A Plea for the Importance of Business Ethics Education for Future Managers in an International Competitive Environment

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Abstract
Nowadays all around the globe managers are working in an ever increasingly competitive environment and their education and formation should take into account the new challenges posed by the traits of this kind environment. Though this article we try to underline the importance of business ethics education which with its various subjects, including corporate social responsibility, begins to play an important role in the education process of future managers all over the world, as a new way for approaching problems that arise in this international business environment characterises as being highly competitive for limited resources.

We will analyse the roots and the premises that determined this need for change in the approach of future manager’s education, the benefits and challenges associated to this change, and we will set the premises for an analysis of the level at which this need for business ethics education for managers is understood and taken into account by the Romanian business and economics curriculum in universities.

Keywords: business ethics, business ethics education, business curriculum, awareness of business ethics issues, ethical decision-making.


1. The need for Business Ethics education in the international competitive environment

The Nobel Prize awarded Amartya Sen begins one of his very interesting articles, suggestively entitled ”Does Business Ethics Make Economic Sense?”, not by offering arguments for the need of business ethics, but by analysing the problem from ”the other end” meaning ”the idea many people have that there is no need for such ethics”. He tries to analyse the roots of this second widely spread conviction among practitioners and economist, and the reasons why this could be wrong. He states that from the “early authors on economic matters, from Aristotle and Kautilya (in ancient Greece and in ancient India respectively)”to nowadays authors they were all concerned with the issue of ethics and that ”in one way or another, they saw economics as a branch of practical reasoning, in which concepts of the good, the right and the obligatory were quite central” (Sen, 1993).

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Robert C. Solomon (1992) was noticing that “we are gratefully past that embarrassing period when the very title of a lecture on business ethics invited – no, required – those malapert responses, sounds like an oxymoron or must be a very short lecture”.

It seems that in recent decades, apparently especially due to recurrent scandals in the business and financial world, Business Ethics is increasingly becoming an attractive topic of discussion for business and economics practitioners and academics all over the world. Luthar and Karri (2005), Burton, Dunn and Goldsby (2006) are also attributing, in part, the growing interest in ethics education and the ethical attitudes of business students, who are likely to become managers in the future and that we will name future managers in this article, to the major corporate scandals from the past three decades. All these aspects could express in our opinion a growing need for an alternative to the existing approach, for solving new problems that arise in an environment that is becoming more competitive with every day that goes by, for all kind of resources that are rapidly diminishing.

It’s an important challenge for the modern leaders (Nastase, 2010) that have to deal with a lot of constraints generated by the economic crisis, but also by a dynamic global world that brings closer and closer different visions, values and interacting ways with direct impact on the people behaviour and priorities!

This growing need for Business Ethics, both in practical and theoretical fields, could also expresses, from our point a view, a rational and intelligent approach, maybe even an intuitive one, when taken into consideration the alternative offered by the lack or the decrease of business ethics in the business world. Giacalone and Jurkiewicz (2003) are underling the fact that the unethical behaviour of corporations can have an impact on the financial stability, on different stakeholders and, in the end, on the society as a whole. We think that we all could get the feeling that Business Ethics is an important topic for the future of the business world around the globe, and that we need that Business Ethics principles should be taken more into account for a sound future, but then we ask the question why there is still a kind of resistance toward teaching Business Ethics in some business schools and why still the legitimacy of Business Ethics, as a fundamental topic for the future’s managers education, is still brought into discussion? Internationally the disciple of Business Ethics is increasingly seen as fundamental for the formation of business professionals, as a 2005 study revealed that “business school deans rank ethics second among the top five curricular goals for undergraduate programs” (Martell & Calderon, 2005).

We have to take into account that the needs for education are constantly evolving, as the entire international context is evolving, and Business Ethics is becoming a part of the education that future managers will need. Some specialists (Joop, Orhei, Bibu, 2012) are stating that the new generation of managers, belonging to the Y generation, has particular need of education and they propose a model of education for these future managers that also includes Business Ethics.

