

Let's talk about Business Ethics!

When I first started teaching Business Ethics in 2014, I was lost. The textbook I adopted, based on a colleague's recommendation, was a disaster and the mindboggling assignments I developed were not that mindboggling after all. It was a struggle, but I made it through the semester. Since then, I talked to numerous colleagues at OBTC who teach business ethics and continuously changed my syllabus. I have tried several books, assignments, exercises, and movies and even tried to have a class without exams – once. It was a long, strenuous journey filled with many valuable learning experiences.

While I attended almost all OBTC sessions related to Business Ethics since 2014, they usually only cover one specific exercise from the presenters' point of view. Without the discussions after the presentations (and of course at Jim's place), I would likely not have been able to improve my teaching as much. As a result, I would like to organize a roundtable that formalizes this discussion and makes it easier for others who seek to improve their business ethics teaching – regardless whether it is one lesson or a whole business ethics class.

Over the last four years, I taught 15 sections of Business Ethics at the undergrad and graduate level and experienced many challenges. While the 2017 JOME Special Issue on Behavioral Ethics was very informative, it still left many questions unanswered. In this roundtable, I would like to discuss the three biggest challenges I faced:

1. Content: What to teach?
2. How to capture students' interest with in-class exercises and assignment?
3. Service learning

1) Content: What to teach?

The content is, to a large degree, determined by the textbook and readings – and, there is certainly no shortage of business ethics textbooks. However, finding the one that makes you happy-ever-after is difficult. Hence, I would like to discuss why participants picked / dismissed specific business ethics textbooks or readings. What did they find most useful? What was missing? For the first few semesters, I used the following textbooks:

- *Arnold, D. G., Beauchamp, T. L., & Bowie, N. (2012). Ethical theory and business. Pearson Higher Ed.*
- *Hartman, L. P., DesJardins, J. R., & MacDonald, C. (2014). Business ethics: Decision making for personal integrity and social responsibility. New York: McGraw-Hill.*
- *Grace, D., Cohen, S., & Holmes, W. R. (2013). Business Ethics: Canadian Edition; Oxford University Press*

However, I soon realized that my teaching is incompatible with these books. I also reviewed many other books but was unable to settle for one. Instead, I started to collect interesting articles, cases, and movies. See Appendix A for the latest readings I use in my MBA business ethics class. Using individual readings makes it easy for me to implement student feedback and has been extremely well received by the students. In case the participants do not have much experience, I will go over my experience with the textbooks, readings, and cases.

2) How to capture students' interest with exercises and assignment?

At my University, Business Ethics is a required course for all undergrad and graduate business students. As a result, many students are unfortunately not that interested in the topic and only take it because they have to. While other Universities may not require students to take Business Ethics, I anticipate that it is still a challenge to capture students' interest throughout the semester. Hence, I would like to discuss different exercises that went well / didn't go so well with the participants. After we discuss their experiences, I will also share two personal exercises that I use to enrich my classroom:

When we discuss ethical decision making, I casually ask them at the beginning of class, if they would ever steal 10 dollars from me (the answer is usually a very clear no). Then I give my students a very simple math test where they have to find two numbers in a matrix that add up to 10 (exercise developed by Dan Ariely). They have 5 minutes to solve as many matrices as possible. For each correctly identified pair, I donate 50c to a good cause (determined by the class later). After the test, students will shred their exams. I then hand out a blank piece of paper for students to report how many matrices they solved.

