Are Minnesota Business Colleges and Universities Preparing Students for Ethical Decision- making in the Workplace?

Valerie Wallingford
Bemidji State University

Gabriel Warren
Bemidji State University

Mary Dubois
Bemidji State University

This paper explores the teaching of ethics in business colleges and universities in Minnesota, reviews the need for ethics, discusses the research that summarizes best practices in colleges and universities, and reviews strategies for teaching business ethics. Stand-alone ethics classes and ethics integration are discussed, as well as pedagogy, case studies, and service learning are also explored. The authors make recommendations about future research in teaching ethics in business curricula.

Keywords: ethics, leadership, business, accountability

INTRODUCTION

This paper explores if business colleges and universities located within the state of Minnesota are preparing students for ethical decision making in the workplace. We don't have to look far to see that over the past 15-20 years, companies — both large and small — have been exposed in the news for unethical conduct by leaders within the organizations where they work. While there is not a lot of evidence to support a link between a students' ethics education in obtaining the skills to make ethical decisions in the workplace, there are a few studies on how ethical education has a positive impact on students' development that can lead to ethical decision making (Mladenovic et al. 2019; Schuder, K. L. 2014; Tolan, M. & Niemotka, T. 2018; Ryan, T. & Bisson, J. 2011) This paper explores best practices for colleges and universities to have positive impact on students ethical decision making and their moral development.

Ethics and Curriculum Issues

In 2002, Richard Scrushy, the CEO of HealthSouth found himself and several other company executives as the perpetrators of a $2.8 billion accounting scandal (McCann, 2017). Boeing was fined $615 million dollars in 2006 after an ethical scandal involving two of their executives, who had to serve prison time, and the CEO, Phillip Condit, being forced to resign (Pae, 2003). The scandal involved

Boeing improperly acquiring thousands of pages of proprietary documents from rival Lockheed Martin Corporation, and those documents helped Boeing win rocket contracts. Boeing also illegally recruited a senior Air Force procurement official while she was awarding contracts worth billions of dollars to the company (Pae, 2003). In 2002, Arthur Anderson was found guilty of obstruction of justice for shredding documents related to its audit of Enron Corporation. As a result, Arthur Anderson lost its license to practice accounting in the US and eventually they filed bankruptcy. The company had a well-developed code of ethics but, when tempted, the commitment of some managers to ethical behavior collapsed due to the desire to promote their own self-interests. Enron, WorldCom & Tyco all used illegal means to defraud investors. As a result, in 2002 the Sarbanes-Oxley (SOX) Act was created to close the loopholes that allowed unethical people such as Enron executives from taking advantage of stockholders to pursue their own self-interests, and to force more ethical behaviors by accountants. However, this law alone will not stop unethical decision making in businesses, and as the news provides us, ethical decision-making failures continue to exist.

Laws and Regulations

Since the enactment of the Sox act, ethics has become a part of many college accounting programs, specifically Accounting Principles courses (taken by both accounting and business students) and auditing courses, which usually include training in the American Institute of Certified Public Accountants(AICPA) Code of Professional Conduct. The AICPA encourages states to adopt the robust ethical standards already in the AICPA code, which includes a tool for analyzing ethical decisions – the ECRP framework. This tool was used by Mladenovic, Marrtinov-Bennie and Bell (2017) in their research to study increases in ethical decision-making of students.

Accreditation Requirements for Colleges and Universities

There is general agreement among business school faculty of the importance of preparing students to make sound ethical decisions. The Association to Advance Collegiate Schools of Business (AACSB) studied connections between their ethical teaching requirements in the curriculum of a business schools and determined that it is positively correlates to ethical decision making (AACSB 2014). The AASCB now mandates that AACSB accredited business schools teach ethics within their business curriculum (AACSB 2018). However, the accrediting bodies such as the AACSB, Accreditation Council for Business Schools and Programs (ACBSP) and other business school accrediting bodies (AACSB, 2012; ACBSP, 2012; Swanson, 2005) don't require a specific format for business schools to follow. The accrediting bodies only require that ethics be included in the curriculum of a business school's program.