Through this article we are analysing some of the most important arguments of the plea for Business Ethics education encountered in the literature and formulate
our own conclusions and recommendations, so that future managers graduating from main Romanian universities could get the benefits of having Business Ethics among their fundamental topics in their learning curriculum.

2. The possible causes for the increased need for ethical education along the benefits and challenges it brings for business education

We think that the new approach brought by Business Ethics in business schools is needed because of several factors, the following included: the context in which business operates nowadays is constantly evolving and increasingly complex, with new expectations and responsibilities for business coming from various entities (the stakeholders of a business organization), there is decrease of confidence in business to recent scandals and the international crisis and there is an increasing awareness concerning business ethics issues at all the levels of the society. Plus, taking in consideration the primary role of economics regarding the allocation of resources, we think that economists and those with managerial positions in particular, are faced with the new challenge of allocating fewer resources to a growing global population with an exponential grow of needs and expectations. In the following section we will analyse some of the other arguments for the increased international need for ethical education, along with the benefits and challenges it could bring for future managers.

According to Jackson (2006) “a new paradigm imposes special demands on business ethics education: a) merging financial and social imperatives; b) stemming recurrent scandals without being compliance obsessive; c) infusing ethics awareness into all areas of business to remain relevant to the real world, motivate students, and keep up with innovations; d) mediating cross-cultural differences to promote competitiveness and foster positive social integration”.

"Sometimes businessman or managers reveal a fragile system of values, indifference, apathy, a narrow moral and spiritual horizon” (Popa&Salanţă, 2011) and we think that business education could definitely play an important part in straitening the system of values of future managers, teaching them to have an active and proactive attitude toward business issues with ethical implications and could for sure enlarge their general knowledge base and horizons. According to the same authors (Popa&Salanţă, 2011) "business ethics has an important informative and descriptive, as well as persuasive function” and from our point of view business ethics education can put these functions into good use.

In our national context, these aspects regarding the systems of values have also particular aspects, like the one acknowledged by Ionescu (2007), that in an article analyzing the main cultural values that Romanians share, spelled out an interesting characteristic: that we have, due to our past, ”a schizophrenic behavior of incoherent alternating resorts to some communist or capitalist value” and, at the same time, ”a non-discerning acceptance of the non-values of capitalism, of some immoral types of behavior”. This constitutes, from our perspective, another argument for the importance of business ethics education in our business schools.
We think that Business Ethics is not just another topic in the study curriculum meant to fill a void of students’ knowledge, but is far more important than that. Not only that Business Ethics contributes with information and knowledge to the students’ formation, but it also contributes to their personal and professional development. The discipline of Business Ethics has a strong formative potential, shaping the students beliefs and values, and thus shaping their future behavior as managers. Even more, we cannot truly talk of a professional behavior in any field of activity without an ethical behavior, so in forming true professionals in business and management Business Ethics is vital. Through Business Ethics classes students are encouraged to ask questions regarding the meaning of certain things to them self and to others, to become aware of the ethical implications of various actions, to become active stakeholders of the companies they interact with.

Two of the most important objectives of the business ethics education mentioned by several authors (like Wu, 2003; Lau, 2010 and Dzuranin, Shortridge & Smith, 2012) are the recognition or awareness concerning business ethics issues and the improvement of the ethical decision-making abilities of the students taking a business ethics class. A morally educated businessperson is seen as “person equipped with ethical awareness, ethical reasoning skills, and core ethical principles, capable of responding to a changing legal and compliance environment and complex, conflicting, and sometimes highly problematic interests and opportunities (Jackson, 2006).

In an international business context Corporate Social Responsibility is increasingly becoming part of the strategy of a company, as a way of assuring long term viability. Through Business Ethics, business students are becoming aware of the importance that Corporate Social Responsibility could play for the future of various organizations and they understand the benefits that a strategic approach of implementing Corporate Social Responsibility programs. Students are provided with different models and tools for implementing Corporate Social Responsibility in a strategic approach (Gligor-Cimpoieru, 2012).

