IS THE STUDY OF ETHICS IMPORTANT FOR FUTURE MANAGERS? A STUDY ON STUDENTS’ PERCEPTIONS

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ABSTRACT

The training of ethical managers is an issue that has been the object of extensive research since the 1970s. While there does not seem to be a consensus in the field on how business ethics should be taught, there is a general agreement that ethics should be an integral part of curricula in business schools. But what do students in management schools think about studying ethics in preparation for their professional life? This paper addresses this question through the examination of the preliminary findings of a qualitative study carried out in May 2007 at the School of Management, University of Western Sydney, Australia. The study investigated students’ perceptions on the inclusion of ethics as a topic in a subject of a bachelor of business management degree. The first part of the paper defines ethics and provides a brief overview of the main theoretical perspectives on this notion. The second part discusses the findings of the study in the light of these theoretical perspectives, and other themes that emerged in the research.

Keywords: business ethics – ethics teaching – codes of conduct – ethical decision making

The training of ethical managers is an issue that has been the object of extensive research since the 1970s (Allen, Bacdayan, Kowalski, & Roy, 2005; Lowry, 2003). Although there does not seem to be a consensus in the field on how business ethics should be taught (Kochunny, 1994; Sims & Felton Jr, 2006), there is a general agreement that ethics should be an integral part of curricula in business schools (see for example Block & Cwik, 2007; Crane, 2004; Harris & Guffey, 1991; Milton-Smith, 1995; Pamental, 1989; Sims & Felton Jr, 2006). But what do students in management schools think about studying ethics in preparation for their professional life?

As commented by Bodkin & Stevenson (2007, p. 209), the academic literature is ‘rife’ with studies focusing on the ethical value systems of business students. This claim is substantiated by the authors with reference to a meta-analysis carried out by Borkowski and Ugras in 1998 which identified no less than 56 academic studies involving business students, published
between 1985 and 1994\(^1\). My own research has identified a number of studies on students’ perceptions of business ethics. For example, Kreitner and Reif (1980) examined the ‘ethical inclinations’ of business students in their research on students’ attitudes in relation to business ethics; a longitudinal study conducted in the 1980s by Arlow and Ulrich (1980; , 1985) investigated the attitudes of business school graduates with regard to business ethics; during that same period Beltramini, Peterson and Kozmetisky (1984) conducted a similar study targeting college students; in the 1990s Kochunny and Rogers (1994) carried out a study on students’ perceptions to ascertain whether a ‘head/heart imbalance existed among tomorrow’s managers’. The interest in this theme has not gone away in the new millennium and it may be speculated that it has become even more relevant in view of the climate of uncertainty and instability that future managers are likely to encounter in their professional careers – the sort of environment in which unethical behaviours thrive. For example, Crane (2004) carried out a study to assess MBA students’ attitudes toward business ethics and the teaching of ethics in business schools. More recently Bodkin & Stevenson (2007) investigated students’ ethical perceptions of various marketing practices, and Desplaces et al (2007) examined students’ perception of the university’s ethical culture. Studies in the field have tended to use quantitative methodology, and a need was thus identified for a qualitative analysis of students’ perceptions of the relevance of studying ethics in management education. In order to address this gap, I carried out a qualitative study in May 2007 to assess my students’ perceptions of ethics in the Bachelor of Business Management at the University of Western Sydney, Australia.

This paper is based on the preliminary findings of this study. The first part defines ethics and provides a brief overview of the main theoretical perspectives on the concept; the second part discusses the findings of the study in the light of the theoretical perspectives examined, and other themes that emerged in the research, and the third part reflects on the findings and puts forward recommendations to enhance the teaching of business ethics in higher education.

**ETHICS: KEY THEORETICAL CONCEPTS AND PERSPECTIVES**

**Understanding the notion of ethics**

The word ethics is derived from the Greek word ethos – which refers to the conventional customs and norms of a given culture. The term can be understood in two ways: as a

\(^{1}\) This period was chosen by the authors because of a noticeable increase in concern about the prevalence of unethical business practice, most probably due to the numerous corporate collapses that took place in the mid-1980s and throughout the 1990s.
traditional field of philosophical inquiry dating back to ancient Greece, which is concerned with how values relate to human conduct, and as the systematic study of norms and values that guide how people should live their lives (Desjardins, 2006:G3). The latter meaning is particularly relevant to the purpose of this paper, its focus on norms and values within the context of management education.

