Effect of Values and Business Ethics Course on Students' Perception of Ethics in Business: An Empirical Investigation of Management Students in Tripura

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Abstract

This study investigates the changes in perception level of students regarding the values and ethics taught in the professional MBA program. Students of the management department of a University in Tripura were taken into consideration for the purpose of conducting the study. The students of the university (for three consecutive batches, that is, 2009-11,2010-12,2011-13) were asked to fill up their opinion regarding some close-ended statements at the beginning of the respective semester in which business ethics is taught as a subject, and their opinion was also sought after the course had been taught. The study used paired sample *t* - test for the analysis of the opinion of the students. This study concludes that after getting exposure to the business ethics course, the perception levels of students pertaining to analyzing statements related to values and business ethics came down significantly.

Keywords: ethics, management education, paired sample *t* - test, perception, morality, values

JEL Classification: A2, C120, M140

Paper Submission Date : September 22, 2013 ; Paper sent back for Revision : December 26, 2013 ; Paper Acceptance Date : January 11, 2014

Ethics can be defined as the expression of our values. Values are our inner feelings that help us in selecting our goals and is also the process through which we will achieve these goals. Chakraborty and Chakraborty (2006, p. 5) opined that "it is unethicality when one entity intentionally tries to gain at the expense of another, or just to cause loss to another without any gain, while the another entity is unaware of such intension or is powerless to defend against it." Values and dis-values in humans decide whether an activity will be ethical or unethical. According to Baruch and Lemming (1996, p.27), the MBA program must equip students with a better understanding of the requirement of the industrial and business world , managerial roles, and competencies relevant to their career by enhancing their skills and abilities. The structure and content of the MBA program needs to change according to the demand of the business world. Crane (2004, p.149) in his study of the top business schools of United States found that the educational institutions failed to improve the moral character of the business students, in fact, they have weakened it.

Numerous books on business ethics and values have also highlighted that business education now, is concentrating upon various concepts and concerns of the theories of marketing, finance, management, economics, and motivation, and so forth, whilst business ethics is concerned with the purpose and roles of these theories and techniques. An integrated approach towards these theories of various specialization areas in business programs and the purpose and roles of these theories and techniques are missing. This gap leaves the integration issue in the hands of the students. Crane (2004) also highlighted that the ethical contents in the subject taught by the business schools are declining as compared with the standard minimum content required according to the guidelines of the ranking agencies such as The Association to Advance Collegiate Schools of Business and AMBA. One of the prominent reasons behind declining of ethical conduct in businesses can be attributed to the marginalization of the business ethics course in favor of business areas like finance, marketing, strategy, and so forth (Gioia, 2002).

Limited exposure towards ethical dilemmas and the strategies to resolve it is one of the reasons for the unethical acts by the MBA graduates. Dunfee and Robertson (1988) opined that inclusion of ethics and corporate social responsibility as subjects in business management will help to convince the business students regarding the

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importance of ethical issues as a key area in businesses like marketing, finance, and so forth. It will also help the business students by providing various analytical tools to solve the ethical problems in their future course of action as a manager. The major theme of the book 'Ethics in the Education of Business Mangers' by Powers and Vogel (1980) is that business ethics as a subject will help developing capabilities for moral judgment in dilemma situations of businesses, while including the broader social issues. Thus, the holistic moral decision making will be very much easy for the managers if they are exposed adequately to business ethics and corporate social responsibility. Snoeyenbos (1992) and Sikula Sr. (1996) also opined in favour of teaching business ethics for the purpose of holistic business education and development.

Objectives of the Study

1) To find out the present status of values and ethics course in management programme at the masters level offered by different Indian universities and institutions.

2) To analyze whether there is any significant difference between the perception levels of students pertaining to values and ethics before and after studying the business ethics course in management programme at the masters level.