Another important role that the business ethics discipline plays in business and economics schools it is that it could contribute to creating a learning environment where misconduct behaviours (starting from inappropriate relations between teacher and students, cheating, plagiarism or other kind of intellectual fraud to misuse of faculty funds), for teachers and students alike, are blamed and unacceptable by an organizational culture oriented toward performance and excellence. Policies and systems concerning the limitation of inappropriate behaviours in higher learning organizations “should clearly be an integral, living part of the school’s culture” (AACSB International, 2004). Gligor and Munteanu (2010) state that a very important part in promoting an ethical environment inside organizations is played by the ethical codes that these organizations could elaborate and we think that every learning institution should have a proper code of ethics and/or of conduct.

Teaching business ethics is no easy task from our point of view, and learning it isn’t either. Even more, putting it into a real use, in the context of constrains given by the business practice, is a constant challenge for former students of Business ethics classes. Popa and Salanță (2011) are noticing the fact that there is an apparent conflict for students between notions like “responsibility, trust, loyalty, in one hand and financial and professional success, on the other”. We think that
students, while learning Business Ethics, are faced with internalized conflicts between different hierarchies of values that they encounter: they have a hierarchy given by their families, another given by the environment and the community in which they have lived until they begin their new studies, the one given by the new collectivity, the high desire of success and financial gains, and Business Ethics principles may not always be in concordance with this hierarchies that students have. We also have to admit the fact that teaching them to adopt a certain set of rules, in an environment in which nobody plays by these rules can put them, at least from a short term point of view, at a less competitive position. But we must not forget the fact that the Business Ethics discipline has the great merit of showing students that there are alternatives to a current state, that there are options beside the one given, for instance, by a corrupted business environment. It may not be easy to follow the right path, but a good system of values will at least give guidance toward this right way.

Regarding the effectiveness on students of taking a Business Ethics course, several studies have been conducted in this direction, like the ones mentioned by Herndon Jr. (1996) or by Wu (2003). Herndon (1996), citing various other studies mentioned prior in the international literature, reaches to the conclusion that “there are difficulties inherent in teaching business courses having ethical content where the goal is to promote desirable long-term changes in students’ ethics-related constructs”. After conducting a “before” and “after” type of study on students from two universities across the Taiwan Strait, Wu (2003) reached to the conclusion that after receiving Business Ethics education students “demonstrated significant improvement in the ethical weighting of their individual values, their recognition of ethical issues and their performance as ethical decision-makers”. Additionally, one of the Wu’s findings was that the degree in which students are influences by Business Ethics education is dependent to “politic and economic conditions” (Wu, 2003).

After reviewing research results about the effectiveness of ethics education done between 1982 and 2006 Cubie L. L. Lau (2010) conducted her own study on the matter, using a sample of over 700 students and she reached to several conclusions, from which we could mention that students who received ethics education “scored significantly more ethically than those without ethics education” and that it appears that “ethics education enhanced students’ morale reasoning”.

Another issue, connected to the topic of efficiently teaching Business Ethics in business schools, is referring at the form in which Business Ethics should be integrated into a university’s curriculum, with two approaches to be distinguished: stand along courses of Business Ethics or associated subjects like Corporate Social Responsibility or Professional Deontology, or it should be integrated in other subjects. Due to a tendency of reducing costs and making the educational offer more attractive to potential students, we have noticed that there is tendency in reducing the number of courses offered to students in an education program, which sometimes leads to the elimination of Business Ethics as a standalone discipline in the business student’s curriculum.

As a final finding to their study, conducted on more than 800 students, Luthar and Karri (2005) underline the fact that in order to have effectiveness by
teaching Business Ethics, both forms should be included: “we conclude that both exposure to ethical issues in the curriculum and stand-alone courses devoted to business ethics are crucial in business education, if we expect students to be aware of all the crucial aspects of social responsibility and consequences of unethical conduct for society”.

A very important role in promoting a proper place for Business Ethics in the curriculum of business and economic schools belongs to the managers and the leaders of these higher learning institutions. Referring to these aspects, Elliott, Marquis & Neal (2013) state that “deans of business schools need to hold faculty accountable for their actions” and that “academic leaders need strategies to promote ethical conduct” inside the organizations they lead.

