I Know What Not To Do. Now What?
Rethinking Business Ethics Education

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ABSTRACT

Most business ethics classes are supplemented with cases, the majority of which have a negative orientation. We empirically measure the preponderance of negative-oriented cases found in the top selling textbooks used in many business ethics courses. However, neuroscience research indicates that a negative orientation is less effective than a positive or balanced approach for learning. An ethics course focused on scandal, corruption, fraudulent behavior, and misdeed often leaves students with a view for avoiding ethical pitfalls, but not much clarity on achieving moral excellence in the marketplace. We offer some pedagogical suggestions for creating ethics courses which strengthen students' moral resolve by demonstrating what excellent ethical business looks like.

Keywords: Business Ethics; Case Studies; Positive Learning; Ethics Education

INTRODUCTION

Historically, college and university instructors have taught business ethics using a blend of two pedagogical approaches. The first approach is to provide students with a broad theoretical background for making ethical decisions, introducing various philosophical models to help navigate ethical dilemmas. Here students learn to see the moral challenges of the business world through the lenses of Kant, Mill, Rawls, Noddings, Aristotle, and other notable thinkers. The second approach is to analyze business cases in detail, noting examples of where ethical pitfalls lie. Enron accounting, Bernie Madoff Ponzi schemes, Nike sweatshops, and exploding Ford Pintos frequently serve this second pedagogical approach.

The scope of this paper is to address a form of student confusion that arises when applying the case study method. Most business ethics cases have some type of moral orientation -- positive, neutral, or negative -- in which cases are presented to the reader. For example, positively-oriented cases usually highlight "good" organizational behavior, such as a corporation making charitable contributions. On the other hand, negative cases usually highlight misbehavior, describing damaging events, fraudulent behavior, or ethical misdeeds. A survey of the most popular and commonly-used textbooks in business ethics courses reveals a predominance of negative-oriented cases. So, the confusion for many students comes from repeated depictions of bad business practices dominating the market landscape. After casting moral stones at Enron *ad nausea*, students frequently leave business ethics classes thinking, "OK, I know what not to do. Now what?"

The essence of this paper is three-fold. First, we argue for the inadequacy of a primarily negative approach when teaching business ethics. Second, we empirically document the preponderance of negative -oriented teaching materials used in most business ethics courses. Finally, we propose some alternative examples, projects, cases, and readings which help address that fundamental student question of "Now what?"

THE INADEQUACY OF A PRIMARILY NEGATIVE APPROACH

Imagine, if you will, a famous potter trying to teach an apprentice the skills of the trade. If the master potter merely demonstrates to her protégé the features of poorly made pottery, then the apprentice is likely to only

develop his skills so far. Yes, advice on what not to do is important, but even better is to demonstrate techniques and skills that lead to beautiful, functional pottery. Likewise, parents who take seriously the moral formation of their children, will find limited success if they only scold and say "No!" "Don't!" and "Stop that!" Observant parents know that setting a positive example, celebrating good choices, and noting virtuous acts and attitudes of the child are generally much more fruitful in nurturing wise, compassionate, disciplined children. In the field of athletics, legendary UCLA basketball coach John Wooden was famous for his positive attitude, high standards of excellence, emphasis on fundamentals and preparation, and attention to small details. Coach Wooden's teams were revered for their consistent, top-notch level of play that culminated in an unprecedented seven national championships in a row. As in mentoring, parenting, or coaching, successful ethics instruction must establish for the learner a clear vision of what ethical excellence looks like and how it can be achieved, even in the messiness of the daily marketplace.

Recent neuroscience research emphasizes the value-added of learning from success. Psychologists Shmuel Ellis and Inbar Davidi (2005) examined how soldiers learn after training exercises. They document that in post-training event reviews, soldiers who analyzed both successes and failures learned at significantly higher rates than soldiers who only analyzed failures. Research by MIT neuroscientist Earl Miller (2009) finds that success has a much greater influence on the brain than failure. The neural processing in the brain improves after a recent success and does not improve much after a recent failure. Brain cells keep track of whether recent behavior is successful or not. When a behavior is successful, cells become more finely tuned to what is being learned. After failure there is little change in the brain chemistry.