2.62	5.99	5.28	5.46
4.57	8.74	7.64	8.42
4.99	8.91	5.01	9.78
2.95	6.00	8.17	6.43

To make the situation more tempting, I provide the first 5 students with an easier version of the test (only one decimal point and pairs close by). The average student will solve around five matrices; students with the easy version usually solve between 15-20. As a result, the students on the difficult version will likely assume that the first five reported a higher number to increase my donation – without any repercussions since there is no copy of the actual exam. Afterwards, I discuss cheating behavior with them to see how many were tempted to cheat, how many actual cheated / didn't cheat, etc. What they do not know is that I have manipulated the shredder that it only shreds about an inch from each side of the paper – but not the rest. Hence, once all students have reported their results and we discussed cheating behavior, I compare the reported number to the actual number of solved matrixes in front of them. (Unfortunately, I have a lot of cheaters in my class and they often try to steal way more than 10 dollar during this exercise.) We then talk about rational ethical decision-making models and I provide potential workplace examples that are very similar to this exercise (e.g., co-workers may pressure you to engage in unethical conduct to help the organization). This exercise has been very well received by the students and so far, not a single student felt betrayed (which was the biggest concern of my department chair).

I use another exercise to demonstrate how difficult it is to market sustainable products. Before discussing sustainability, I put two bowls of chocolate on my desk. One contains Costco's petits swiss milk and dark chocolate (13.99\$ / 1.5kg (52.9oz)) and the other one Zazubean organic chocolate (Chocolate with the lowest carbon footprint in Canada) (5\$ / 85g (3oz)). Then I give my students a choice between picking one piece of organic chocolate or 6 pieces of Costco's chocolate (Zazubean chocolate is over 6times more expensive). Afterwards, we discuss ways to successfully promote sustainable products and link it to theory (e.g., Ottman, 2008). Finally, my students then have to create an advertisement for Zazubean and use it to convince students from another class to pick their product over Costco's chocolate.

3) What are your experiences with service learning?

285 students of mine completed over 50 different service learning projects for local entrepreneurs and non-for-profit organizations since 2015. “Service-learning incorporates community work into the curriculum, giving students real-world learning experiences that enhance their academic learning while providing a tangible benefit for the community” Campus Compact (n.d.). Even though in class exercises can be very valuable, I firmly believe that working on real world projects through service learning can exceed the best planned in class exercises. The success of using service learning in business ethics classes has been acknowledged by scholars (e.g., O’Brien, Wittmer, & Ebrahimi, 2017). However, I experienced a lot of struggles along the way – struggles that have not been discussed in the literature. Hence, I would like to discuss participants’ experience with service learning. Specifically, I would like to discuss what projects they have completed, how they link service learning to theories, how they identify, screen, and recruit service learning partners, track progress of teams, and measure student performance. If participants have not had much experience with service learning, I will use my experience to discuss this topic.

Successful projects that my students and I have completed:

- Development of Mission, Vision, and Value statement
- Development of promotional material (e.g., homepage (content only), flyer)
- Performed Stakeholders analysis

How do I link service learning to ethics theories?

I usually discuss theories before starting the service learning projects and require that they apply theories discussed in class in their final service learning report.

Recruiting service learning partner:

Every local small business and non-for-profit organization can be a potential service learning partner. They may not have a Mission, Vision, Value statement, or are unaware of potential stakeholder that are affected by their business. I have also recruited businesses that have a great product but fail to properly advertise their service. I also must stress the importance of screening potential service learning partners. I had to fire a service learning partner after a student found out he posted racist material publicly on social media.

How do I track progress of teams and measure their performance?

Students have an official mid-project meeting with their service learning partner that I sit in. I cannot stress the importance of this meeting enough as it prevents students from waiting until the last day to start the project. I grade each team’s performance as a whole based on their presentation and the final report. In addition, I also require all students to complete a simple peer evaluation form to prevent free riders (see Appendix B).

4) Open the table for questions that have not been covered.

References:

Campus Compact. (n.d.). Initiatives: Service-learning. Retrieved from <http://compact.org/initiatives/service-learning/>

O'Brien, K., Wittmer, D., & Ebrahimi, B. P. (2017). Behavioral Ethics in Practice: Integrating Service Learning Into a Graduate Business Ethics Course. *Journal of Management Education*, 41(4): pp: 599 – 616.

