure if this fits into what you need but what we do require is participation in Ethics Week each semester. During this week we have special guest speakers, show films and ask all faculties to deal with ethics in their respective fields of study during class time. Also, all students are required to take Ethics in the philosophy department."

"We offer an ethics course through the Philosophy Department which is required for our 5-year accounting majors. For all of our other majors, it is an elective. We will, however, be developing a new course in the next year or so on Leadership Ethics."

"The College of Business has a stand-alone Business Ethics course offered by the Philosophy Department that is in the Business core. In other words, the course is required of all business majors. At the graduate level, business ethics is about one-third of the (MBA course number) 'Business and Society' course required of all MBA students. The instructors in most other courses make a conscious effort to integrate ethics applications into their courses. The Association for Advancement of Collegiate Schools of Business (AACSB), the business school accrediting agency, requires extensive integration of ethics applications into upper level business courses. Of course, that integration has to have foundation business ethics knowledge, and that is provided by (philosophy course indicated)."

"The COB at (name of school) does not require or have a separate course in business ethics. We do, however, integrate the topic of ethics into several of the core classes required of all business students, like Organizational Behavior."

"We do not currently have a business ethics course. Within a year, we will offer a course on Social Responsibility. The course will mainly discuss stakeholder theory. I would not consider it a philosophy course. Ethics is integrated in the required courses of our business students."

"The (name of school) does not require a separate course on ethics, but it is interwoven in several courses. Of the courses that are required of all business majors, there are learning objectives in three of them, Organizational Behavior, Legal Environment of Business, and Strategy, that each deal with ethics. Because it is a very relevant topic, many faculties include varying degrees of ethics coverage in other common and major courses. There is also a business ethics course that is taught by the Philosophy Department that business students can elect to take to meet one of their general education requirements."

"The College of Business at (name of school) covers ethics in the BBA program in two ways. First, a philosophy course in ethics is required by the University, of all students regardless of major. Second, coverage of ethics is done throughout the curriculum in designated business courses. Additionally, we have a business elective course in ethics that could be taken by undergraduate students. We have ethics code for business students and ethics code for faculty and administrators."

"(We) Integrate ethics into required business courses. There is no separate course and no philosophy course as an elective or requirement."

"We have offered such a course but it is not required. Each major is to include a discussion within their courses."

"We do require a business ethics course for all business majors. It is taught in the philosophy department and also satisfies one of the (unknown acronym) requirements. We also include ethics in the MBA program. It is part of the required course, Legal, Ethical and Social Responsibilities of Business."

"Right now, the College does not have an undergraduate business ethics course. We have attempted to incorporate ethics education into our coursework. We are assessing our success with this approach by giving first year students a set of ethical situations and evaluating their responses, and then we will do the 'test' again at the junior level and finally in the capstone course."

The comments received thus suggest that school of business administrators take the topic of business ethics seriously and that proper emphasis is being placed on the study of business related ethical issues.

Section 2: The second study included a content analysis of the ethical content contained in a set of randomly selected multi-discipline principles textbooks thought to be typical of those used in many of today's college business classes. The authors developed what are consider 9 "core content" criteria based on an extrapolation from the four critical areas AACSB notes as most important:

1. Responsibility of business in society;
2. Ethical leadership;
3. Ethical decision making;
4. Corporate governance.

As noted in the introductory section, the researchers developed a list of 8 content criteria based on an initial analysis of the topics covered in the "ethics" chapters of each of the principles' books used in the study. Because the authors of business textbooks sometimes use discipline specific terminology to describe similar concepts, allowances were made for any overlap or similarity in treatment that may have been noted. Additionally, since no text included every concept noted in the list, the authors were forced to make a value judgment as to what constituted a "stand alone" topic. The eight item framework developed for use in evaluating the content of the principle's texts is thus a collective interpretation of the authors' best assumptions regarding common ethical topics. In no way are these items considered exhaustive. The results of this exploratory investigation are presented in a descriptive statistical table along with a brief assessment on the topics most and least often covered in the texts.

