Teaching Ethics in an Innovative Business Course

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Abstract

Modern business education requires constant changes in business curriculum. One of the topics that gained a lot of attention in recent years is business ethics. Business schools have a responsibility to acquaint their students with the ethical challenges they will face in business. Thus, the business ethics should be an essential part of the curriculum of schools of business. This can be done by teaching a separate course in business ethics or by using an integrative approach. Introducing a new course or changing the existing curriculum requires a lot of work and effort from both faculty and administrators. In order to add a mandatory course and stay within the same number of units required for the program, another course must be eliminated. In this paper we discuss a new course, Gateway Experience course, BUS 302, which is still under improvement. This course moves from a traditional lecture based pedagogy to the team teaching, case analysis and case presentation approach, includes business ethics and uses course website. This new course originally designed 5 years ago is a mandatory course offered at the undergraduate level with its main goal to prepare students for careers in the global business world. The course is taught by a team of two instructors with expertise in different business areas. Students are divided into teams to perform case analysis, case presentation and write reports. Instructors, in addition to coaching on cases, run class exercises involving business ethics, stakeholder's analysis, and a stake-holders summit. All materials for this course and students' peer evaluations are posted on the course website, http://www.csun.edu/BUS302. There are six prerequisite lower division courses for the Gateway Experience course. Students must pass a computer exam on all these six courses and obtain a one unit credit for lab. Only by passing the lab and the case class the students will be allowed to move to the senior level. Cases are written and published by faculty of the College of Business and changed every semester. As part of the periodic course reassessment data were collected from students and faculty on the course usefulness and on achieving the course learning goals. In this paper we will concentrate on two segments of the course, the effectiveness of case analysis and teamwork, and the effectiveness of teaching business ethics and strategic thinking in collaborative learning environment. Using data obtained from 450 student responses and 25 faculty responses to the questionnaires' hypothesis on students' learning and understanding ethical issues and strategic issues are tested. Also, the gaps on the instructors' perceptions and students' perceptions are analyzed.

An American Assembly of Collegiate Schools of Business (AACSB) survey claims that two-thirds of business employers feel that students need more work in the area of management, including communication skills as stated by Wright (1994). The main complaint from business leaders is that students were lacking skills in areas such as cross-functional integration, teamwork, team building, business ethics, and written and oral communication skills. These skills are instrumental for university graduates, especially when global competition pushed many organizations into team-based projects where collective brain power provides products and services faster, cheaper, and better. There is also a wide criticism of business leaders for not being honest and moral. According to an October 2002 Harris Poll, 57% of adults disagreed with the statement that people on Wall Street are as honest and moral as other people (Taylor, 2002). The Sarbanes-Oxley Act was introduced which requires CEOs to sign and personally certify their corporate financial statements. Swanson (2003) expressed the view that business ethics should be an essential part of the curriculum of business schools. AACSB responded to this problem by setting up an ethics education page. Business schools have a responsibility to acquaint their students with the ethical theories, tools, and cases. How to deliver business ethics education becomes an issue. A summary of survey results discussed by Evans (2004) provides analysis of what business schools are doing to include ethics in the curriculum.

The traditional lecture method of lecturing and note taking does not encourage students to actively participate in learning business concepts. Also, it does not foster students learning essential problem solving skills and critical thinking skills in a group environment. Nelson (2001) criticized a lecture approach mode of teaching as one that does not involve students actively and does not provide opportunities for a dialogue, ideas exchange, and negotiations. Active learning requires different methods than a traditional lecture. Active learning, as defined by Post (2005) means that students are learning by doing and exploring. One of active learning methods is a case method. To study the advantages of teaching with cases we recommend an excellent source of case teaching paper by Golich (2000) with a survey of more than 100 articles. The case teaching method and group projects allow students to develop teamwork skills, negotiation skills, and leadership skills. The importance of practice and experience in developing leadership skills was discussed by McCall (1998), who emphasized the issue of providing people with opportunities to lead. Development of leadership attributes and skills is considered as a main factor to become an effective manager and leader. Ulrich (2005) found that students with options in management and marketing ranked case studies higher in satisfaction than those who were accounting or finance majors. Pariseau (2007) found a strong relationship between case studies in the business statistics section with higher grades on the comprehensive final examination. In addition, students seem to have difficulties with statistical reasoning and written communication as analyzed by Gandhi (2006). Students' main problems are writing the statistical results in words, identifying what are the important variables in the case, testing hypotheses, and using regression and correlation analysis. Often, students are not familiar with proper literature citations and quotations and proper referrals to the business law cases. Understanding the difference between legal and ethical problems is another obstacle when handling a case study analysis. Incorporating ethics issues into the case studies enhances students' skills and prepares them to compete in the global workforce.

