Ethics Education in Business Schools of India: Challenges and Looking Forward

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Abstract

An ethics course has been integrated with the business curriculum to make business operations ethical. The drive to conduct ethics training in business schools has stemmed from seven forces: an increase in unethical practices by managers, the desire of employer organisations, pressure from regulators, the need for professionalism, popular public demand for positive roles, and the new education policy of the government. Arguments against teaching ability point out that college ethics courses are useless because ethics cannot be taught as it is hard to change habits, beliefs, and values. Conversely, researchers argue that ethical behaviours could be developed. From a teachability point of view, ethics education goals can include raising individuals' consciousness to recognise ethical issues, developing sensitivity for feeling a sense of moral obligation, developing analytical skills for recognising right and wrong in the issues, and developing decision-making skills to identify proper actions. The educators face the challenge of developing autonomy, self-efficacy, and values through situated learning. This paper aims at bringing the challenges faced by the teachers in teaching ethics education and how in the long run teachers can make this teaching very effective.

Keywords: Business, Curriculum, Employer, Decision Making, Education, Teachers

Introduction

Many business schools have introduced business ethics either as a specific course or as part of an ethics course across the curriculum. The decision is based on the belief that unethical behaviour by students may later translate into unethical behaviour in business (Granitz & Loewy, 2007), and proper value education is a must for business students. According to Buffett, three qualities—integrity, intelligence, and energy—are key considerations in hiring people. He also opined that without the first quality, the other two fail to provide sustainable success (Abbot, 2017). In light of this, the paper identifies the major drivers of ethics education in business schools, examines the teachability of ethics courses, and discusses the goals and challenges of ethics courses. The paper explores the current state of ethical education in India, its challenges, and future prospects. It specifically focuses on the inclusion of business ethics as a subject in Indian business schools. The study emphasises that one potential reason for unethical business practices could be the lack of emphasis on ethics within the business school curriculum.

Reasons for Teaching Ethics

Reasons for teaching ethics are many, and some of the important ones are as follows:

Increase in Unethical Practices of Managers

Over the years, there has been a rise in issues of business and managerial ethics, which has markedly increased anxiety among professional educators. Small and Dickie (1999) identified alarming issues like abuse of power, bribes, and violations of personnel privacy, which managers have to tackle at the workplace daily. This has pointed out the need for ethical education for future managers. (Clikeman & Henning, 2000; Fulmer & Cargile, 1987; McNair & Milam, 1993; Smith, 2003; Wilson, 2002).

Desire of Employer Organisations

According to Robertson and Fadil (1999), several organisations have recognised that good ethics is good business. As a consequence, they have been giving preference to not just hiring competent accountants but are also looking for those who have moral obligation, moral expertise, and technical expertise (Mintz, 1995).

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Pressure from Regulators

Regulators of education, such as the American Institute of Certified Public Accountants (AICPA), have long since identified the gap in education due to a lack of proper instruction on ethics. They acknowledged that ethics should be part of the curriculum of management and accounting (Jackling *et al.*, 2007). In India, the All-India Council for Technical Education (AICTE) has prescribed a course titled 'Universal Human Values and Ethics' for graduate students. The University Grants Commission (UGC), in response to the call of the Ministry of Human Resource Development (MHRD), proposed a "Human Values and Professional Ethics" course to improve the quality of education in higher educational institutions.

Need for Professionalism

Rubin and Dierdorff (2009) observed that the Master of Business Administration programs of even reputed organisations have to face criticism for failing to develop critical analytical skills and promote trust among stakeholder groups (Ghoshal, 2005). Lam and Samson (2005) noted that manipulative tactics have gained recognition as cleverness and traditional honesty, once recognised as key characteristics of the accountants of the past, have lost their ground. In a study of accounting professors, Blanthorne, *et al.* (2007) reported that 98.1% of accounting professors advocated teaching ethics.

Popular Public Demand for Positive Roles

Business ethicists have been voicing their concern for increasing unethical practices and demanding universities take up the challenge of encouraging and stimulating curricula with ethical concerns and decision-making skills (*e.g.*, George, 1987; Koehn, 2005; Muijen, 2004). Bisoux (2013), in their study of educators, found that almost all of them believe that universities should play a substantial role in developing ethical behaviours.

The New Education Policy of the Government

The New Education Policy (NEP) 2020 has raised the curtain for Value-Based Education (VBE), with a clear focus on five values: truth, peace, non-violence, love, and righteous conduct.

It is strongly believed that these values imbibed in youth can help fight against all kinds of prevailing fanaticism, ill-will, violence, corruption, and drug abuse (Kumar, 2020).

Is Ethics Teachable?

The issue "Is ethics teachable?" has been extensively discussed (Guy, 1990; Sims, 1994). The idea that ethics can be taught in colleges and universities has not received universal support. Some argue that ethics is inherent, and others argue that it is learned.

Many traits reflective of a strong work ethic seem to have come naturally to people. The truth is, each baby arrives on this earth with a unique personality and value system. The literature on personality development and values suggests that children show the capacity for moral discernment from an early age. The Wall Street Journal stated in its editorial that college ethics courses are useless because ethics cannot be taught. Those who believe this view argue that it is hard to change habits, beliefs, and values. (Laible *et al.*, 2019).

