

Teaching “Business” Ethics: Affecting Change through Self-Regulation and Reflection

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ABSTRACT

Most young college graduates have witnessed a cascade of unethical and, indeed, unlawful business behavior from insider trading to credit card meltdown and governance misbehavior, to give a few examples. Yet, while college students indicate that ethical training is essential and should be expected as part of one’s college education, there is much debate as to how ethics should be taught. This manuscript discusses a Reflective Ethics in Action Assignment that encourages student learning through ethical thinking, reflection and ethical self-regulation in order to cement the importance of establishing a personal code of ethics to use as a guide in making better informed decisions in personal and professional endeavors.

Keywords: ethics, ethical decision making, business education, self-regulation, reflective learning, change

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INTRODUCTION

Business ethics has jokingly been referred to as an oxymoron. In fact, most young college graduates have witnessed a cascade of unethical and, indeed, unlawful business behaviors from insider trading to credit card meltdown and governance misbehavior, to give a few examples. John C. Maxwell, a *New York Times* bestselling author, wrote a book entitled “There’s no such thing as ‘Business’ Ethics” in which he aptly reminds us that “there’s only ethics. People try to use one set of ethics for their professional life, another for their spiritual life, and still another at home with their family. That gets them into trouble. Ethics is ethics” (Maxwell, 2003, Preface).

Could it be, then, that because today’s undergraduates have grown up witnessing one set of ethical standards at home and another displayed by prominently successful businesses, these young adults have separated the ethical expectations between personal ethics and business decisions? In order to see if this might be happening, a convenience sampling of 40 students was administered an ethical dilemma exercise. After reading a scenario with an ethical dilemma where each student assumed the role of the decision maker, students were asked to determine if this case involved making an ethical decision or a business decision. Only one student replied that it was both; the case involved a person making an ethical decision that also involved a business decision. The remaining students were split between seeing the decision as either an ethical or a business decision. Since these business students were largely juniors and seniors, they typically had already taken a required ethics course in the philosophy department, as well as covered an ethics module in various business core classes. Clearly, these results were troubling, as students were unable to recognize that their ethical code is static across their personal and professional settings.

Although college students do indicate that ethical training is essential and should be expected as part of one’s college education (Wang & Calvano, 2015), there is much debate as to how ethics should be taught. The Association to Advance Collegiate Schools of Business’ (AACSB) International has long required that ethics be taught as part of the business degree curricula and, thus, maintain that requirement as an accreditation standard. Yet, while some schools have innovated with strategies for ethics curricula, the AACSB encourages “administrators and faculty in business education to contemplate their current approaches to ethics education and to explore methods to strengthen this vital part of the curriculum.” (AACSB Ethics Education Task Force, 2004, p. 7). After this charge by AACSB, coverage of business ethics in the business curriculum grew by 37.5% between 2008 and 2013; however, this percentage includes the expansion into corporate social responsibility (Davis, 2014). This research, combined with the preliminary exercise conducted with a convenience sample of students, demonstrate a considerable concern about the permeation of the ethics education taking place in our business schools.

While there is growing emphasis on ethics education, how deep is that education going? Is it actually changing the hearts and minds of our students? Professors are pressed to teach so many topics in a limited amount of time, and while they may cover topics in ethics education, how can they commit to more than teaching a chapter on the topic? It is often too difficult to teach ethics in a profoundly meaningful manner. Instead, ethics is often added onto a rigid curriculum that in and of itself often does not naturally prompt students to engage in critical self-reflection or engage in action oriented self-regulation. This is especially disquieting, according to Freeman, Stewart & Moriarty (2009 p.38) because “[t]he very roots of business education are

entangled with unacknowledged -- and therefore largely unquestioned -- assumptions about both human nature and the fundamental nature and purpose of business.”

The question addressed herein is how to encourage students to consider ethics at a deep and meaningful level so that their thoughts and actions are reflective of their learning without disrupting the current course structure. Thus, the educational goal was that students would delve deeper than what could be accomplished by reading an ethics chapter, hearing a lecture, or reading a case and making a decision, all while utilizing no more class time. To achieve the desired outcome, a student-centered learning activity via a self-regulated, action-oriented assignment was needed that would cultivate a deep level of thinking and contemplation among students, resulting in reflective learning and behavioral change.

Reflective Learning through Positive Self-Regulation

The Revised Bloom’s Taxonomy of learning (Bloom, et al., 1956) identifies four domains of knowledge: factual, conceptual, procedural, and metacognitive or self-regulated. (Krathwohl, 2002). This self-regulated metacognitive learning is the key to the ethics project described in this paper. When students are working toward goal achievement, such as building ethical character, the cognitive, emotional, motivational and temperamental processes of self-regulation are utilized (Kuhl & Fuhrmann, 1998). According to Mischel, et al. (1996), “while self-regulation may sound like an abstract concept, it is ‘concretely visible’ in the vast differences in the ways people form their viewpoints and work to carry them out in spite of barriers they may encounter along the way.” This can be seen in the handling of ethical controversies such as working conditions in overseas factories, challenges to the use of electronic encryption, and the responsibility of the business community with regard to global climate.