Gateway Experience Course in the College of Business at CSUN

The student population at the California State University, Northridge (CSUN) is more than 32,000. The College of Business Administration and Economics is one of the largest of eight colleges at the university with a student population of about 6,000, including full-time students, international students, and part-time students. The typical student population at CSUN in the third year consists of students who have been at the university since their freshman year (both U.S.A. high school graduates and international students), and approximately more than 60% of students who completed their third year prerequisites at the community colleges. This created a problem of achieving the same level of knowledge and skills among all the CSUN graduates. English for many of those students is their second language.

The College of Business responded to global economy demand of providing business graduates with skills that will allow them to succeed in the business world by introducing an innovative multidisciplinary, case-based course, Gateway Experience. The idea for a gateway experience course came from the College of Business curriculum review committee. A special Gateway Experience Committee composed of 12 faculty and a College Advisory Council representative was created to propose course learning objectives, develop course content and delivery method, and course assessment. It took almost two years for this committee to finalize the course proposal, including learning goals, topics, concepts, method of delivery, selection and writing of case studies, and course assessment. There was a consensus that the goals of education for the profession include acquisition of bodies of specialized knowledge, but equally important, skills in applying this knowledge in the complex situations of practice, including communication skills, team working skills, and strategic thinking.

The Gateway Experience course had originally four credit units, where one unit was designated to review and pass computerized exams in six lower division courses, called LDC modules, including financial accounting, managerial accounting, business law, microeconomics, macroeconomics, and statistics. The Gateway Experience course was offered first time in the fall of 2002 at the undergraduate level (junior students) and has been taught by a team of two professors for using case analysis, emphasizing collaborative learning, oral presentations, and report writing. After three years the course was modified and business ethics cases and exercises were added.

Course Learning Goals

At the early stage of designing this course there was a consensus that the course needed to emphasize students' communication skills, develop students' team building skills, understand the interdisciplinary nature of business problems, and review and integrate lower division core (LDC) concepts through case studies and LDC exams, to

introduce the idea of strategic thinking, and to create personal networks and a sense of belonging to the College. Later, when teaching the course, the original six goals were changed and one of the new goals is use ethical thinking in solving business problems. The original six learning goals are presented in Table 1.

Table 1. Gateway Experience Course Learning Goals

1. Build good process skills with emphasis on effective team working, including conflict resolution and negotiation.
2. Enhance written and oral communication skills, including how to cite secondary work and avoid plagiarism when dealing with intellectual property.
3. Review and integrate lower division business core (LDC) material to increase retention and decrease time to graduation.
4. Use "strategic thinking" as a critical way to understand and solve business and personal problems, including critical thinking and integration of curriculum.
5. Understand the cross-functional and interdisciplinary nature of business problems.
6. Create personal networks and a sense of belonging to the College of Business community.

In the academic year 2005/2006, after the course revision, the course structure has been changed to three units of case analysis and a one unit lab for students to review the material in six LDC modules. Each of these six courses is presented on LDC module content and ten basic concepts in each module are posted on the course webpage for students' review. In addition, a sample exam with 16 multiple choice practice questions from each LDC module is posted on this webpage together with the recommended literature and criteria for passing the lab test. Students are allowed to take two exams during one computer session in a computer lab supervised by a lab assistant. They also are allowed to have three attempts for each LDC module. The final score is the highest from their three trials if they choose to do so. The current requirement is getting at least 8 correct answers in each LDC module and having a total score of 56 or more. The current learning goals are presented in Table 2.