Ottman, J. A. (2008). The five simple rules of green marketing. *Design Management Review*, 19(4), 65-69.

Appendix A: MBA Syllabus

Intro to Business Ethics	<ul style="list-style-type: none"> • Badaracco Jr, J. L., & Webb, A. P. (1995). A view from the trenches. <i>California Management Review</i>, 37(2), 8-28.
Ethical Theories	<ul style="list-style-type: none"> • White, J., & Taft, S. (2004). Frameworks for teaching and learning business ethics within the global context: Background of ethical theories. <i>Journal of Management Education</i>, 28(4), 463-477. • INTRODUCTION TO ETHICS: THE LANGUAGE OF ETHICS FOR MANAGERS: Andrew C Wicks; R. Edward Freeman; Jared Harris; Bidhan Parmar; Jenny Mead
Ethical Decision Making	<ul style="list-style-type: none"> • Jones, T. M. (1991). Ethical decision making by individuals in organizations: An issue-contingent model. <i>Academy of Management Review</i>, 16(2), 366-395. • Bandura, A., Caprara, G. V., & Zsolnai, L. (2000). Corporate transgressions through moral disengagement. <i>Journal of Human Values</i>, 6(1), 57-64. • Gioia, D. A. (1992). Pinto fires and personal ethics: A script analysis of missed opportunities. <i>Journal of Business Ethics</i>, 11(5-6), 379-389. • CHRIS AND ALISON WESTON (A): Sandra J. Sucher; Celia Moore • Martha McCaskey - Bart J. Van Dissel; Joshua D. Margolis
Ethical leadership & Organizational Culture	<ul style="list-style-type: none"> • Freeman, R.E. and Stewart, L. 2006. Developing ethical leadership. <i>Business Roundtable Institute for Corporate Ethics</i>, 1-13. Available at http://www.corporate-ethics.org/pdf/ethical_leadership.pdf • Ardichvili, A., Mitchell, J. A., & Jondle, D. (2009). Characteristics of ethical business cultures. <i>Journal of Business Ethics</i>, 85(4), 445-451. • Schwartz, M. S., Cragg, W., & Hoffman, W. M. (2012). An Ethical Approach to Crisis Management. (cover story). <i>IESE Insight</i>, (15), 36-43 • A LETTER FROM PRISON Eugene Soltes • CANADIAN SPONSORSHIP SCANDAL: THE WHISTLEBLOWER'S PERSPECTIVE Allan Cutler; Ruth McKay; Francois Brouard
Corporate Social Responsibility	<ul style="list-style-type: none"> • Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. <i>Business Horizons</i>, 34(4), 39-48. • Edward R. Freeman: Managing for Stakeholder • Milton, F. (1970). The social responsibility of business is to increase its profits. <i>New York Times Magazine</i>, 13, 32-33. • STRATEGY AND SOCIETY: THE LINK BETWEEN COMPETITIVE ADVANTAGE AND CORPORATE SOCIAL RESPONSIBILITY Michael E. Porter; Mark R. Kramer • Andrew Hoffman: What Is Water Worth?: Nestlé Walks a Fine Line • Managing Social Responsibility and Growth at Ben & Jerry's: https://danielsethics.mgt.unm.edu/pdf/ben-and-jerry-case-.pdf
Sustainability	<ul style="list-style-type: none"> • Whelan, T., & Fink, C. (2016). The Comprehensive Business Case for Sustainability. <i>Harvard Business Review</i>, 21. Library • The problem with sustainability marketing? Not enough me, me, me: https://www.theguardian.com/sustainable-business/behavioural-insights/2015/mar/09/problem-sustainability-marketing-not-enough-me • Ottman, J. A. (2008). The five simple rules of green marketing. <i>Design Management Review</i>, 19(4), 65-69. • Nidumolu, R., Prahalad, C. K., & Rangaswami, M. R. (2009). Why sustainability is now the key driver of innovation. <i>Harvard business review</i>, 87(9), 56-64. • SIERRA NEVADA BREWING CO.: END OF INCENTIVES Tara Ceranic; Ivan Montiel; Wendy S Cook • GOVERNANCE AND SUSTAINABILITY AT NIKE (A): Lynn S. Paine; Nien-he Hsieh; Lara Adamsons