Literature Review

Mitroff (2004) opined that business schools are excessively focusing on the attainment of the bottom-line which has led to unethical behaviours and scandals associated with firms like Worldcom, Tyco, and Enron and so on. The same opinion was endorsed by Ghoshal (2005) in his study. Many of the recent discussions of business schools have centered not on the good their graduates do, but on how the theoretical foundations of business school education may be linked to ethical lapses and scandals involving managers who have been subjected to business school training. According to Bennis and O'Toole (2005), business schools are not able to bring out ethical leaders who can prevent a majority of the corporate turmoil. In fact, these schools ensure a fat pay for the graduates by equipping them with strategies that can bring fat profits for the company without ethical considerations. Jacobs (2009, p.A13) opined that "by not internalizing sound principles of governance and accountability, B-School graduates have matured into executives and investment bankers who have failed American workers and retirees who have witnessed their jobs and savings vanished." Again, the study by Desplaces, Melcher, Beauvais, and Bosco (2007) showed that students' view the codes of ethics influence the overall ethical culture of an organization. If students realize that the code of ethics needs to be applied properly, they think of that as effective and place a high moral expectation on the ethical culture and upon the members of the academic institution. The time spent on discussion of ethics by the faculty and students in the class are positively co-related with the ability of the students to make morally competent decisions (Desplaces et al., 2007).

Research by Shurden, Santandreu, and Shurden (2010) showed that the perception regarding ethics changes over time and it is related positively with the ethics education. A study on the students and teachers of Maricopa Community College, Arizona regarding values and ethics of students and teachers by Kidder, Mirk, and Loges (2002) discovered that demographics (family, religion, personal experience) affect the importance placed on values and ethics, and the score differs based on demographics. Contrary to all the above-mentioned studies, Bloodgood, Turnley, and Mudrack (2010) showed that enrolling in an ethics course could not change the tolerance towards cheating and fraud among the students in their academics. On their study regarding college students' perception of ethics, Lau,Caracciolo, Roddenberry, and Scroggins (2012) concluded that college students' perceive ethics instruction, and those who teach it, to be relevant and beneficial in shaping their own ethical behaviors. Students tend to cheat less in colleges than high schools and in non-major classes. On students' perception regarding the triple bottom line (TBL) approach in business, Piper, Mang, Knox, and Waddell (2012) tried to focus on how undergraduate students of business and non-business background perceive the concept of the 'triple bottom line' approach to doing business. They concluded that regardless of stated preferences, attitudes, or beliefs towards the 'triple bottom line' concept, male students, upper-year students, and business students are more likely to behave in a manner which ignores human well-being and environmental sustainability in favor of the pursuit of profit maximization.

Noel and Hathorn (2013) in their study also tried to examine whether completing ethics training (either as a course in higher education or as work-related training) would predict ethical awareness, judgment, and intent in college students and business professionals. The predictors of ethical behavior were identified by them as fixed predictors (age, gender, and personality) and modifiable predictors (ethics training). Their study concluded that completing ethical training either at work or in college significantly predicted ethicalness and completing ethics course both in college and at work more strongly predicted ethical awareness, judgment, and intent.

Data Source and Methodology

Hypotheses

➲ **H_o:** There is no difference between the perception levels of students pertaining to values and ethics before and after studying the business ethics course in the management programme at the masters level.

➲ **H_1:** There is a decline in the perception levels of students pertaining to values and ethics before and after studying the business ethics course in the management programme at the masters level.

➲ **Data Collection :** This study takes into account both primary as well as secondary data. The primary data was collected from three different batches of MBA students of a university located in Agartala city of Tripura State. From every batch, a sample of 50 students agreed to participate in the study, and their opinions were collected through a series of statements. The statements were asked on a 5-point likert scale ranging from *completely disagree* to *completely agree.* The study was conducted for the students of MBA batches of 2009-11, 2010-12, and 2011-13 of the university. The students were approached with the same statements before teaching the business ethics paper and after teaching the paper in the respective semester. The secondary data was collected from the websites of various Indian universities and B-schools (refer to Table 1) and various published data from magazines, newspapers, and so forth regarding course structure/ curriculum in various semesters. The time period of the study is from August 2010 - August 2012.

➲ **Methods :** The study has used paired *t* - test for finding whether there is any significant difference in the perception of students in assessing statements related to business ethics after studying business ethics as a subject in the MBA course.

Analysis and Results

➲ **Present Status of Ethics and Values as a Business Management Subject in India :** This section tries to explore the present status of 'ethics and values' as a business management subject in various premier institutions/universities in India. The respective websites of the institutions were taken into account for the purpose of collecting the course curriculum and relative weight provided in the subject 'values and ethics'. It is evident that no institution in India has included ethics and values as an integral part of the course curriculum. Some institutions are offering 'ethics and values' as a core or compulsory paper as credit wise as well as non-credit wise, but in an isolated fashion. It is very interesting to note that even some premier institutions have not included 'business ethics and values' as a paper in their entire course curriculum.