The State of Minnesota

Eight out of 33 Colleges and Universities (and 36 campuses) of higher education in Minnesota require stand-alone ethics courses (Figure 1). Since none of the seven Minnesota State College and University (MNSCU) system colleges requires ethics as a stand-alone course (Figure 2 and Figure 3) we believe the state of Minnesota can do a better job of ensuring that business students are exposed to ethical decision-making concepts and tools. The Higher Learning Commission (HLC) does not require stand-alone courses in business programs.

TABLE 1
COLLEGE AND UNIVERSITIES REQUIRING ETHICS COURSES

Minnesota Colleges and Universities	Required Ethics Course Listings
Bethany Lutheran College	Business Ethics BUSN360 or PHIL204 Ethics
Hamline University	Required- BU- 327 Business Ethics
Herzing University Minneapolis	BU 327 Business Ethics
Minneapolis Business College	GE210 Ethics
Saint Mary's University of Minnesota	MBA613 Ethical Leadership,
University of Minnesota Duluth	MBA- 8111- Business Ethics
University of Minnesota Twin Cities	CMBA 5824- Corp. Responsibility & Ethics
University of St. Thomas	Ethics and Leadership
University of St. Thomas	Ethical Leadership and Corporate Responsibility, Ethics Lab

TABLE 2
MINNESOTA STATE SYSTEM COLLEGES AND UNIVERSITIES (MNSCU)
COLLEGES WITH NO ETHICS COURSES REQUIRED

Bemidji State University
Saint Cloud State University
Mankato State University
Winona State Unive3rsity
Moorhead State University
Metropolitan State University
Southwest State University

TABLE 3
OTHER MINNESOTA COLLEGES AND UNIVERSITIES, NO THICS REQUIRED

Augsberg College	Bethel University
College of Saint Benedict	Concordia College Moorhead MN
Concordia University Saint Paul	Crossroads College
Crown College	DeVry University Minnesota
Glove University Minneapolis	Minnesota State College Southeast Technical
Globe University Woodbury and Minnesota School of Business	North Central University
National American University	Ridgewater College
Rochester Community and Technical College	Saint Johns University
Saint Catherine University	South Central College
The College of Saint Scholastica	University of Minnesota Crookston
University of Phoenix – Minneapolis Campus	

STRATEGIES AND BEST PRACTICES FOR TEACHING ETHICS

Ethics Courses
   Some ethics experts have recommended business schools have a foundational stand-alone ethics course at the beginning of undergraduate and graduate school programs (Goodpaster, 2007; Lawrence, Reed, & Locander, 2011; Matchett, 2008; Swanson, 2005; Windsor, 2005). If ethics is taught in an early

course, the knowledge and skills can be built upon throughout the curriculum in all of the business disciplines offered by the school. Which method of incorporating ethics in the classroom (stand-alone or integrated) effectively prepares students to make ethical decisions has been argued with mixed evidence (Miller et al. 2014). In many courses, faculty try to make a connection between theoretical ethics education and practice. That connection is not always clear and concise.

Group Work

Barrie et al. (2012) suggest that when students are assigned a professional role (i.e. consultant) to assess real-life problems, that role is beneficial to evaluate student attributes/qualities, particularly if completed in groups and connected to individual student reflections on learning. The Mladenovic et al. (2019) study results indicated that students developed more sophisticated views of ethical issues in business as well as the need to consider the impact on different stakeholders. Students accredited this development to the different components in the integrated course design including analysis of real-life cases from recent newspaper articles, an ethical decision-making framework with numerous ethical perspectives, and working in groups.

Experiential Learning

Similarly, Blewitt, et al. (2018) study found that experiential learning via forums helps to develop ethics in students so that they are better equipped for making ethical decisions in the workplace. Experimental learning is defined by Gentry (1990, p. 20) as "participative, interactive and applied..." As documented above, research has discovered that learning business ethics is improved via participation. In addition, the Warhurst (2011) role modeling study states that the most important lessons students learn from role modeling includes ethical positions, values, and attitudes. Perhaps the design of ethics course curriculum is more important than whether they are integrated or stand-alone ethics courses, since research has shown that the most effective ethics education in business is interactive, participative, and applied in groups or teams to experience various ethical perspectives.