<p>International Business</p>	<ul style="list-style-type: none"> • Velasquez, M. (2000). Globalization and the Failure of Ethics. <i>Business Ethics Quarterly</i>, 10(01), 343-352. • Asgary, N., & Mitschow, M. C. (2002). Toward a model for international business ethics. <i>Journal of Business Ethics</i>, 36(3), 239-246. • Maitland, I. (1997). The great non-debate over international sweatshops. In <i>British Academy of management annual conference proceedings</i> (pp. 240-265). • Govindarajan, V. (2015). Business Can Help End Child Labor. <i>Harvard Business Review Digital Articles</i>, 2-4. • IKEA'S GLOBAL SOURCING CHALLENGE: INDIAN RUGS AND CHILD LABOR (A): Christopher A. Bartlett; Vincent Dessain; Anders Sjomana • THIRD-WORLD FAMILIES AT WORK: CHILD LABOR OR CHILD CARE? Martha Nichols
<p>Marketing Ethics</p>	<ul style="list-style-type: none"> • Delmas, M. A., & Burbano, V. C. (2011). The drivers of greenwashing. <i>California Management Review</i>, 54(1), 64-87. • Dibb, S. (2014). Up, up and away: Social marketing breaks free. <i>Journal of Marketing Management</i>, 30(11-12), 1159-1185. <ul style="list-style-type: none"> • 1161: Social marketing's origins and development • 1177: Conclusion • Irwin, J. E. (2015). Ethical Consumerism Isn't Dead, It Just Needs Better Marketing. <i>Harvard Business Review</i>, 12. • PINK TAX: PRICE DISCRIMINATION AND PRODUCT VERSIONING EXERCISES Aradhna Krishna • FIJI WATER AND CORPORATE SOCIAL RESPONSIBILITY - GREEN MAKEOVER OR "GREENWASHING"? James McMaster; Jan Nowak • Killing Us Softly 4: Advertising's Image of Women https://brocku.kanopystreaming.com/video/killing-us-softly-4-advertisings-image-women
<p>Financial industry</p>	<ul style="list-style-type: none"> • Scott A. Moore: Profile of Enron: The Rise and Fall • Clayton Rose; Aldo Sesia: Barclays and the LIBOR Scandal • Robert S. Kaplan; David Kiron: Accounting Fraud at WorldCom • Watch inside job at home

Appendix B: Peer evaluation form:

TEAM MEMBER EVALUATION FORM

Please rate each team member (**include yourself**) based on his/her effort in supporting team accomplishments.

You will assign between 0 – 110% to each member. Please note that the total for all of your team members may NOT exceed the number of team members x 100% (e.g. 4 x 100 = 400%). If all team members have contributed equally, then a 100% evaluation is appropriate for each team member. If a team member's contribution exceeded normal team expectations, you may assign up to 110%.

Each evaluation will have some bearing on the final grade for each member. For example: In a group consisting of three members, one member received the following scores: 90%, 95%, and 100%. The overall project grade was a 92. The individual team member's grade would be figured as follows:

$$(90 + 95 + 100) = 285$$

$$285/3 = 95\%$$

$$92 \times 95\% = 87.4 \quad \rightarrow \quad \text{That person's project grade} = 87$$

In determining how you will rate each member, please consider the following:

- Dedication to supporting the team effort
- Participation in all team activities
- Dependability in meeting deadlines
- Provision of accurate and professional materials

YOUR NAME: _____ **Percent*:** _____.

Team member's name: _____ **Percent*:** _____.

*** Please provide supporting comments for a rating other than 100**