There are concerns that university education in vocational areas such as business is not accomplishing well the goal of moral development and that an ethical crisis exists within these disciplines (Schmidt, 2013). Part of the problem may be in the way that such courses are focused. Constant finger pointing at wrong doers always run the risk of turning one into a morality elitist snob without actually fostering moral development. Although negative examples may be useful in drawing attention to important issues, we ultimately learn best from what works well.

AN EMPIRICAL ASSESSMENT OF THE LITERATURE

To assess how most business ethics courses are focused, we examine whether the most frequently-used business ethics textbooks utilize cases with a negative, neutral, or positive approach to ethical behavior. For purposes of this study, a negative case approach was defined as any case in which the majority of the case material dealt with a known negative incident, used a negative title, or posed case questions in a negative manner. For example, a case discussing the Enron scandal would be deemed "negative" due to its focus on scandal. Alternatively, cases highlighting good corporate decisions and positive behaviors, or cases that posed positive questions, were deemed "positive." Cases in which a definitive conclusion could not be drawn, or which offered competing points of view were deemed to be "neutral" cases.

This study examined twenty of the most commonly-used business ethics textbooks, drawn from the top selling titles of major textbook publishers, including analysis of over 700 individual cases in those texts. Each case was assigned a score of *-1, 0,* or *+1* to reflect *negative*, *neutral*, or *positive* cases respectively. Each case score was aggregated within each textbook for a total textbook score. Finally, each textbook score was aggregated to achieve an overall score across all textbooks selected. Our findings were that, across all textbooks examined, the average overall textbook score was approximately -0.614. None of the twenty textbooks had an average positive score. This finding indicates that by a sizeable majority, most popular textbooks overwhelmingly use negative ethics cases. As a result, students focus primarily on analyzing bad behavior, scandal, and incorrect approaches to resolving ethical dilemmas rather than understanding how to model good behavior.

Table 1. Textbook Analysis

Title	Author	Total Cases	Case Score	Cases (+)	Cases (N)	Cases (-)	Textbook Score
Taking Sides: Clashing Views	Newton	22	0	0	22	0	0.000
Business Ethics: A Managerial Approach	Wicks	22	0	0	22	0	0.000
Business Ethics	DeGeorge	5	-1	1	2	2	-0.200
Contemporary Issues in Business Ethics	DesJardins	55	-15	0	40	15	-0.273
Business Ethics: Decision-Making	Hartman	41	-12	2	25	14	-0.293
Business and Society: Stakeholders	Lawrence	28	-11	6	5	17	-0.393
Business and Society: Ethics	Carroll	36	-16	4	12	20	-0.444
Managing Business Ethics	Trevino	8	-4	1	2	5	-0.500
Annual Editions: Business Ethics	Richardson	24	-14	2	6	16	-0.583
Business Ethics: Ethical Decision Making	Ferrell	18	-11	3	1	14	-0.611
Honest Work: A Business Ethics Reader	Ciulla	77	-51	2	22	53	-0.662
Ethics and the Conduct of Business	Boatright	46	-33	1	11	34	-0.717
Business Ethics Now	Ghillyer	32	-23	1	7	24	-0.719
Business and Professional Ethics	Brooks	70	-51	1	17	52	-0.729
Business Ethics: Concepts and Cases	Velasquez	34	-25	1	7	26	-0.735
An Introduction to Business Ethics	DesJardins	12	-9	0	3	9	-0.750
Moral Issues in Business	Shaw	41	-33	0	8	33	-0.805
Business Ethics: Case Studies	Jennings	115	-99	1	14	100	-0.861
Business Ethics	Weiss	24	-21	0	3	21	-0.875
Business Ethics: People, Profits	Gibson	25	-22	0	3	22	-0.880
	TOTALS	**735**	**-451**	**26**	**232**	**477**	**-0.614**

WHAT GOOD BUSINESS LOOKS LIKE

Within organizational behavior studies is a model called Appreciative Inquiry which postulates that human beings are energized and motivated by positive images, ideals, and vision. Stimulating the moral imagination with positive examples can have a heliotropic effect in creating an ethical culture within an organization. Just as a plant grows in the direction of the light source, organizations can grow toward the positive images held by its members, steadily transforming from what it is to what it can be (Cooperide, 1990). Applying that in the classroom results in what Professor Dennis O'Connor (2000) calls Appreciative Pedagogy, in which positive images and vision, grounded in business realities, give students a confidence to try and make ethics real in the workplace. Rather than just attending to what is not working, students (and organizations) flourish when exploring what works well. There is a profound connection between positive images and positive actions. If students are to develop a passion and commitment to ethical business practices, then their moral imaginations must be rooted in something greater than avoidance of ethical pitfalls; they need examples of ethical excellence.