Case Studies

The use of case studies is another common strategy used to integrate ethics in various business disciplines (Burton, Dunn, & Goldsby, 2006; Goodpaster, 2007). Case studies provide a way for business students to apply their knowledge and understanding of taught material to real-world scenarios. Another way is to incorporate various pedagogical approaches such as guest speakers, competing in business ethics competitions, and incorporating off-campus experiences (Goodpaster, 2007; Christensen, Peirce, Hartman, Hoffman, & Carter, 2007; Seawell, 2010).

Service Learning

Providing service-learning opportunities is another way to give students the opportunity to use their business knowledge and skills and apply them in a real-life scenario (Christensen et al., 2007). Service-learning activities can be on campus through students being a part of student clubs and organizations, participating in athletics, or a serving on campus committees, such as student government association (SGA). Off-campus opportunities such as volunteering at a local soup kitchen or reading a book at a local nonprofit, would provide similar service learning opportunities that can potentially expand student perspectives and increase their awareness of how decisions affect other people (Newman, 2008; Piper, 1993; Smith, 1996). Service-learning experiences can be empowering and transformational for students in that they advance moral capabilities and help students develop a sense of personal responsibility (Smith, 1996). If students are taught service learning as a part of their business school curriculum, it might prevent future business professionals from engaging in an unbalanced pursuit of a purpose (Goodpaster, 2004).

RECOMMENDATIONS FOR FUTURE RESEARCH

Based off conducting our research and the existing literature, there are some recommendations for future research. It is recommended that business schools conduct research over the course of a few years to see how experimenting with adding stand-alone ethics courses and implementing other best practices might impact ethical decision making by business students. Another possibility of future research is to examine the other states to see how their colleges and universities introduce, assess, and reinforce teaching ethics in their business curriculum.

SUMMARY

Whether integrated in many courses throughout a student's college career or a stand-alone ethics class, the studies are clear that both are beneficial and positively relate to ethical decision making. It appears that best practices include exposing students to ethical tools (such as the ECRP framework,) creating opportunities for experiential learning, service learning, role modeling, and participation in a group or team. Further studies on best practices are recommended.

REFERENCES

AACSB International. (2012). *Eligibility procedures and accreditation standards for business accreditation*. AACSB Accreditation Standards. Retrieved from http://www.aacsb.edu/accreditation/standards/

ACBSP. (2012). *ACBSP Standards and Criteria*. Retrieved from http://www.acbsp.org

Association to Advance College Schools of Business. (2018). AACSB Business Accreditation Standards. Retrieved September 26, 2019, from https://www.aacsb.edu/accreditation/standards/business.

Association to Advance Collegiate Schools of Business. (2004). *Ethics education in business schools*. Retrieved September 26, 2019, from https://www.aacsb.edu/~/media/AACSB/Publications/research-reports/ethics-education.ashx.

Barrie, S., Hughes, C., Crisp, G., & Bennison, A. (2012). *Assessing and assuring Australian graduate learning outcomes: Principles and practices within and across disciplines*. Australian Government Office for Learning and Teaching.

Blewitt, J. C., Blewitt, J. M., & Ryan, Jack (2018). Business forums pave the way to ethical decision making: The mediating role of self-efficacy and awareness of the value-based educational institution. *Journal of Business Ethics*, 149(1), 235-244.

Burton, B. K., Dunn, C. P., & Goldsby, M. (2006). Moral pluralism in business ethics education: It is about time. *Journal of Management Education*, 30, 90-105. doi: 10.1177/1052562905280837

Christensen, L. J., Peirce, E., Hartman, L. P., Hoffman, W. M., & Carter, J. (2007). Ethics, CSR, and sustainability education in the Financial Times top 50 global business schools: Baseline data and future research directions. *Journal of Business Ethics*, 73, 347-368. doi: 10.1007/s10551-006-9211-5

Gentry, J. W. (1990). What is experiential learning? In J. Gentry (Ed.), *Guide to business gaming and experiential learning. Association for Business Simulation and Experiential Learning (ABSEL)*. London: Nichols/GP.