The results of the paired sample *t* - test for batch 2009-11 are shown in the Table 2. Out of the ten statements, seven statements fall under the critical region ('Money is the most important reason for me to work in an organization,' 'To become successful in my organizational career, I will lie to my boss,' 'I would do what is needed to promote my own career in a company except committing a serious crime,' 'Rules are made to take undue advantage of the limitations associated with them,' 'Businesses must possess a cut-throat attitude for zooming ahead,' 'Behaving ethically with friends and family is different from behaving ethically in the organization,' and 'I believe ethics should be taught at home or at school, but not at the higher educational or professional education level'). So, the null hypothesis is rejected and the alternative one is accepted. The other three statements ('I would hide truthful information about someone or something at work to save my job,' 'I would hide truthful information about someone or something at job to gain

Table 1. Status of Various Universities and B-schools About the Business Ethics Course

SL.NO	INSTITUTE	ETHICS AS PAPER	MUST OR NOT	CREDIT/MARKS
1	IIM-A	YES	YES	NOT AVAILABLE
2	IIM-B	NO	-	-
3	IIM-C	YES	YES	NON-CREDIT
4	IIM-L	NO	-	-
5	IIM-K	YES	YES	NOT AVAILABLE
6	IIM-ROTHAK	YES	YES	2 CREDITS
7	FMS(DELHI UNIVERSITY)	YES	YES	100 MARKS
8	XLRI	YES	YES	2 CREDITS
9	IMT(GHAZIABAD)	YES	YES	NOT AVAILABLE
10	SYMBIOSIS	YES	YES	100 MARKS
11	ICFAI UNIVERSITY	YES	YES	3 CREDITS
12	TRIPURA UNIVERSITY	YES	YES	100 MARKS
13	HYDERABAD UNIVERSITY	YES	YES	100 MARKS
14	DEHRADUN UNIVERSITY	YES	YES	100 MARKS
15	SIKKIM UNIVERSITY	YES	YES	100 MARKS
16	JAIPUR UNIVERSITY	YES	YES	100 MARKS
17	PUNE UNIVERSITY	NO	-	-
18	WELINGKAR MUMBAI	YES	YES	NOT AVAILABLE
19	JBIMS	YES	YES	NOT AVAILABLE
20	MUMBAI UNIVERSITY	YES	YES	NOT AVAILABLE
21	BITS PILANI	NO	-	-
22	MDI(GURGOAN)	YES	YES	NOT AVAILABLE
23	AMITY(NOIDA)	YES	YES	NOT AVAILABLE
24	XIMB	YES	YES	NOT AVAILABLE
25	SP JAIN	YES	YES	1.5 CREDITS
26	IIM INDORE	NO	-	-
27	IIT DELHI	YES	YES	NOT AVAILABLE
28	NITIE	YES	YES	4 CREDITS
29	NIRMA INSTITUTE	YES	YES	NOT AVAILABLE
30	TRIPURA UNIVERSITY	YES	YES	200 MARKS
31	CALCUTTA UNIVERSITY	YES	YES	NOT AVAILABLE
32	NEHU(SHILLONG)	YES	YES	100 MARKS
33	FMS (BHU)	YES	YES	8 CREDITS
34	PONDICHERY UNIVERSITY	YES	YES	3 CREDITS
35	INDIRA INSTITUTE(PUNE)	NO	-	-
36	LBS(DELHI)	YES	YES	NOT AVAILABLE
37	LOYOLA COLLEGE(CHENNAI)	YES	YES	3 CREDITS

Source: Respective Institutional Websites, Accessed in between 10th January, 2012 - 20th January, 2012.