The eight content criteria the authors developed and subsequently use in the content analysis of the principles texts are thus:

♦ Deontological/Teleological pathways,

♦ Moral Absolutes/Feelings/Relativism,
♦ Justice theory,
♦ Kohlberg s stages of moral development,
♦ Friedman on stakeholder rights,
♦ Corporate social responsibility,
♦ Codes of ethics/ethics checklists,
♦ Corporate governance,

The 16 texts examined in the current study included a sampling of principle s texts currently in use at the three universities and associated with each of the disciplines offered.

♦ *Principles of Marketing,* 11th ed. Kotlar and Armstrong. Prentice-Hall.
♦ *Marketing Concepts & Strategy,* 13th ed. Pride and Ferrell. Houghton Mifflin Company.
♦ *Basic Marketing; A Global-Managerial Approach,* 15th ed. Perreault and McCarthy. McGraw-Hill Irwin.
♦ *Accounting Principles,* 7th ed. Weygandt, Kieso, and Kimmel. John Wiley & Sons.
♦ *Fundamentals of Financial Management,* 4th ed. Brigham and Houston. Thomson-Southwestern.
♦ *Business Law,* 11th ed. Brown and Sukys. McGraw-Hill Irwin.
♦ *Understanding Business,* 7th ed. Nickels, McHugh, and McHugh. McGraw-Hill, Irwin.
♦ *Understanding Management,* 4th ed. Daft and Marcic. Thomson-Southwestern.
♦ *Operations Management,* 8th ed. Stevensen. McGraw-Hill Irwin.
♦ *Global Business Today,* 4th ed. Hill. McGraw-Hill Irwin.
♦ *Organizational Behavior,* 10th ed. Robbins. Prentice-Hall.
♦ *Essentials of Business Law and the Legal Environment,* 8th ed. Mann and Roberts, Thomson-Southwestern.
♦ *The Economics of Money, Banking, and Financial Markets,* 5th ed. Mishkin. Addison-Wesley.
♦ *Management,* 4th ed. Williams. Thomson-Southwestern.
♦ *Essentials of Contemporary Management,* 2nd ed. Jones and George. McGraw-Hill Irwin.
♦ *Strategic Management,* 13th ed. Thompson and Strickland. McGraw-Hill Irwin.

It should be noted that the tables below do not identify any of the principles texts by title, by author, or by discipline. The results of our content analysis are presented in the Tables:

Interestingly, the three most frequently covered topics appear to be (1) codes of ethics in which a sample business or discipline code was either noted or included as a figure/table, (2) discussions on corporate responsibility which could also include social responsibility of business, and (3) Friedman s counter argument on the responsibility of business to its stakeholders. Each of these areas appears

TABLE 2 PRINCIPLES TEXTBOOK CONTENT ANALYSIS		
Topic	Include	%
Deontological/Teleological pathways to ethical decision making	6/16	37.5%
Moral Absolutes/Feelings/Relativism	7/16	44%
Justice theory	4/16	25%
Kohlberg's Model of Moral Development	3/16	19%
Friedman's view of corporate social responsibility	8/16	50%
Corporate social responsibility	11/16	69%
Codes of ethics/Ethics checklists	12/16	75%
Corporate Governance	3/6	19%

to be more practitioner oriented than theoretical, which is what one might expect in a principles type course. Not surprisingly, the more theory laden ethics topics (e.g., moral relativism, justice theories, Kohlberg et al.) were not widely covered in most of the texts.