It must also be noted that the study of ethics can be either descriptive or normative (Boatright 2007:23). Descriptive ethics involves empirical research or inquiry into the actual rules and standards of a particular social group. Normative ethics is concerned not only with what people believe they ought to do, but also with what they really ought to do, according to the code of ethics of their society. It entails taking a position. Nevertheless, it must be recognised that these two categories are intertwined because even the most empirically-minded individuals engage in prescription at times. There is therefore no conceptual barrier to the combination of descriptive with normative ethics.

As this paper deals specifically with business ethics, it will be useful to define this concept. For the purpose of this discussion, business ethics is defined as ‘a specialized study of moral right and wrong as they apply to business institutions, organizations and behaviour’(Velasquez, 2006:12). It can be also more simply defined as ‘values, standards and principles that operate within business’ (Desjardins, 2006:8-9).

**Main perspectives on ethics**

This section is written with two caveats: first, what is provided here is only a sketchy overview of the main theoretical perspectives on ethics; the section is thus essentially descriptive and will not engage in a critical appraisal of these perspectives; second, the categories discussed below must not be seen as discrete and mutually exclusive, as in real life situations involving complex ethical issues, they often overlap.

Authors in the field of ethics theory identify two major systems of ethics: the deontological and the teleological systems. The deontological system is associated with the ideas of Immanuel Kant (1724-1804) and is based on the assumption that actions must be guided by universalisable principles and rules that apply regardless of the consequences of the actions. For this reason, the perspective underpinning the deontological system is sometimes referred

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2 It must be taken into account that Kant was not the only scholar to prescribe a moral system based on rules and rights. In the 6th Century, Chinese philosopher Confucius elaborated an extensive set of rules or maxims that seem commonplace in contemporary society, stressing virtues such as compassion; kindness; justice; fairness; patience; reflectivity; selflessness and honesty (Hartman, 2005).
to as ‘non-consequential ethics’. For Kant, the ‘moral person’ is one of good will, who makes decisions based solely on ‘what is right’. Nevertheless, from this perspective, an action can only be morally right if it is carried out as a duty – not as an expectation of approval or reward. From the Kantian point of view, ethical principles exist *a priori*; that is, they are established by deductive reasoning independent of, or prior to the consideration of the specific aspects of the situation at hand. Hence, lying is always wrong, regardless of the context within which it occurs; people should not lie under any circumstances, even if lying means that a human life will be saved. Kant believed that every rational being is able to act according to their *categorical imperative* – a set of principles prescribed as *universal laws* to be applied to the whole of humankind.

**Virtue ethics** is another type of deontological ethics which refers to personal qualities that constitute the basis for a person to lead a virtuous, noble life. It is not a formal system of rules, but a set of personal attributes that, if put into practice, will ensure that the ‘right thing’ will be done in an ethically complex situation. From this perspective, the issue at stake is the character traits that make a person a ‘morally good human being’ (Velasquez, 2006:110). This is determined by exercising *judgement*, rather than applying a universal set of rules like in the Kantian model.

Virtue ethics can be traced back to Aristotle (384-322BC) who devoted a great deal of time and effort to grasping the essence of ‘human virtue’. For him, the good is happiness which is ‘an activity of the soul’ (Russell, 1994:185), and the virtues are a means to happiness. Virtue includes qualities such as courage; self-control; generosity; magnificence; patience; amiability; truthfulness and wittiness (Fisher & Lovell, 2006:103). Religion can be seen as a system of virtue ethics (Hartman, 2005:9), as it is a rule based enterprise (e.g.: the Ten Commandments). Here, principles and rules are believed to come ‘directly from God’, and faith – not reason, intuition or knowledge – provides the foundation for a moral life (Hartman, 2005:9).

The *teleological* system of ethics includes theories that are based on the assumption that the ethical implications of an action can only be determined by looking at its probable outcome or consequences (Hartman, 2005:6-7). In other words, the ‘rightness’ or ‘goodness’ of one’s action is not inherent in the action *per se*, but can only be judged by its *consequences* or ends. For this reason, the perspective underpinning this system is at times referred to as ‘consequential ethics’. The philosophy most representative of this system is *utilitarianism*, historically epitomized by the work of Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873). For Bentham, the moral rightness or wrongness of an action is a function of the
amount of pleasure or pain that it produces. Hence, the ‘greatest happiness’ principle is the foundation of morals; in other words, actions are regarded as ethical if they promote ‘happiness’, wrong if they promote the opposite of ‘happiness’. Utilitarianism is a ‘calculating approach’ to ethics (Fisher & Lovell, 2006:126), as it assumes that the ‘quantity of happiness’ can be measured. This is the dominant ethical perspective in business, as it is underpinned by the view that actions and policies should be evaluated ‘on the basis of the benefits and costs that they will impose on society’ (Velasquez, 2006:61). One example of business utilitarianism is the adoption of ethical principles by managers – not because it is the ‘right thing to do’ – but because of the image enhancement that this may produce for their company, in view of society’s increased demand for ethical conduct in the corporate sphere. A good company image can generate ‘reputational capital’ (Dolphin, 2004; Firestein, 2006; Fombrun, 1996; Fombrun & Shanley, 1990; Gotsi & Wilson, 2001; Gotsi & Wilson, 2001a; Gotsi & Wilson, 2001b; Greyser, 1999; Inglis, Morley, & Sammut, 2006; Jackson, 2005; Petrick, Scherer, Brodzinski, Quinn, & Ainina, 1999; Suh & Amine, 2002), or advantages stemming from a good reputation which may lead to positive outcomes in areas such as improved employee morale, increased strategic flexibility and enhanced financial performance.