Table 2. Revised Gateway Experience Learning Goals

1	Enhance written and oral communication
2	Use ethical thinking in solving business problems
3	Learn to build and work effectively in teams.
4	Understand the cross-functional nature of business problems and strategies

Course Delivery

The course is taught by a team of two instructors coming from different departments of the College of Business and Economics.   Instructors have complementary backgrounds, for example, one has quantitative skills and the other, business law, management, or marketing skills. Students must also work in teams on five cases with topics from at least two different lower division courses (LDC). All course materials, course syllabus, course calendar, and coaching slides for cases are posted on the course webpage. Students may also use the course package. Many of these cases were presented at various national and international conferences and are published in professional journals (Gunther 2007, Gunther 2008, and Johnson 2007).

In the introduction phase of the course, which usually takes more time than the introduction in a traditionally taught course, students are divided into teams using the results of their Meyers-Briggs personality test. Then each team must develop the rules of behavior and perform a team trust exercise. Each student signs two documents: one is the conduct of ethics posted in the university catalogue and the second is a document about core values in the College of Business. Activities, including discussion of video clips and PowerPoint presentations on successful team building and business ethics, are also performed at the beginning of the course. Selected chapters on business ethics are presented to the students and assigned for reading and discussion. In addition, business ethics cases and group exercises using shareholder analysis and synthesis are practiced in the class. For these exercises students are divided into 10 or more groups with one representing the company management team and the rest of the groups representing stakeholders pertinent to the case. Each group of stakeholders must analyze the case with respect to various business

ethics theories used in this class, present its recommendations to the management team, and then the management team makes a decision or revises the original policy on a given issue. Some of the issues practiced in these exercises were on the ban on smoking in a company, on outsourcing, job termination, and others. Usually the most typical business ethics theories used by students are: stakeholder/utilitarian theory, rights theory, justice theory, categorical imperative, and front page test.

The second part of the course is composed of coaching students how to prepare a business report and present the case to the management team. Instructors coach the students on each case first, review the related topics from the LDC courses and students are encouraged to ask questions. The instructors present the first case by themselves and students are encouraged to ask questions and evaluate instructors' presentation. Each team has one oral presentation but all teams have to write reports analyzing all the cases. Two grades are assigned on each case: one for the content and the second for writing. Also, each student receives an individual score for the verbal part of his or her team presentation. In addition to using LDC modules topics, each case requires an analysis of ethical issues. Between the coaching sessions and team presentation sessions, students have time to interact with instructors and discuss issues pertinent to their report writing or case presentations. Instructors do not teach by lecturing; they are facilitators, coaches, mentors, and evaluators.

In the last two weeks of the semester students review business ethics issues and are involved in stakeholders summit exercise to be better prepared for an individual in-class writing report on the assigned business ethics case which is distributed on the day of the ethics case writing assignment. Each student must write a report on the business ethics case analysis and provide recommendations to the appropriate agency, usually the company's CEO or a person affected by an unethical action(s) of the company.

Research Hypotheses, Data Analysis and Results

In our previous paper (Trybus, 2008) we evaluated the learning goals of the Gateway Experience course with the main emphasis on improving students' oral and written communication skills and integrating LDC topics in business cases. Here we will test if students learn business ethics (BE) and strategic thinking (ST) equally well in the Gateway Experience course, and we will test learning case analysis (CA) and teamwork skills (TS). We will also analyze gaps between students' perceptions and instructors' perceptions on learning business ethics and strategic thinking, and case analysis and teamwork skills. Two main tools are used: statistical hypothesis testing and gap analysis (Fitzsimmons, 2008).

The first research hypothesis is called H_a, and is formulated as:
Ha: In the Gateway Experience course students learn equally well business ethics and strategic thinking.

This hypothesis will be tested on two sets of data. The first set are data collected from students enrolled in the Gateway Experience course, and the second set of data are the results of faculty questionnaires. The students' survey was completed by 450 students, which constitutes 70% of students enrolled in the course. Out of 36 faculty teaching this course, 25 completed the survey. Both surveys used a 5 point Likert scale, where 1 was complete disagreement and 5 was complete agreement. Data on both surveys are summarized in Table 3.