In their 2004 report members of the AASCB International association make an important remark: “students cannot be expected to internalize the importance of ethics and values unless business schools demonstrate such commitment within their own organizations”. In other words, we cannot expect and claim for students that they treasure ethical values and behaviours without the living examples of their professors. Referring to these aspects, we want to underline the fact that is said that first of all the professors teach their student what they are and after that what they know. McCabe and Trevino (1997) said that “much of the human behaviour is learned by the influence of example”.

We thus reached to the conclusion that Business Ethics is hard to teach first of all due to the moral responsibility that professors have to be role models for their students, and this could be in our opinion a big hat for some to wear.

Existing studies (i.e. Adkins & Radtke, 2004) have even shown the fact that apparently in some cases the topic of Business Ethics is considered more important by students that by faculty members, and these observed differences could represent a starting point for faculty professors to analyse their role in teaching ethics, and to give the task the needed attention and respect. We think that those who teach Business Ethics have a great responsibility, and it is important to have the best teachers for this topic. Burton et. al (2006) were affirming that for “a subject as vital to society as is business ethics, it is important that we as teachers get it right”, and that includes to have highly trained and motivated professors.

There are certainly particularities to teaching Business Ethics, and Business Ethics professors need to know these particularities and to take them into account. For instance, Domenec Mele (2005) mentions that there is “a risk that people might confuse ethics”, in this case for accounting, “with a set of rules, legal standards or other regulation” and that “ethics cannot become so mechanical as merely applying a rule, a technology for solving moral dilemmas”, when referring to the tendency applying certain rules and theories mechanically. He further underlines that “several scholars have strongly criticized those approaches which reduce ethical education to presenting ethical theories to solve ethical dilemmas without considering personal virtues and behaviour”.

We think that the organizational climate inside higher learning institutions toward ethical or unethical behaviours is a key factor for the behaviour of faculty
members and students. We also think that in Romania up until recent related scandals in mass-media the problem of fraud in the case of university studies wasn’t even perceived by the learning organizations, nor their members, nor the public opinions at its full harming potential. The teachers used to teach their students, when facing the task of writing a project of a paper, that they shouldn’t worry too much about it, because “books are written from books” and it is sufficient to find the right book to complete the assignment. Just like in business when you need a problem to be solved it is sufficient to have the right connections! Nobody explained to student what is the meaning of a research project, how a project like this should be conducted, what plagiarism actually means and why it is important to prevent it, not even at a post-graduate level, like master or PhD studies, and important universities in Romania are still deprived of courses for academic writing and research methodology in their curriculum.

This problem we think it was part of a collective mentality in our country that success comes at the price of sacrificing or ignoring your moral values, and that stealing or cheating are accepted behaviours when facing the objective of a better life. In our opinion it was a good think that some cases of academic fraud from Romania, analysed by the international media, drew everybody’s attention toward the importance and potential future consequences of this kind of behaviours. On the other hand, there are some remarks to be done concerning these issues like how much of these debates were directed on blaming at a society level unethical behaviours of this type or they were just a politic weapon for destroying credibility and authority, and why no measures have been taken to solve and prevent this cases in the future, when in other European counties like Germany cases like this had radical solutions. We think that first of all we need a change of mentality in order to prevent this kind of unethical behaviour in university in the future.

Just as “leadership sets the ethical tone of a company” (Elliott, Marquis & Neal, 2013), those who attend management positions in higher learning organizations need to understand and internalise their responsibility for setting the tone for an ethical behaviour and that inside the organizations that they manage and their task of being role models in these aspects.

3. **Preliminary analysis regarding the Business Ethics topic in the two analysed Romanian universities**

After all the arguments given for the importance of Business Ethics education in higher learning institutions, our aim is to set the premises for a research on how the Business Ethics discipline in perceived in Romania and which is the part that this subject plays in the Romanian business curriculum. The starting point in this research is to determine the current state of teaching ethical subjects for business students in the two universities where the authors of this article are conducting their main activities, respectively Bucharest University of Economic Studies and West University of Timișoara.
### Table 1. Disciplines related to Business Ethics in the analyzed Romanian Universities