The concepts discussed in this section will serve as the basis for the analytic framework used in the qualitative study examined below.

THE STUDY

The idea to conduct this study emerged from a comment made by one of my students, a couple of years ago, about what he perceived to be ‘too much ethics and social responsibility’ in our Bachelor of Business Management (from hereon referred to as BBM). The student’s comment was a source of concern, as it made me wonder whether this was just the personal opinion of one isolated individual or whether it was indicative of a general attitudinal trend among our management students. So, when the School invited expressions of interest for its annual research grants, I submitted a proposal for a study with two core aims:

1. to ascertain the extent to which students believe that ethics is a relevant topic for future managers;
2. to ascertain whether management students believe they have gained any benefits from their study of business ethics in the BBM degree.

Bentham (1982 [1843]) believed that happiness could be measured in terms of intensity, duration, certainty, extent, propinquity, richness and purity.
The proposal was accepted and I proceeded to recruit participants from a third year subject called *Power, politics and knowledge* (from hereon referred to as PPK), which is part of the BBM. A total of 119 students from a diversity of backgrounds, participated in the study; the majority had work experience and an average age of 25 years. The reason for this purposive sampling is twofold: first, PPK is premised on the assumption that power is a ‘normal’ feature of management, and its misuse can be dangerous. Ethical considerations are thus embedded in this subject, which allowed the researcher to assume that the participants had at least a basic knowledge of ethics as a concept in order to address the survey questions. Second, from a more pragmatic perspective, PPK students were surveyed because, as the coordinator of this subject, I am well acquainted with its structure, content and schedule of delivery, which gave me greater control over the data gathering processes, carried out during the last week of the first semester.

**Methodology**

The study was primarily qualitative, as my aim was to identify thematic patterns based on the students’ personal experience of studying ethics in our business management degree. However, the design also included quantitative techniques which were used to establish the numerical trends in the responses to the main questions of the survey. This provided a more immediate insight into the findings in relation to the core question.

The instrument of data collection was an anonymous qualitative survey questionnaire. The reason for this choice is twofold: first, it enabled the researcher to collect data from a larger number of respondents than it would have been possible through face-to-face interviews; second, the qualitative questionnaire allowed the participants the possibility of greater reflection on the questions, and how these questions related to their own experience. The result was a rich set of data that provided useful insights about their views of business ethics.

The survey contained four items – 3 open-ended questions and 1 multiple choice; however, for the purpose of this paper, the analytic focus will be on the core question of the study, ‘*Do you believe that studying ethics is important for future managers? Why? Why not?’*

**Addressing the core question**

It was immediately established in the data analysis that the findings of the study were largely at odds with the comment made by the student who thought there was an excessive emphasis on ethics in the BBM: the great majority of participants (95 percent) shared the view that ‘it is
important for future managers to study ethics’. Moreover, most participants (84 percent) indicated they had benefited from studying ethics in our BBM.

In qualitative terms, the responses reflected a reasonably high level awareness of the meaning of ethics and also a high level of reflectivity, as students acknowledged issues such as the importance of morality and responsibility in managerial decision making; the need to consider the consequences of one’s action; empathy with stakeholders, compassion towards subalterns; recognition of people’s rights and justice, and the need for managers to ‘do the right thing’.

Analysis of the responses to the core question revealed two major thematic patterns: the first category of responses reflected an essentially teleological (or utilitarian) view of ethics, and the second reflected a ‘hybrid’ perspective on ethics which incorporated elements of both the teleological and deontological systems. There was also a third, unexpected, category which included responses that established a link between ethics and leadership. These thematic patterns are explored and illustrated below.