The concept of metacognitive self-regulated learning being achieved through a process of self-awareness has also been discussed in terms of the reflective practitioner or student (Schon, 1983) and reflective executive development (Gosling & Mintzberg, 2003; Bennis & O’Toole, 2005; Roglio, 2006). What is similar across these approaches is that all involve knowledge in general, followed by knowledge about one’s own thinking, and a desire to pursue outcomes in a way that is in accordance with personal preferences, in this case, his or her own ethical preferences or guides. Positive self-regulation only occurs when one is using a strategy that is true to natural inclination, such as a personal ethical guide, but then adapted to the situation one is experiencing.

Vancouver (2000) defines self-regulation as the ability to maintain a variable at some value despite disturbances to that variable. These “disturbances” can be thought of as challenges to our ethical set. Maxwell (2003) calls these disturbances “tarnishing factors” and says they are usually captured by five categories: pressure, pleasure, power, pride and priorities. The ethical principles or goals we are trying to achieve are influenced by our ability to self-regulate even in the face of these disturbances. If students are to make decisions that are consistent with their ethical guidelines, then they must be invited to consider what those ethical guidelines may be. The end goal of this self-regulated activity is behavioral change.

Behavioral Change

Psychologist Kurt Lewin (1947), in his well-known theory of change, recommends that all change, whether personal, professional, organizational or otherwise, can be viewed as a

multidimensional process with three distinct phases: unfreezing, movement and refreezing. Lewin cautions that while many focus on the “movement” phase, much of the work of change occurs in the “unfreezing” stage. Much of our assignment is set in this “unfreezing” stage where self-awareness results from a simple examination of ourselves and how we define our ethics. According to Schein (1987) this is where the change agent works to provoke dissatisfaction with the status quo or current state. This assignment demonstrates a need for change by pointing to recent scandals and other current events that indicate that we are not understanding or practicing our ethics well enough.

To create change, one can increase the forces pushing for change, decrease the forces preventing change, or some combination of both. Lewin (1947; 1951) suggested that modifying the restraining forces produces less tension and resistance than increasing the driving forces. Educators have spent so much time telling students “why” it is important to be ethical, yet this assignment allows us to recognize that most people want to do the right thing, they just need to learn “how” to get some of the restraining forces out of the way. Heed should be given to the notion that there are both driving and restraining forces for and against change, and the unfreezing step is where educators need to create a sense of internal urgency to examine the imbedded issues that have made our principles built to last rather than built to change (Lawler & Worley, 2006). Research indicates that simply by causing students to consider their ethical stance, it is more likely that they will act in a manner that is congruent with their ethics in the future (Taylor-Bianco & Deeter-Schmelz, 2007).

The “movement” stage of change occurs when students take action to modify their thinking and, therefore, their acting. For anything to occur in this stage though, Lewin says that the driving forces moving toward change have to be stronger than the restraining forces that prohibit change. In other words, while people may have the greatest of ethical intentions to do the right thing in a given situation, the forces of greed or pride or anything else could be so strong that these preempt the more ethical choice. There is this push and pull that occurs in ethical decision making. This push and pull area is where the ability to engage in ethical self-regulation is paramount. Well-developed self-awareness coupled with prior consideration of ethical dilemmas can help to flex self-regulation muscles so that the decision is made to do the right thing even in a situation where there are strong opposing constraints. The final stage of “refreezing” occurs when making the change stick and making it become a part of personal character. It is possible that this sort of refreezing is less an instructor’s duty than is the “unfreezing” of students thinking so that they themselves can experience “movement” toward ethical self-regulation and behavior in a fashion that is consistent with their ethics.

Drawing on the fundamental theories of self-regulation (Higgins, 1997) and Kurt Lewin’s theory of change (Lewin, 1951), an assignment was created that would allow students to engage in deeply reflective learning that would encourage them to re-examine their thinking about ethics. The Reflective Ethics in Action Assignment (See APPENDIX) was designed to broaden students’ views of ethics through reading, reflection and positive self-regulation, thus creating behavioral change as a result of this learning.

DISCUSSION

In order to self-regulate toward ethical guidelines, students need to have engaged in basic factual, conceptual and procedural learning in the first place. Many students sampled with the Reflective Ethics in Action Assignment noted that while they had strived to “be a good person”

or to “do the right thing” they had never actually considered developing one set of ethical standards to use in all areas of their lives. At the inception of the course, one student said “I have always prided myself in the fact that I feel I have always made the right decision. I don’t think this assignment will make me change anything ethical or moral in my life on either the professional or personal side.” At the conclusion of the semester long Ethics in Action Assignment that same student remarked that “After completing this assignment I don’t think that I see much differently but instead I am more conscious of things that are already in place.” While a few students did not think ethics was a topic worthy of consideration or learning, others were more willing to consider the topic in more depth. One such student remarked: “It (ethics) does not sound like a very interesting topic, but I do not have much knowledge of ethics in a business setting so I could be completely wrong.”