Table 2. Results of Paired Sample *t*- Test for Batch of 2009-11

SL.NO	Variables	*t* - Static	*Df*	Sig. (one tailed)
1	Money is the most important reason for me to work in an organization.	-6.499	49	0.000
2	I would hide truthful information about someone or something at job to save my job.	0.000	49	0.500
3	I would hide truthful information about someone or something at job to gain advantage.	-1.385	49	0.086
4	To become successful in my organizational career, I will lie to my boss.	-4.185	49	0.000
5	I would do what is needed to promote my own career in a company except committing a serious crime.	-4.532	49	0.000
6	Rules are made to take undue advantage of the limitations associated with them.	-6.595	49	0.000
7	Businesses must possess a cut-throat attitude for zooming ahead.	-3.226	49	0.001
8	Behaving ethically with friends and family is different from behaving ethically in the organization.	-9.260	49	0.000
9	I believe ethics should be taught at home or at school, but not at the higher educational or professional education level.	-5.200	49	0.000
10	I believe values and ethical compliance can be a reason for bankruptcy of a company.	-0.964	49	0.170

Note: α=0.05

advantage,' and 'I believe values and ethical compliance can be a reason for bankruptcy of a company') did not fall under the critical region, so the study is accepting the null hypothesis for these three statements. The results for the batch of 2009-11 are shown in the Table 2. Thus, for the batch of 2009-11, it is evident that the alternative hypothesis constructed for the purpose of the study is accepted, and thus, we can say that there has been a decline in the perception levels of students pertaining to values and ethics before and after studying the business ethics course in management programme at the masters level.

In case of the batch of 2010-12, it is evident from the Table 3 that six statements fall under the critical region and rest of them fall in the acceptance region. The six statements that fall under the critical region are: 'The most important reason for me to work in an organization is money,' 'I would hide truthful information about someone or something at job to save my job,' 'To become successful in my organizational career, I will lie to my boss,' ' I would do what is needed to promote my own career in a company except committing a serious crime,' 'I believe ethics should be taught at home or at school, but not at the higher educational or professional education level,' and 'I believe values and ethical

Table 3. Results of Paired Sample *t*- Test for Batch of 2010-12

SL.NO	Variables	*t* - Static	*Df*	sig(one tailed)
1	Money is the most important reason for me to work in an organization.	-6.859	49	0.000
2	I would hide truthful information about someone or something at job to save my job.	6.248	49	0.000
3	I would hide truthful information about someone or something at job to gain advantage.	-0.085	49	0.467
4	To become successful in my organizational career, I will lie to my boss.	-2.499	49	0.008
5	I would do what is needed to promote my own career in a company except committing a serious crime.	8.808	49	0.000
6	Rules are made to take undue advantage of the limitations associated with them.	1.265	49	0.106
7	Businesses must possess a cut-throat attitude for zooming ahead.	-1.655	49	0.052
8	Behaving ethically with friends and family is different from behaving ethically in the organization.	0.809	49	0.212
9	I believe ethics should be taught at home or at school, but not at the higher educational or professional education level	-3.81	49	0.000
10	I believe values and ethical compliance can be a reason for bankruptcy of a company.	2.542	49	0.007

Note: α=0.05

compliance can be a reason for bankruptcy of a company'. The remaining four statements, that is, 'Rules are made to take undue advantage of the limitations associated with them,' 'Businesses must possess a cut-throat attitude for zooming ahead,' 'I would hide truthful information about someone or something at job to gain advantage,' and 'Behaving ethically with friends and family is different from behaving ethically in the organization,' which did not fall into the critical region. The calculated values for paired sample *t*-test are shown in the Table 3. Thus, for the six statements mentioned above, the null hypothesis is rejected and the alternative hypothesis is accepted. Thus, from the analysis of the obtained data of the batch of 2010-12, it is evident that the alternative hypothesis constructed for the purpose of the study is accepted, and thus we can say that there has been a decline in the perception levels of students pertaining to values and ethics before and after studying the business ethics course in the management programme at the masters level.

Results for the batch of 2011-13 were similar to the ones obtained for the batch of 2010-12. Six statements -'The most important reason for me to work in an organization is money,' 'I would hide truthful information about someone or something at job to save my job,' ' I would hide truthful information about someone or something at job to gain advantage,' 'Businesses must possess a cut-throat attitude for zooming ahead', 'I believe ethics should be taught at home or at school, but not at the higher educational or professional education level,' and 'I believe values and ethical compliance can be a reason for bankruptcy of a company' - fall under the critical region; so, the null hypothesis is rejected and the alternative one is accepted. 'To become successful in my organizational career, I will lie to my boss,' 'I would do what is needed to promote my own career in a company except committing a serious crime,' 'Rules are made to take undue advantage of the limitations associated with them,' 'Behaving ethically with friends and family is different from behaving ethically in the organization' do not fall under the critical region, so the null hypothesis is accepted. The Table 4 shows the results of the MBA batch of 2011-13.