**Teleological responses**

Most participants in the study conceptualised ethics in utilitarian terms as ‘a means to an end’. in relation to the core question (‘Do you believe the study of ethics is important to future managers?’). Many of them expressed the view that business ethics is a response to societal pressures and expectations, and that it is important for society to perceive business as ‘doing the right thing’. While the expression ‘reputational capital’ did not figure in any of the responses, the concept seemed to underpin many of them. Below is a selection of responses reflecting the utilitarian perspective on ethics:

Yes definitely, so that the company has a good reputation.

Yes, corporate ethics is becoming a highly scrutinised area of business, and it would be beneficial for managers to study it, as it is becoming essential to hold good solid values.

Yes, I believe ethics is important for future managers. This is because satisfying society is the main driver of contemporary business organisations; hence if a company is not ethical, then society will not approve of it; so, survival for that organisation is difficult. Managers need to be aware of this.
Yes. Today’s society expects more from their business/industry. Clean/low emissions, green practices, etc. Shareholders and stakeholders want to be seen as good corporate citizens also.

Yes, ethics is important because society is demanding that organisations act more ethically now than they used to.

Some students in this category explicitly acknowledged the negative social impacts of corporate collapses and other events involving unethical behaviour in the last decade, and their effects on business:

Yes, societies will demand [ethics] from future managers. This would have been emphasised by recent events such as the Qantas take-over and businesses collapsing in strange circumstances.

Due to mass media and the collapse of large multinational companies such as HIH, Arthur Andersen and Enron, the public and institutions are placing greater pressure on business organisations to act ethically. Thus as a manager, it is important to know what ethics is and what constitutes ethics.

It can be said that these responses reflect the significant societal shifts that have taken place in the past two decades – to a large extent due to the spread of the mass media – which have created greater public awareness of corporate malfeasance and, accordingly, a growing demand for ethical behaviour. These shifts can be seen as part of a dialectical process through which counter-hegemonic groups emerge from civil society to challenge unethical behaviour in the corporate sphere (Duarte, 2006), and it was reassuring to see that my students are aware of these positive social transformations.

In other responses in the teleological category, ethics was more thoughtfully considered as a tool for fair decision making and effective management. While respondents in this group conceptualised ethics essentially as a means to an end, they also incorporated in their responses a ‘moral point of view’ (Boatright, 2007:8-9), based on the assumption that the best course of action is that supported by the best reason, and that the interest of others is considered. Below is a selection of excerpts in this category:

Yes, I believe the study of ethics is an invaluable tool when entering the workforce in your chosen career, particularly in higher levels of management where bigger
decisions are usually made. It also requires you to empathise with others and use your people’s skills.

Yes, I believe it is important, as in the future we all will be in a position of decision making where these decisions will affect certain stakeholders in a way or another. So, having a good background in ethics studies is significant.

Yes, as managers the decisions we make have ethical implications whether they realise it or not. Therefore, studying it makes individuals reflect on the possible ethical implications their decisions may create.

I strongly believe [studying ethics] is important as managers are constantly involved in interactions and situations that often rely on individual moral conscience and judgement. By means of studying ethics, future managers will be better equipped to handle these interactions and situations.

I found the above responses reassuring, in view of the fact that fair decision making is a critically important issue for future managers. They seem to indicate that students in general understood the importance of this in their professional life.

Hybrid responses

Despite the predominance of utilitarian attitudes among the students surveyed, there were also responses that combined elements of both the teleological and deontological systems. While these responses seemed to take for granted the capitalist ideology underlying business practices, they did stress the moral point of view, highlighting the need for fairness and equity in organisational settings – for ‘doing the right thing’. The four responses below are illustrative of this category:

Yes, it is important to understand how unethical behaviour can affect an organisation’s reputation. As managers we should learn to be just and fair when making decisions.

Yes, as future managers and as citizens, it is our responsibility to ensure that business does the right thing in the future, not only in economic terms, but in legitimate and responsible ways.
It is always important for managers to behave in ways that are ethical and consider the greater good of the organisation and its employees. The study of ethics will help future managers become aware of the positive and negative implications associated with one’s behaviour, and hence will allow them to think about how ethical/unethical behaviour has future effects.

Yes, as well as forming a personal basis of ethics, it is important for managers to take into consideration ethical practices and not just profit and finances. Companies in the future need to be ethically responsible.

Responses linking ethics and leadership

In addition to the two thematic categories discussed above, there emerged a third category which echoed what Boatright (2007:20-22) calls *role morality* – the type of morality specific to a particular professional role. According to role morality, managers are company leaders and in this capacity are expected to behave ethically, setting a good example to their employees. The responses below establish a link between leadership and ethical behaviour:

[Ethics is] important because as a manager you are at times looked upon by those under you as a role model and therefore by your demonstrating ethical behaviour, they can learn from you.