Goodpaster, K. E. (2004, March/April). Ethics or excellence? Conscience as a check on the unbalanced pursuit of organizational goals. *Ivey Business Journal*, pp. 1-8. Retrieved from http://www.iveybusinessjournal.com

Goodpaster, K. E. (2007). *Conscience and corporate culture*. Malden, MA: Blackwell Publishing.

Lawrence, K. E., Reed, K. L., & Locander, W. (2011). Experiencing and measuring the unteachable: Achieving AACSB learning assurance requirements in business ethics. *Journal of Education for Business*, 86, 92-99. doi: 10.1080/08832323.2010.480991

Matchett, N. J. (2008). Ethics across the curriculum. In S. L. Moore (Ed.), *Practical approaches to ethics for colleges and universities* (pp. 25-38). San Francisco, CA: Jossey-Bass.

McCann, D. (2017, March 27). *Two CFO's tell a tale of fraud at Healthsouth.* CFO Live. Retrieved October 4, 2019, from https://www.cfo.com/fraud/2017/03/two-cfos-tell-tale-fraud-healthsouth/

Miller, W., Becker, D. A., & Pernsteiner, A. (2014). The accounting ethics course reconsidered. *Global Perspectives on Accounting Education*, 11, 77-98.

Mladenovic, R., Martinov-Bennie, N., & Bell, A. (2019). Business students' insights into their development of ethical decision-making. *Journal of Business* Ethics, 155(1), 275-287.

Newman, J. (2008). Service learning as an expression of ethics. In S. L. Moore (Ed.), *Practical approaches to ethics for colleges and universities* (pp. 17-24). San Francisco, CA: Jossey-Bass.

Pae, P. (2003). *Boeing's CEO steps down amid scandal.* Los Angeles Times. Retrieved October 30, 2019, from www.latimes.com/archives/la-xpm-2003-dec-02-fi-boeing2-story.html

Piper, T. R. (1993). A program to integrate leadership, ethics, and corporate responsibility into management education. In T. Piper, M. Gentile, & S. Daloz Parks (Eds.), *Can ethics be taught?* (pp. 117-160). Boston, MA: Harvard Business Press.

Ryan, T., & Bisson, J. (2011). Can ethics be taught? *International Journal of Business and Social Science*, 2(12), 44-52.

Schuder, K. L. (2014). Qualitive study of business ethics education: Preparing leaders to make ethical decisions. *Education Doctoral Dissertations in Leadership*, p.50. Retrieved from https://ir.stthomas.edu/caps_ed_lead_docdiss/50

Seawell, B. (2010). Epilogue: At Daniels, ethics is a contact sport. In J. O'Toole & D. Mayer (Eds.), *Good business: Exercising effective and ethical leadership* (pp. 199-206). New York: Routledge.

Smith, D. C. (1996, January). Ethical reflection and service internships. *Journal of Business Ethics*, 15(1), 59-65. Retrieved from http://www.springer.com/social+sciences/ applied+ethics/ journal/10551

Swanson, D. L. (2005). Business ethics education at bay: Addressing a crisis of legitimacy. In S. L. True, L. Ferrell, & O. C. Ferrell (Eds.), *Fulfilling our obligation: Perspectives on teaching business ethics* (pp. 23-34). Kennesaw, GA: Kennesaw State University Press.

Tolan, M., & Niemotko, T. (2018). Rewiring business students toward ethical behavior. *Northeast Business & Economics Association Proceedings 2018*, pp. 314-316.

Warhurst, R. (2011). Role modeling in manager development: Learning that which cannot be taught. *Journal of European Industrial Training*, 35(9), 874-891.

Windsor, D. (2005). The role of ethics in business curricula. In S. L. True, L. Ferrell, & O. C. Ferrell (Eds.), *Fulfilling our obligation: Perspectives on teaching business ethics* (pp. 35-46). Kennesaw, GA: Kennesaw State University Press.