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Student Ethics Essay Prize 2016 (postgraduate)

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Harriet Klim

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In July 2016 the Australian Ethics Index rated banking, finance and big business the least ethical sector of the Australian Economy (Yeates, 2016), a familiar reminder of the cover-ups, scandals and distrust that has permeated the scope of commerce. In this industry a Hobbesian understanding of human nature – egotistical, weak to temptation and greedy – has governed. But where universities teach ethics through the utilitarian bounds of the greater good, why does it appear so easily forgotten? Moreover, how can we reshape the dialect of higher education to embody these values? Focusing primarily on business faculties, this essay attempts to critically answer these questions, proposing new ways that universities can inspire the ethical decisions of our future business leaders.

Socrates' curiosity with ethics teaching is perhaps the most overlooked issue facing business schools, where ethics is presented in a procedural, best practice fashion (Ryan and Bisson, 2011). Superficially this demonstrates that ethics can be taught; determining whether ethics can be learnt, however, has preoccupied both business and psychological literature. If humans act in accordance with what they have been taught – behaviours, language or academic knowledge – surely ethics can be learned. With specific ethics courses and exams, universities arguably satisfy the Socratic view of ethics as another form of knowledge. Theoretically, therefore, if knowledge leads to happiness, individuals would not act knowing that their actions could cause harm to others (Mintz, 1996, p.828).

In practice however, 'business ethics' has proven an oxymoron. Here the philosophies of Economism and Friedman appear noticeably relevant as individuals "serve society by pursuing their own ends" (Bartlett and Preston, 2000, p.202). Indeed, MacIntyre's account of 'emotivism' similarly satisfies the profession's egocentric reputation, specifying that the fragmented nature of the Western liberal democracy allows individuals to find 'moral statements' convenient to their personal positions (1985). From financial crises to emissions scandals, the implications of business decisions have undeniably subverted ethical consideration. Regardless of knowledge, individuals have forgone societal wealth in order to maximise their own.

The divergence of philosophies leaves Socrates question unanswered. Where researchers suggest studying ethics improves ethical attitudes (Burton et al., 1991), numerous others contradict this (Cohen and Martinov-Bennie, 2006; Ryan and Bisson, 2011). Human nature, as we know it does give rise to temptation, thus, even if ethics can be taught, just as rules can be broken, so too can individual virtue. Despite mounting pressure on universities, ethics must be communicated in a way that roots itself deeply within the decision-making processes of graduates. By unifying ethics with the zero-sum principles against which it competes, and rethinking the way ethics is conveyed, universities have a greater chance of graduating business-orientated, socially motivated individuals.

According to Carlson et al. (2002, p. 16) "ethical decision-making is the process by which individuals use their moral base to determine whether an issue is right or wrong", and university, through both curriculum and culture, plays a significant role in influencing this judgement. At its core, diversity provides "different experiences, values, attitudes, opinions and perspectives" necessary for socially conscious judgement (DeGrassi et al., 2012, p. 54). Whilst numerous studies demonstrate how

diversity benefits organisational performance (DeLong, 2007; DeGrassi et al., 2012), diversity acknowledges different ethical consequences.

Universities are already rich in multiculturalism, but providing more opportunities for students to expand their perspective, for example, designing courses that recognise the business values of different cultures, is a critical milestone in creating ethical decision makers.

Philosophically, ethics has preoccupied itself with consequentialism, but within the classroom, ethics has focused on policy and procedure through concepts such as Corporate Social Responsibility (CSR) (Ryan and Bisson, 2011). Here the paradox of running specifically taught ethics courses has created a trade-off between responsibility and profitability. As Ghoshal (2005, p. 76) explains “by propagating ideologically inspired amoral theories, business schools have actively freed students from any sense of moral responsibility”. Higher sales via reputation, greater productivity via employee morale, efficiency savings, and sustainable practices all bring quantitative benefit (Bartlett and Preston, 2000), yet practical application has too often been snubbed in classrooms. From marketing to finance, universities preach an outdated version of business, failing to acknowledge that “ethics is embedded in all business decision making” (Sims and Felton, 2005 p. 381). As long as ethics is separated from the rest of the curriculum, its application cannot be discovered.

Though somewhat cynical, teaching ethics through this veil of ‘enlightened self-interest’ may prove the only method of effectively weaving ethical discourse into business, and universities can exploit this by making social entrepreneurship obligatory to students. Where Zahra et al. (2009) contend social entrepreneurs “adopt business models to offer creative solutions to complex and persistent social problems”, Deshwal (2015 p. 976) confides “egoism is especially relevant because the identity and passions of social entrepreneurs usually compel them to create and lead social ventures”. Business schools may have little influence over their students’ values, but where social entrepreneurship is inherently ‘ethical’, students are exposed to decisions that appeal to both individual and social utility. Moreover, if a sustainable future requires problem solvers (Zahra et al., 2009), social entrepreneurship seeks to address unsustainable problems, such as environmental degradation, social inequality and exploitation, often the adverse consequence of unethical business decisions.

The interconnected nature of today’s economies means that acting ethically or responsibly is critical, but within the business domain we should never assume that individuals will do so. As psychologist and bestselling author of *Thinking Fast and Slow*, Daniel Kahneman, concludes, no one is exempt from ethical blind spots (2011). Through changes in culture and curriculum, this essay contends that whilst universities cannot necessarily teach values, ensuring the sustainability of both business and society requires students to experiment with the ethical dilemmas they may face throughout their careers. Far from choosing between profitability and responsibility, educators must focus on enriching perspective. Only by exposing students to the diverse opinions of their peers, and teaching ethics and business in partnership, will students experience for themselves, the value of ethical decision making.

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