Yes, having high standards of ethical practices set role models for others to follow; one gains respect from others.

Yes, because part of a managers job in organisations is to act ethically and lead others to act ethically.

While there were only a few responses in this category, it was reassuring to see that at least some students were able to make the quintessentially important connection between ethics and leadership – a perspective that goes beyond the simplistic assumption that being a good organisational leader is synonymous with being able to ensure profitability and productivity.
Discussion and recommendations

The study reveals a surprisingly good grasp of the meaning of ethics and a significant degree of moral awareness, or ‘a person’s recognition that his/her potential decision or action could affect the interests, welfare, or expectations of the self or others’ (Lowry, 2003:9). I say ‘surprisingly’ because in this particular subject ethics is not taught systematically as a discrete topic, but is taken into account throughout the subject, in particular when discussing organisational power and politics. It can be suggested that the teaching of ethics to management students can be even more effective if qualitatively oriented subjects such as PPK are redesigned to deliver a more ‘integrated and holistic approach to the teaching of business ethics’ (Lowry, 2003:8-10). To this end a special learning outcome should be added to the existing ones in PPK, stressing a more active student involvement in the process of learning about ethics and ethical decision making. This would be consolidated through a constructive alignment (Biggs, 2004:11-33)\(^4\) between this particular learning outcome and specific class activities and methods of assessment. For example, Anderson (Anderson, 2003:193) puts forward a useful five-step model to ensure a more active engagement from students with regard to ethical issues:

1. Identify the questions that get to the heart of the issue
2. Identify the philosophical position (or perspective) taken in relation to these issues
3. Summarise the main arguments given by the writers
4. Evaluate these arguments (i.e., identify the pros and cons)
5. Weigh all the material examined, and decide on one’s position on the issue and why one has taken that position

Anderson (2003:195) stresses that the last step should only be tackled at the very end of the course, ‘after one’s critical evaluation skills have been developed’. Crane (2004:151) also offers some useful ideas for a more effective teaching of business ethics. Following the discussion of the findings of a study which had features in common with the current one, he concludes that ‘students want programs that teach them how to handle problematic ethical situations and how to avoid becoming involved in them in the first place’ (Crane, 2004:151). Hence, it is not enough to provide students with a list of ethical organisational behaviours, but they need conceptual tools and specific skills for ethical decision making. He recommends

\(^{4}\) According to Biggs (2004, pp. 26-27), constructive alignment is based on the assumption that teaching for effective learning should be ‘a balanced system in which all components support each other, as they do in any ecosystem’. The teaching methods must be designed to fulfill the learning outcomes – in other words, students must be asked to do exactly what is prescribed in the learning outcomes. This will enable the teacher to test whether her teaching was effective.
experiential exercises, role play, scenario analysis and other class activities involving ethical decision making. Reflective journals, essays and research projects on ethical issues chosen by the students themselves are also suitable assessment methods to test knowledge related to the ethics-related learning outcomes.

**SUM UP AND CONCLUSION**

This paper discussed the findings of a qualitative study, carried out at UWS on students’ perceptions of the relevance of studying ethics in a bachelor of business management degree. The findings provide significant evidence that, from the students’ perspective, the study of ethics is indeed relevant to future managers.

As the study was conducted in the context of a business management course, it was not surprising that teleological views of ethics predominated in the responses to the survey questions. For most students ethics is ‘a means to an end’ – a means to foster reputational capital by enhancing the company’s image or in some cases a means to achieve fair decision making. Most responses indicated, nevertheless, a relatively high level of moral awareness reflected in particular on the deontological orientation of many of the comments made by the students in the qualitative survey.

It was suggested in the discussion section that moral awareness can be enhanced by a curriculum design aimed to foster a more active student engagement with ethics both as a concept to think with, and a tool for fair and equitable decision-making. Here, the question that arises is to what extent do students retain the values learned during their management degrees? Some years ago, a study by Furman (1990) indicated that the instrumental nature of the business world can actually weaken the moral awareness attained by management students during training. This could be a theme for future qualitative research with a focus on the students’ perspectives on the issue. Future research could also consider the effects of variables such as gender, age and ethnic background on students’ perceptions regarding the study of ethics in management courses.

The findings of the above study endorse the importance of instilling sound ethical principles and values in management students to ensure that they will become ‘reflective practitioners’ – able to *reflect-in-action*, to borrow from Schön (1983) – in order to deal effectively with the ethical dilemmas they are likely to encounter beyond their university years.
REFERENCES