CONCLUSION AND RECOMMENDATIONS

Based on our preliminary findings, today s college business students appear to be receiving what the authors believe to be adequate instruction in basic business ethics. While each college of business appears to have its own strategy for fulfilling the AACSB ethics component requirement, business faculty and administrators alike appear to take this requirement quite seriously. To its credit, the AACSB has apparently come to the conclusion that there is no single, best solution for solving the ethical issues facing the business world, and so it provides its members with the sort of flexibility any organization needs when establishing programs to meet the needs of unique organizational constituencies. This approach, at least from the author s perspective, appears to be working. Not only are the students being exposed to topical issues in business ethics (through case study analysis, etc.), but most appear to be receiving the sort of fundamental groundwork the AACSB believes is necessary for developing ethical reasoning skills among our future business leaders. This conclusion is reached not so much on the content analysis of business school websites or on the extent of ethics coverage we found in principles level textbooks, but rather, on the comments received from the school administrators we queried on the issue. Most, if not all respondents acknowledged the importance of the topic by noting how their faculty routinely integrate the subject matter into the fabric of their courses. In a few cases, schools have multiple ethics requirements; those required by the university core as well as those required through the business curriculum. In all cases, ethics is being covered at some level commensurate with AACSB requirements.

In contradistinction to what the findings suggest, we *can not* infer from the paucity of stand alone required courses that business ethics is not a priority, only that business schools have chosen to cover this area using other methods. Our informal survey of schools indicates that administrators and faculty are in compliance, are serious about their commitment to ethics, and yet, benefit from the flexibility inherent in AACSB guidelines to fulfill this requirement. There is no evidence to suggest otherwise and the authors have faith that faculty and administrators are basically on the same track, vis-à-vis the emphasis placed on ethics as a legitimate business issue. Thus, we are satisfied with what appears to be a profound respect among academicians for the inclusion and mainstreaming of ethics course work among the other disciplines.

Issues to Consider When Developing an Ethics Curriculum

Much of the previous discussion alludes to problems academicians face in developing material that is both topically relevant, and yet, rooted in fundamental ethical business practices. In order to fully understand what the ethical expectation for business practitioners is, students

must also understand the fundamental ethical principles of the society in which they intend to practice. Unfortunately, much of Western society appears divided into two opposing groups; those who follow the traditional Western canon, and those who tend toward moral relativism. Much of the dichotomy appears to evolve from of the changing cultural demographic.

Current U.S. census estimates indicate that nearly 50 percent of today's population will be between 55 and 75 by 2015 (University of Chicago HR 2003) and that 40 percent of today s workforce will be eligible for retirement within the next five to ten years (Horn 2005). Forecasters are already predicting that job positions in many of the high tech fields such as engineering will remain open unless workers can be recruited from India, China, and Russia. Because the demographics of the replacement workforce will be significantly different from what presently exists, one should anticipate changes in the ethical climate of most organizations and society in general. The following bullet points are provided as assessments of factors that will impact the ethical climate of current business students, both in the U.S. and Western Europe:

- *Demographic shifts in the U.S. and other Western European societies:* One of the most important factors impacting the future business ethics climate is the mass migration of populations from traditional/agrarian societies toward the secular democratic West. While easily explainable, the mass migration of workers will create a multi-cultural population that is largely unfamiliar with traditional Western ethical values. One result of the rapid influx of foreign born workers may well be the creation of a workforce with a bipolar set of ethical values. An ethics curriculum that focuses primarily on traditional Western business ethics could therefore already be outdated.

- *Demographic make-up of college age population:* Demographics shifts in the United States (and Europe) have dramatically altered the racial/ethnic make-up of the *current college/business school student population,* and this trend will continue. The U.S. Census reports that racial and ethnic minority populations will account for nearly 90 percent of the total growth in the overall U.S. population from 1995 to 2050, with minority populations exceeding non-Hispanic white populations in at least four states (with those four accounting for 25 percent of the U.S. population as early as 2025). While the college-age population in the United States decreased from 1990 to 1996 largely due to the decline in the White college age population, Black college-age population rose by 3.3 percent and the Hispanic college-age population rose by 27.7 percent over the same period. Although college

participation rates did not shift dramatically for any group over this period, the key trend is the *increase* in the raw numbers of racial and ethnic minority students combined with the *decrease* in numbers of White students, reflecting the state of diversity on U.S. campuses in the coming years (He and Hobbs 1999; Gibson and Lennon 1999).

If developing a credible ethics curriculum is perplexing now, how much more difficult will it be to develop a one size fits all ethics curriculum in an age of racial, ethnic and gender parity?