Like O'Conner, we have noticed that when students are given a full view of the future (images of what they can be) rather than an empty view (what they should not be), then student interaction and engagement in the classroom is much more energized. Toward this end of developing students' moral competencies by engaging their moral imaginations, we offer several examples that have resonated well with students in our ethics courses.

- *Executive interviews*. Since most undergraduate students have limited personal engagement with leaders in their major field of study, it is constructive to have them conduct an ethics interview with an executive in their field of vocational interest. The interview is focused on getting students to dialogue with the executive about specific ethical challenges faced in the course of business, how those challenges are met, what works and what does not work, and lessons learned in hindsight. Students come away from these interviews with a greater appreciation for the ethical challenges they will face and a clarity and resolve about ethical best practices. As students share these interview experiences with each other in class, the whole group develops a broader appreciation for the myriad of forms that ethical excellence can take and the moral courage needed to undertake such excellence.
- *Conversations*. There are several on-line resources which profile executives throughout various industries via in-depth interviews. For example, www.ethix.org features a "Conversations" section with dozens of

interviews of business leaders covering a range of insightful ethical philosophies and management practices. What is most impressive about these conversations is their sober yet hopeful vision of passionately doing business with excellent ethical insights.

- *Supplemental Cases.* Because of the preponderance of negative cases presented in most business ethics texts, as documented above, one can intentionally supplement texts with living cases that are noteworthy for their ethical creativity and acumen. Companies such as Pura Vida Coffee of Seattle, Cascade Engineering of Grand Rapids, Michigan, and Kiva of San Francisco are powerful templates for modeling ethical excellence. Long after students have forgotten the nuances of Rawl's Theory of Justice, they remember in detail how Cascade Engineering creatively uses welfare-to-work as part of its human resources strategy.

- *Best Business Award.* So that students can grapple with and appreciate the challenge of running an ethically excellent business, a semester-long project is employed in which students select and recognize a "best business" from the local community. Students are forced to bridge the theoretical with the practical by first laying out parameters of what noteworthy businesses look like, and then exam local firms to see how/if they match the ideal. Students devise their own nomination and screening process (complete with on-line surveys and input from the Chamber of Commerce and local Rotary clubs), focusing on criteria such as customer experience, profitability, employee satisfaction, creative service to the community, and sustainable practices. Students select the semi-finalists firms based on data from the nomination forms, and they conduct personal interviews with each semi-finalists firm. A final class vote then determines the winning firm. Subsequently, students devise an award ceremony in which the winning firm's representatives are invited to campus, a framed certificate is presented, and a donation to the charity of choice is made in honor of the winning firm. Local media are also invited to participate in the event, adding positive press coverage to highlight exemplary local businesses. The benefits are multiple: students get to engage with the local business community about things that matter, superior local businesses are publicly recognized, town-and-gown relations are strengthened, a local charity is enriched, and ethical excellence in general is celebrated as an attainable goal.

Students learn best when they take an active role in the learning process (Csapo and Smart, 2007). The examples listed here tap into the strategy of active learning, utilizing resources that allow students to internalize concrete examples of business ethics at its best.

CONCLUSION

Despite neuroscience research that suggests we learn best from successes as opposed to failures, most business ethics texts are heavily skewed to the negative. Criticizing moral failures such as Enron has its place in the classroom, but falls short of engaging the full extent of the moral imagination in motivating our students to excel ethically. Business ethics courses are meant to be so much more than keeping future alumni out of jail or out of embarrassing newspaper headlines. By embracing a more positive, creative pedagogy, we can strengthen our students' moral compasses, as they see, touch, and experience what works when business is done right.

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<u>**NOTES**</u>

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