If educators are to prepare students for change and to help them create a deeper understanding of their ethical stance and how they will use this in their lives, the first step is to “unfreeze” the status quo and get students interested in discussing the topic. Each semester when students initially see the syllabus and know that they will be reading a book on ethics, they are surprised. During the first class session of the semester students are asked to write down what comes to mind when they saw that they would be reading a book on business ethics. The two themes of responses were that students either: 1) thought they were going to be told how to act and the professor would impose a definition of ethics or 2) thought it was a “waste of time” topic that did not need to be covered. One honest student reflected this hesitation in writing about the topic weeks later: “When I think about the subject of ethics my gut reaction prepares for a debate because everyone does not have the same ethics, values or standards.” She added that “The conversation on ethics starts off positive as long as we are speaking in general terms. However, given a specific scenario each individual will presumably have a different approach or tactic to address the situation which is how the debates start. Deep down I believe to win and prosper you must not worry about a need to be ethical.” For this student, getting ahead and being ethical were not one in the same.

By the time they have had a single class session on the topic and begin writing about it, students started to want to address the topic. One student wrote “When I think about ethics my gut reaction is that it is an important topic that people should use in their lives.” This same student then went on to add that “It (ethics) helps us understand how to react in a given situation so, yeah, I would be interested in applying ethics to my life. A person can be ethical and still win. A lot of that depends on that person’s definition of winning.” In other words, students started to “unfreeze” their thinking and become willing to consider their ethics. As one student stated: “Ethical dilemmas are the highlight for me in this course because my life is full of them!” Just the reflective learning that led to this statement alone, was incredibly positive. This ethics assignment prepared the canvas for painting. Students were now ready to consider how to craft their ethical portrait. Some of the questions students were asked to consider though were ones they thought they had clear answers to, only to later realize that they did not.

Students are asked to reflect on whether they are using different ethical standards in different situations. This question comes from the first chapter of Maxwell’s book that asks students to consider a question that then becomes the foundation for their cognitive and metacognitive process of considering their ethical guidelines. The question posited is the following:

Do you use one set of behavioral standards for all areas of your life, or do you use several – depending on where you are, who you're with, or what you're doing? Are you essentially the same person using the same standards and work and home, with clients and family members, while playing ball or helping at church? Do you believe it is possible and desirable to use just one standard in every area of your life? Explain (p. 17).

Most students answer something like the following: “I feel ethics could change according to each particular situation.” Other students thought on this issue further and as one remarked: “To be a functioning member of society, I think you need to use different sets of standards for different areas of life. You talk differently to your friends than you do to your parents or teachers and you even act differently. These sets may be very similar and only small changes are used. It would be extremely hard to live life under one set of standards.” Others looked at the distinction between personal and professional ethics. One student noted “Until now, I haven't had to make many ethical decisions in a professional setting, but the book really made me start to think of various scenarios in which I may have to make an ethical decision. A big one touched on in class is working for an organization that has the same values as I have. Working for an organization like this will be crucial to my success.” Another said “Essentially I am the same person from work, school, and home, but each sector has their own ethical or behavioral standards. I do believe it is possible to use one standard in every area of life and I think that individuals should have some type of flexibility, leaving room to adjust as needed.”

With this question, students are confronted with the potential dilemma that causes them to consider self-regulated change. Some students experience a heightened self-awareness that leads to a change in how they view ethics fairly quickly while, for many others, this question just helps them begin to consider their ethical principles. The same student who had made the earlier statement wrote in the final course reflection: “I think the biggest thing that can be taken from this book is that to improve ethics in the business setting you have to improve the ethics in your everyday life. The two go hand in hand.” Another remarked: “This assignment opened my eyes to how ethics is such a key factor in my life both professionally and personally. I didn't realize how relatable it was to my life and how much I rely on my foundation of ethics to make day-to-day decisions.” This student perhaps said it best:

“I really do believe that, after reading this book, I will make a conscious effort to enhance my ethical and moral behaviors in both my personal and professional life. What I have learned not only affects my personal life but also professional and social lives as well. It has taught me that if I make the golden rule a part of my entire life then, when faced with a bad situation that has a time limit, I will still make the right choice.”

