

## **THE CHALLENGE FOR ACADEMICS: ETHICAL BEHAVIOR AS A LEARNING OUTCOME**

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*University professors are presented with the challenge of teaching ethics to their MBA students at a time that businesses around the globe provide abundant examples of poor and ineffective management, the pursuit of self interest by senior management, the maximization of financial returns for the organization, while paying lip service to ethical decision making and social responsibility*

Much has been done during the last couple of decades to create the European Higher Education Area. One outcome of this effort, a most important one I would say, is to move the emphasis away from what we, as teachers, plan to teach, towards what our students must learn. And thus, '*Learning Outcomes*' has come to play a major role on how we teach and how we assess student performance. It is standard practice among university instructors to prepare and share with their students a 'Course Outline' which, in essence, is a contract between the students and the instructor. It contains information pertinent to a particular course, it describes what the student is expected to get out of the course by the end of the semester, and how his/her performance will be assessed.

Our focus in this article is Learning Outcomes and in particular that component which deals with ethical decision making in business. Here are examples of how these learning outcomes are stated by some, randomly selected, US and UK universities for their courses in business education programs:

*'Apply ethical values to situations and choices'*

*'Demonstrate ethical, legal, and responsible behavior'*

*'Incorporate ethical considerations in decision-making'*

*'Develop an understanding of the ethical and legal responsibilities in organizations and society'*

*'Appreciate the value of diversity and ethical behavior'*

*'Identify the important dilemmas facing business enterprises, analyze them from multiple ethical and stakeholder perspectives, and recommend appropriate solutions to these dilemmas'*

Should we attempt to define ethics and morality? Perhaps we should. A detailed, in depth study, however, lies in the realm of philosophy. The American Heritage Dictionary defines ethics as '*the study of the general nature of morals and of the specific moral choices to be made by the individual in his relationship with others*'. Moral behavior '*is concerned with the judgment of the goodness or badness of human action and character*'. Wikipedia states that business ethics '*examines ethical principles and moral or ethical problems that arise in a business environment. It applies to all aspects*

*of business conduct and is relevant to the conduct of individuals and entire organizations*'. My students, a mix of local and international students, say that the meaning and understanding of ethics and morals must be determined from the statement '*I believe in God*'. They also go on to ask: 'Whose God? Mine or yours?'

Even though business ethics was in common use among US organizations as far back as the 1970s it was not until the mid-1980s that European universities showed interest in the field and relevant courses were introduced in their curricula. A further push in this direction came with the establishment of the European Business Ethics Network (EBEN) in 1987<sup>1</sup>. In the meantime, organizations started showing increasing attention to non-economic concerns through such headings as '*code of conduct*' and '*corporate social responsibility*'. They attempted to provide guidelines for proper and acceptable business behavior and to exhibit their social responsibility in the communities in which they operate, and beyond. Their usefulness, honesty, and effectiveness are still under debate.

In a few weeks I will have a roster of over 100 students registered in my MBA management and strategy courses. The easy part is to get them to acquire certain knowledge and facts, to get them to think critically, to analyze cases, to understand the global business environment and developments, to do research, to challenge them, to get them to work in groups, to get them to communicate orally and in writing, to put time pressure on them, and so on.

But then we will get into the issue of business ethics. I will not ask them not to give me definitions but rather to present examples of unethical business behavior. I anticipate that the following, among many others, will come up:

- The Enron and WorldCom scandals (probably they are too young to remember details). Why?
- The collapse of the Cyprus Stock Exchange and how some got much richer while the middle class lost their lives' savings. Why no one was found to be responsible or receive punishment?
- The recent phone hacking in the UK and the implication of the Murdoch newspapers. Is there any confidence that investigations will get to the root of the problem?
- The recent devastating explosion at a Cyprus naval base and the killing of 13 people. Is there any confidence that investigations will get to the root of the problem and bring to justice those who are responsible?
- Recent TV videos showing US consumers cashing in their jewelry, including wedding rings, in order to buy food or pay the rent. Who is to blame for this?
- Children in Somalia are dieing by the thousands because of disease and hunger. Why international aid is not getting to those who need it most?

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<sup>1</sup> European University Cyprus and the University of Nicosia are among the first organizations in Cyprus to receive the EBEN award.

- Why didn't the rating agencies anticipate the recent financial crises and raise the red flag? Why do some of these professionals get huge bonuses even at this time?
- Why, according to the Irish Prime Minister (BBC television July 20, 2011), *'the Vatican has displayed minimal concern regarding child protection and sex abuse by the priesthood'*?
- Issues such as: use of child labor; dumping; creative accounting and transfer pricing; corruption; and, commerce with dictatorships. Why?
- And, closer to home, why do many local companies employ workers who are here illegally thus contributing to the increase of unemployment among local workers?
- Will we ever have meritocracy in Cyprus? Will I get a job after graduation if I do not know any politicians?

We all, as instructors, have answers to the above questions. However, ***our*** answers will not have any significant input to ***learning outcomes***. It is the views, and discussion thereof, of our students, from countries with different economic standards, and different business ethical traditions and religious beliefs that will get us as close as we can to achieving our stated objectives regarding learning outcomes.