Table 4. Results of Paired Sample *t*- Test for Batch of 2011-13

SL.NO	variables	*t*-Static	*Df*	sig(one tailed)
1	Money is the most important reason for me to work in an organization.	-2.858	49	0.003
2	I would hide truthful information about someone or something at job to save my job.	-2.477	49	0.009
3	I would hide truthful information about someone or something at job to gain advantage.	-2.556	49	0.007
4	To become successful in my organizational career, I will lie to my boss.	-1.055	49	0.149
5	I would do what is needed to promote my own career in a company except committing a serious crime.	0.697	49	0.245
6	Rules are made to take undue advantage of the limitations associated with them.	1.241	49	0.110
7	Businesses must possess a cut-throat attitude for zooming ahead.	-2.600	49	0.006
8	Behaving ethically with friends and family is different from behaving ethically in the organization.	-1.319	49	0.097
9	I believe ethics should be taught at home or at school, but not at the higher educational or professional education level	3.573	49	0.001
10	I believe values and ethical compliance can be a reason for bankruptcy of a company.	-1.885	49	0.033

Note: α= 0.05

Thus, from the analysis of the obtained data of the batch of 2011-13, it is evident that the alternative hypothesis constructed for the purpose of the study is accepted, and thus we can say that has been a decline in the perception levels of students pertaining to values and ethics before and after studying the business ethics course in the management programme at the masters level. Overall, for all the three batches, it can be concluded that there was a decline in the perception levels of students pertaining to values and ethics after being exposed to the business ethics course in the management programme at the masters level.

Findings

1) Most of the Indian universities and B- schools have business ethics in their course curriculum and it is a compulsory course.

2) No institution has the subject 'ethics and values' as an integral part in their course structure like ethical marketing, ethical financial management, ethical human resource management, and so on.

3) Overall, the study shows that after studying the business ethics course, the perception levels of students pertaining to values and ethics came down significantly.

4) The sample results show that most of the respondents perceived that the most important reason for working in an organization is money. This perception was common for all the respective batches of MBA students.

5) Students were also of the opinion that ethics should be taught at home or at school, but not at the higher educational or professional education level.

Conclusion

The business ethics course is a compulsory course in most of the universities and B-schools in their MBA curriculum. Some of the institutions are considering having business ethics as a core credit paper in their curriculum, whereas some institutions are considering having business ethics as a non-credit, but compulsory paper. Other institutions have incorporated the business ethics course by merging it with other relevant courses in their curriculum. However, in which way it is adding value to the students' holistic development of the value system and application of that value system in business or other direct or challenging ethical situations is questionable.

Keeping these things in mind, the opinions of MBA students of consecutive three batches of one university in the state of Tripura were considered. The opinions of the students were taken before and after their studying the business ethics course in their respective programs. A series of statements were presented before and after exposure to the business ethics course to collect the opinion of the students, which were analyzed later by using paired sample t-test. This study concludes that after studying the business ethics course, the perception levels of students pertaining to values and ethics came down significantly. Also, it was alarming to know that the students perceived that ethics should be taught at home or at school, but not at the higher educational or professional education level.

Managerial Implications

This study indicates that for business students, the yardstick for success is competence or skill, not necessarily backed by character. Business students are more interested in the outcomes and not towards the process of getting that outcome. The short term gain is more appreciable than the long term gains. Irrespective of knowing the unethicality associated with it, business students are ready to compromise to achieve certain success. This study indicates that the design of the MBA course curriculum is to compliment the business practice of 'achieve or perish', overemphasizing business strategy to beat competition, and running after profits at any cost are actually generating business minds which are compromising with human values. Perhaps, it is now high time to take a serious look on the value based aspects of the MBA curriculum rather than only concentrating on the skill based approach. Human values and ethics must be the integral part in any course content of MBA like ethical marketing management, ethical financial management, and ethical human resource management, and so on.

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