Students work through a number of exercises and then consider the following question taken from Maxwell: “What type of measure or guide are you currently using to make ethical decisions? Describe in detail how and why you developed this guideline as well as any exceptions that would trump this guideline. Students had a whole host of different responses to their ethical guideline. Some mentioned the golden rule but most said they had never considered this before. They seemed to feel that thinking about ethics would help them when they face tough decisions in the future. As one student wrote, “a good standard of ethics is vital when it comes to building relationships and trust throughout your organization as well as your personal

life.” Similarly, another student stated: “Especially today in the business world, knowing your own ethical views will help you solve problems and make decisions that you feel good about.”

CONCLUSION

The Reflective Ethics in Action Assignment takes students on a journey through the four domains of knowledge. Students explore factual, conceptual, procedural and metacognitive or self-regulated knowledge regarding their personal and business ethics. Most importantly, students are required to reflect upon their own perceptions of ethics and ethical behaviors in the personal and business context. Thus, students are provided an opportunity to participate in self-regulated ethical growth. Indeed, in reading the assignment papers, student narratives revealed that students had, indeed, undertaken the journey through examining their personal ethical values and reflecting upon how these values coexist in their professional lives. This journey culminated in the development of a personal code of ethics.

Now, more than ever before, ethics education is needed in business schools. Further, ethics needs to be presented in a deep and thoughtful way that may actually change the hearts and minds of our students. This paper presents one way that professors who are pressed to teach so many topics in a limited amount of time can still provide an action oriented project that fosters student-centered learning in ethics and engages students in critical self-reflection and action-oriented self-regulation. Thus, providing a foundation for ethical behavioral change that students can access when required to make ethical decisions, whether personal or professional.

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THE REFLECTIVE ETHICS IN ACTION ASSIGNMENT

Throughout the semester you will be asked to read and answer questions about chapters in the book, *There's No Such Thing as Business Ethics: There's only one rule for making decisions* by John C. Maxwell. This book will help guide you through considering your business and personal ethics and how these ethical standards may be the same or different. You are invited to read this book and complete the related assignment so that you are challenged to deeply consider what it means to be ethical and to have a personal ethical code. The goals of this assignment are:

- (1) to help you become more self-aware as a result of the knowledge you have gained in OB;
- (2) to offer you a competitive advantage in your current and future career endeavors; and
- (3) to do each of the above within your own ethical framework.

Studying ethics and learning to self-regulate your ethical behavior can help you immensely in both your personal life and professional career. We are often under strong situational constraints in the business world; this does not mean we should not give heed to our ethical principles and guidelines. If we have accessed our ethical thinking in the past, it can help us to quickly do so again when we are in a given situation and need to quickly but surely “Do the right thing.” Our ability to do what we believe to be right often depends on having given prior reflective consideration to our ethical principles. Considering ethics now may help us make better decisions when time is limited, the pressure is excessive, or our pride is at stake. It will help us to be true to ourselves and our thinking when faced with real life ethical dilemmas.

For this project, you will be assigned chapters in the book to read throughout the semester and requested to answer each chapter’s concluding questions. You may post your work for each assignment to the journal database. These short papers, as well as the results of a diversity activity, will be incorporated into your Ethics Report. The final portion of the report will include a summative reflective learning section, where you will consider questions adapted from Maxwell’s book. After responding to each question, and putting thought towards your ethical values, you will then develop your ethical guide and discuss how you may use this in the future. Please conform to course short report guidelines, and post the report on Bb to Turnitin.

Reflection Part 1: Response Questions

1. What type of measure or guide are you currently using to make ethical decisions? Describe in detail how and why you developed this guideline as well as any exceptions that would trump this guideline.
2. Which of the five factors is most often your problem area: pressure, pleasure, power, pride, or priorities? Why do you think that you are especially susceptible in that area? How do you plan to manage this tendency in the future, specifically in the business world?
3. There are six reasons why business people act unethically: rationalization, bad role models in the organization, peer pressure, corporate culture, difficulty in defining what is ethical, and pressure from superiors. Choose two of these reasons and explain how you plan to mitigate these issues in your workplace (Jones, 2002).

Reflection Part 2: Ethical Guide

Your guide should be applicable not only in the business world but in your everyday life. It should be a minimum of ½ page and a maximum of two pages (12 pt. font, double-spaced). If your guide is a simple statement, then describe how you plan to apply the statement. If it is longer, then list the essential components or steps. This part of the assignment is deliberately vague because you should draw on your own personal thoughts, values and experiences to develop it. There is no right or wrong ethical guide. Rather, the evaluation will be in regard to the reflective nature of your responses to the questions above and how well you took these into consideration when forming your guide.

The Ethics Report Components

- (1) Cover page and Table of Contents;
- (2) Introduction that includes the purpose of this report and previews what will be covered;
- (3) Answers to all ethics questions at the end of each book chapter;
- (4) Reflection Part 1: Response Questions;
- (5) Reflection Part 2: Ethical Guide; and
- (6) Conclusion that emphasizes the important points to leave with the reader.