Table 3. Descriptive Statistics of Students and Faculty Surveys

Topics	Average in Student Survey	Standard Dev. in Student Survey	Average in Faculty Survey	Standard Dev. In Faculty Survey
CA	4.0	0.85	4.32	0.80
TS	3.94	0.89	4.24	0.88
BE	3.83	0.82	3.63	1.18
ST	3.69	0.88	3.36	1.15

Students' survey provided the average score and the standard deviation for questions on business ethics (BE) of 3.83 and 0.82, and 3.69 and 0.88 for questions on the strategic thinking (ST), respectively. Using t-test we found the t-statistic = 2.469 and the p-value = 0.01373. Thus, we conclude that students do not learn equally well business ethics and strategic thinking based on the spring 2006 sample, using a significance level of 1%. As a matter of fact,

business ethics was introduced during the last two years and became a new learning objective of the course, while strategic thinking is not a learning objective in the revised course, so there is less emphasis in the case analysis on strategic thinking as a separate issue. Usually instructors ask questions on strategic perspectives at the end of the case presentations during the discussion period.

When using faculty questionnaires the average score on questions on business ethics (BE) was 3.63 and the standard deviation of 1.18, and on ST the average score was 3.36 and the standard deviation of 1.15. Testing our H_a hypothesis on learning equally well business ethics and strategic thinking using these data provides the t statistic= 0.8028 and the p-value = 0.426. Thus, the faculty perceptions are that students learned both topics, business ethics and strategic thinking, equally. However, the faculty average ranks present a wider gap (0.30) between the average scores on learning business ethics and the strategic thinking than the gap calculated from students' survey (0.14). This can be explained by having a large sample size of students' survey and a small sample of the faculty survey, thus more variability in faculty perceptions.

The second research hypothesis is on learning equally well case analysis (CA) and teamwork skills (TS) and it is denoted by H_b.

H_b: Students in Gateway Experience course learn equally well case analysis and teamwork skills.

This hypothesis is tested again on two sets of data in order to verify if there is a gap between perceptions of students and perceptions of faculty. Using students' survey results we have the average score on learning case analysis = 4.0 with a standard deviation of 0.85 and average score on the teamwork skills 3.94 with a standard deviation of 0.89. So, the H_b is supported by the student survey. It is also supported by the faculty survey since the average score on learning case analysis is 4.32 with a standard deviation of 0.80, and on learning teamwork skills is 4.24 with a standard deviation of 0.88. Gap analysis of students and faculty perceptions on learning case indicates a gap of 0.32 in case analysis and 0.30 on teamwork skills. Faculty evaluated students' learning of both topics at a higher level then students. There is no difference in perceptions of students and faculty on learning equally well case analysis and teamwork skills.

Summary and Conclusions

The Gateway Experience course designed at the California State University Northridge is a unique, team taught, case study approach and an active learning course at the undergraduate level offered in the College of Business. This course is essential in helping students to succeed in the upper level courses and in their future business careers. In addition to learning case analysis, oral and written communication skills, students have hands on experience in business ethics, which they rank quite high. The course is under continuous improvement. The course is also beneficial to faculty who contribute by writing course cases, publishing them and participating in multidisciplinary studies with other faculty. The integration of six LDC courses into one case teaching course benefits students and employers. The requirement to pass computerized exam in six LDC courses allows students to review the material which is later integrated in the case studies. Collaborative learning in the course allows students to improve not only their communication skills but also team working skills. Andersen (2008) suggests a new approach to business ethics and corporate social responsibility based on deciding on goals for the ethical business approach on a strategic level and then implementing them. Our students are asked to provide recommendations to the management team in order to implement these concepts at the strategic level. After introduction of the Gateway Experience course our students are much better prepared to handle complex business situations with accounting and legal and ethical issues, with economics and statistics data, and are ready to provide recommendations and write and present their findings not only to the professor but to their boss or client. The course is assessed on an annual basis by the College assessment director, and is on a continuous improvement path. There is room for gathering more information from the employers who hire our graduates. The future study will include data coming from the employers and professional organizations.

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