- Increased Cultural Diversity: Closely associated with a shift in demographics is the corresponding change in the *cultural* and *sub-cultural* make-up of American society. National demographic projections suggest that about 65 percent of the growth in population in the U.S. through the year 2020 will be in ethnic minority groups, the majority of whom will be the children of first and second generation Latino immigrants. Currently, while White non-Hispanics still constitute the largest segment of the college student population, the number of African Americans, Latinos, and American Indians (comprising 28.5 percent of today's college-age population) attending college is expected to increase at a rate roughly in relation to each group's representation in society. In addition to Latinos, the growth rate among Asian-Americans (vast numbers of whom are also the children of first and second generation immigrants) will further expand the major culture away from what has traditionally been a Euro-centric society. As a result, business school administrators need to be thinking about what ethics means, vis-à-vis an educational experience that mirrors the nation's cultural diversity (Brainard 2006; Spanier 2004).

In addition to the various sub-cultural groupings, one of the more striking changes occurring in the college age population is the increased participation rate among women, regardless of race or ethnicity. The majority of undergraduate students (56%) are now female as 133 females receive their bachelor s degree for every 100 males. This trend raises a range of interesting questions for educators and policy makers. Because the average business student is more likely to include non-traditional students with work experience and students with school age children, educators need to examine their populations and ask themselves whether their ethical curriculum is relevant across such a broad range of experiences.

- *An Ethically Challenged Society?*: Many scholars now see the societal ethical climate as one in decline (Etzioni 2002; Jennings 1999). Unfortunately, while the need for additional academic instruction in ethics has reached a critical point for society in general, the AACSB has expressed

a lack of confidence in the ability of most business schools to adequately prepare their graduating students with the requisite ability to cope with pressing ethical dilemmas. A recent survey of 12,000 high school students conducted by Josephson (2002), for example, reveals that 74 percent admitted to cheating on an exam at least once in the past year; 38 percent admitted to shoplifting at least once in the past year; and 37 percent admitted that they would lie in order to get a good job. A 1997 survey of MBA students noted that *76 percent reported they would be willing to commit fraud to enhance profit reports to management, investors, and the public* (Lazere 1997). Additional findings indicate that:

♦ Fewer than 50 percent of employees believe their employers have high ethical integrity;

♦ Thirty percent of all employees currently report that they "know or suspect ethical violations such as falsifying records, unfair treatment of employees, and lying to top management;"

♦ Forty-one percent of employees in the private sector and 57 percent of employees in the public/government sector are aware of ethical misconduct or illegal activities;

♦ Sixty percent of employees state that they know but have not reported instances of misconduct in their organizations with most citing the lack of companies' confidentiality policies as reasons for not coming forward about ethical misconduct. They fear "whistle-blower" retaliation and believe that existing policies won't protect them.

More recent studies conducted on the proclivity of cheating among MBA students, many attending some of America s most prestigious business schools, indicates that our future business leaders consider cheating to be both commonplace and acceptable (Kostigen 2007; Burling 2006). Robin and Reidenbach's (1987) seminal work on the social responsibility of business strongly suggests that the ethical climate for business in general is grounded in and moves along a parallel path with whatever the prevailing ethical standard for society is at any given time. Similarly, because the leadership and organizational membership is composed of individuals who come from society at large, the ethical climate of the firm will be aligned with the prevailing ethical standard for society. Societal standard thus become the *de facto* expectation of ethical behavior for the corporation and its business leaders. If one takes the position that Western society is evolving upward, then by inference, ethical business practices must be improving as well. Conversely, if the overall society is slowly becoming more tolerant of unethical behavior, then business practices will eventually follow the same pattern. Either way, the study of business ethics becomes even more critical and academicians must do everything they can to make the discussion material as relevant and important in the minds of students as any other aspect of the student's course work. Students must be made to understand that as future business leaders, they are required to stay aligned with society s rising expectations. In the event that societal standards are set too low, their job is to set a moral example that elevates a society in decline. Either way, business ethics will remain a vital component of any business education.

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