Student Ethics Essay Prize 2012 (undergraduate)

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Category 1: Undergraduate students
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From Philosophy to Practice: Business Ethics at University
David Monti

Broadly speaking, ethics can be considered as principles that guide human behaviour (Borello, 2005). Ethics are rarely at the forefront of business education, but rather are perceived as a mere after thought. Perhaps it is the improper perception of ethics as an 'easy' field of study rather than a legitimate framework for business that causes it to be overshadowed in an educational context. However, it is crucial to challenge these perceptions in order for future Australian business leaders to lead the way in business management. Davis (1988) encourages the notion of ethics as an analytical framework in business, providing important clarity in business strategy. Through further examination, it becomes clear that changing the focus of the definition of ethics in business is important, as is 're-branding' ethics in the minds of aspiring business people at educational institutions so as to fulfil the promise business ethics has to offer.

The philosophy of ethics is, on the one hand useful, and on the other counterproductive. For those who are open minded and can envision the usefulness of ethical theory on business, this direction is quite enlightening. Stakeholder theory (Freeman, Harrison and Wicks, 2007) encourages business students to consider the impact of their actions on all those linked with the company, not just shareholders and direct customers. Utilitarian ethics encourages individuals to contemplate the potential consequences of different courses of business actions on others (Jones and Parker, 2005). The list of ethical theories is almost infinite. For the open-minded philosophical student, theory provides a toolbox for analysing everyday business situations through an ethical lenses. However, the educator must play an important role. The majority of business students consider business only as a profit- making venture. For these students, philosophy is not their 'language' and students leave the business school with the same impression of ethics as they commenced with; that it is a theoretical discipline of little practical business use that will remain in the classroom.

In part, this issue may stem from the chronology of business studies at university. The onset of ethical framework considerations takes place well after heavy training in traditional business strategy and analysis. Therefore, business ethics seems to be sidelined over more familiar and 'legitimate' business approaches. Morris (2004) also emphasises the importance of managing the expectations of students in an ethics course from early on, in order to avoid a loss of appropriate engagement and critical thinking about the concepts. Therefore, it seems warranted to integrate business ethics early into business degrees

and consider appropriate framing in business student terms.

This relates to the definition of business ethics discussed at the outset. Whilst this is a valid ethics definition, it sets the agenda for how students view ethics, as merely 'what is right' when actually this definition should be extended to encompass ethics as 'what is right and good for business' in the present context. Fair Trade is an industry built on the premise that ethics is conducive to business success. VanderHoff Boersma (2009) describes the social contribution the Fair Trade market makes, empowering developing communities to be the agents of their change. Perhaps more salient from a business context is the notion that Fair Trade has been successfully marketed to Western consumers as an appropriate way of contributing positively to social issues and serves to challenge the standards of traditional operators in markets such as coffee, chocolate and sugar. Therefore, business school framing of such an example should be in terms of competitive advantage and reshaping market competition for success, rather than merely doing 'what is right'.

The compelling business case for business ethics should be considered also in terms of smaller, everyday business decisions not necessarily aimed at market standard development. For example, Coca Cola, in the narrow-minded pursuit of profits and market share, failed to examine the ethical ramifications of its expansion to India, where it polluted local farms through the sale of hazardous waste as fertilisers. Managers merely thought of the opportunity to exploit a weak regulatory system (Christian Aid, 2008). However, the emergence of litigation and consumer backlash in the Western world served to harm their profitability and their expansion in India. In this case, the company could have disposed of the waste more appropriately, given it was the 'ethical' thing to do, and been able to meet shareholder objectives for growth simultaneously.

A major criticism from students is that ethics is highly subjective. Indeed, virtue ethics encourages this; it encourages the decision maker to use his or her own beliefs and apply them to the way they conduct business, not just their personal lives (Solomon, 2002). From an educational perspective, this challenges students to transcend their lack of interest in the philosophy of ethics, because they can apply it in pracitce. Therefore, rather than fighting against the perception of subjectivity, educators would do well to encourage this. Wiggins (2011) terms this 'not teaching ethics' but rather 'coaching'. Her call for educators in schools to act as facilitators in ethical discussions in classrooms equally applies in universities; the encouragement of the inner virtues and attitudes of will drive students' ethical behaviour in the future, as it should be in the present in class. After all, those disengaged with the theory are unlikely to spontaneously apply it in practice in their working lives.

Accordingly, the onus is on educational institutions to widen the scope of business ethics to firstly, encompass that just decisions and good business behaviours go hand in hand. Secondly, it is important to identify that the majority of students neither have little interest nor use for philosophical ethical study, and that the early 're-branding' of ethics studies as an application of personal values rather than something to be 'taught' is crucial for the success of business ethics education. In this way, encouraging intrinsic motivation for going beyond what is required is the key to sustainable competitive advantage for the individual, as well as for their firms.

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