On the contrary, almost 2500 years ago, the philosopher Socrates believed ethics could be learned and ethical behaviours could be developed. Research suggests that both innate predispositions and learned experiences contribute to moral development (Singer, 2019).

Goals of Ethical Education

The five goals of ethics education seek to shape person with a moral conscience and moral behaviour (Callahan, 1980, Clarkeburn, 2002), are twofold as explained here.

- Preparing for recognition of ethical issues: (a) Stimulating moral imagination, (b) recognising ethical issues and (c) eliciting a sense of moral obligation.
- Resolving ethical conflicts: (a) developing analytical skills and (b) reducing disagreement and ambiguity to resolve it with proper actions.

Imagination

The starting point for imagination is an idea. Once a persona gets an idea, he or she refines and creates more ideas or clear mental imagery, which helps in understanding situations and making decisions. By teaching ethical theories, input for the imagination of the ethical situation as a whole can be provided. Further considering the values suggested by ethics courses, managers can understand constraints to decision-making and ways to overcome them.

Recognition

Recognition involves remembering an object or situation that has become familiar once. Managers face different situations, each involving some ethical problem, some of them minor and some others serious. They must develop awareness of several different ethical issues in their training as a preparation for managing real-life situations. For this reason, ethics should not be treated as a stand-alone function. It has to be integrated with different subjects and expose students to a variety of situations.

Obligation

Managers are most of the time guided by the Professional Association's guidelines for ethical decision-making (Oddo, 1997). When facing an ethical situation, managers can make use of these guidelines to begin with and further apply the company values to safeguard their professional membership and company positions. Sometimes, individual consciences may come into conflict, but managers are more obligated to their company and profession.

Analysis

Ethical situations are not much different from other problem situations. They require analysis for identifying the influencing factors, and constructing a model of the situation.

The three important considerations for ethical situational analysis are:

- *Cultural diversity*: Culture is the way of life for an organisation or society, and it includes values, norms, codes, principles, and rituals for members to respect and follow. Obviously, different cultures have different cultural sets, leading to different thinking and behaviours. A manager requires an understanding of cultural differences to identify right and wrong behaviours in this world of diversity.
- *Stakeholder demands*: With the advancement of civilisation, new social groups, often referred to as pressure groups, are becoming active, bringing humanitarian and environmental issues to the attention of decision-makers in companies and government. As Drucker has rightly pointed out, balancing a variety of goals and values has become the key to effective decision-making.

Consider the case of McDonald's, the international fast-food chain. It faced strong protests from animal rights activists. The protests led to McDonald's issuing guidelines governing the conditions under which chickens were raised by the producers of the meat to protect the company's image and reputation, as well as the interests of stakeholder groups.

- *Future generations and unintended consequences*: Managers make long-term decisions, foreseeing, at best, the future consequences of them over a period of, say, 5 years. Beyond that, they cannot predict properly unless they follow the implementation from time to time. The consequences, needless to say, affect future generations. When the unintended consequences of a decision are harmful, managers have to make attempts to reduce the damage from it.
- For example, pesticides. They kill crop diseases and increase food production. But the use of pesticides is harmful to the health of people, causes contamination in water supplies, and endangers wildlife.

Decision (Removal of Ambiguity)

Making an optimal decision as opposed to an ideal one is a common component of ethical decision-making. "Too often the alternatives are between the better of two "rights" or the lesser of two "wrongs," as former Meredith Magazine Group president James Autry puts it (Autry, 1994).

Students taking a business ethics course should be made aware that sometimes decisions that seem morally right in the short term also have unforeseen, detrimental long-term effects that are immoral in the long run. Even with careful consideration, decisions may have unforeseen consequences that are not always predictable. However, managers can set up mechanisms that track the effects of choices, allowing for the quick identification of unintended consequences and the implementation of suitable corrective measures.

Challenges

According to McPhail (2001), the purpose of offering ethics education includes moral sensitization and the formation of a comprehensive perspective on the profession. It entails encouraging autonomy and learning about diversity.

Autonomy

Gaining autonomy in a situation requires a good understanding of the situation and knowing how to gain a degree of freedom from external constraints. Supporting this point of view, Boud (1981) observed that a key purpose of education is to develop in individuals the ability to make their own decisions about what they think and do. Autonomy requires that the learner rise above the temptation to act out "patterned and stereotypical responses" of the past. (Jackins, cited in Boud, 1981)

Self-Efficacy

Bandura, (1997) defined self-efficacy as a belief a person holds in his or her capabilities to organise and execute desired actions to get the desired attainment. He opined that individuals in general do not take action if they do not believe that they can produce desired outcomes. In view of this, the development of self-efficacy is an important purpose of ethical education (Bandura, 1997; Locke & Latham, 1990).

Diversity

Rogers (1969) suggests that learning about diversity is essential for understanding the multiple facets of a situation. Learning about diversity can occur in many ways such as: (a) discussing ethical matters routinely, (b) having a network of friends, ideally from different disciplines and occupations, (c) reading, travelling, or making friends with people from other cultures and (d) working with a diverse team of peers.

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