<table>
<thead>
<tr>
<th>Nr. crt.</th>
<th>University</th>
<th>Faculty</th>
<th>Discipline related to Business Ethics</th>
<th>Bachelor Level, Specialization, Year of study, Semester and Statute</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Bucharest University of Economic Studies</strong></td>
<td>Business Administration</td>
<td>- Business Ethics</td>
<td>Business Administration Specialization, Year 1, Sem. II, Mandatory</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Business Administration</td>
<td>- Social Entrepreneurship</td>
<td>Business Administration Specialization, Year 3, Sem. II, Mandatory</td>
</tr>
<tr>
<td>3</td>
<td>Administration and Public Management</td>
<td>- Ethics and Professional Ethics in Public Administration</td>
<td>Public Administration Specialization, Year 3, Sem. I, Optional</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Economic Informatics and Cybernetics</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Accounting and management information systems</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Commerce</td>
<td>- Business Ethics in Commerce, Tourism and Services</td>
<td>Business Administration on Commerce, Tourism, Services, Commodity Science and Quality Management Specialization, Year 3, Sem. I, Mandatory</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Economy</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>AgroFood and Environmental Economics</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Finance, Insurance, Banking and Stock Exchange</td>
<td>- Business ethics (applied to finance)</td>
<td>Finance and banking Specialization, Year 2, Sem. II, Mandatory</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Management</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Marketing</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>International Business and Economics</td>
<td>- MoneySense: A Course on Banking Ethics and Culture</td>
<td>International Business and Economics Specialization, Year 3, Sem. I, Optional</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td><strong>West University of Timișoara</strong></td>
<td>Faculty of Economics and Business Administration</td>
<td>- Business Ethics</td>
<td>All specialization, Year 1, Sem. I, Mandatory</td>
</tr>
</tbody>
</table>
The situation regarding the disciplines related to Business Ethics issues in the curriculum of the Bucharest University of Economic Sciences and West University of Timișoara is presented in Table 1, with an analysis done for the name of the courses, their year of study and if they are mandatory or optional in the faculty’s curriculum.

The two universities included in our analysis are recognised for being the so called “trend setters” for different topics at a national level. For instance, the Faculty of Economics and Business Administration from the West University of Timișoara is proud to be one of the first faculties in the country to introduce Business Ethics as a mandatory subject for all students in the first year of studies. The Bucharest University of Economic Studies is recognised nationwide to be a vanguardist institution, and the most prestigious Romanian economic higher education institution.

But at the same time, the acceptance of Business Ethics as a fundamental topic for the formation of future professionals in business and economics is an ongoing process. As shown in Table 1 we could notice that some faculties, and respectively some specializations, do not include yet in their educational offer disciplines related to Business Ethics or in other cases these disciplines are only optional. The situation could seem intriguing in some cases but, at the same time, further studies will tell whether or not aspects related to Business Ethics are included in the topics from other disciplines. That could mean that Business Ethics is taught not as distinctive subject, but in correlation with other topics. We aim to analyze one the basis of a “before” and “after” type of test the implications of teaching Business Ethics in Romanian universities to business students who have the potential of playing key roles as future managers in private and public organizations. It seems that in nowadays international competitive environment “eyes are on business schools to increase our emphasis on ethics instruction” (Baker & Comer, 2012).

Conclusions

We think that Business Ethics education is fundamental for every student with the potential of attending managerial positions for business or public organizations due to the fact that ethics are an inherent part of every decision-making process. Although in Romanian business schools there is still a kind of scepticism regarding the discipline and the introduction of Business Ethics in its curriculum is an ongoing process, its future is secured from our point of view due to a need of changing perspectives in the way managerial issues are solved. The current international crisis, with a decreasing trust in business world and business people, the ever increasing expectations from organizational stakeholders, are just a few or the premises that are sufficient to convince decisional factors in universities’ hierarchies that “Business Ethics is a must for every business student”. We need to conduct more studies about the role that Business Ethics should have in the Romanian universities’ curriculum and as Luthar and Karri (2005) stated, we must
remember that “the managers of the future are receiving education in the present” and that we need future managers that are morally educated and responsible.

Bibliography


