

**THE ROLE OF SOUTH AFRICAN BUSINESS SCHOOLS IN
INCULCATING ETHICAL THINKING IN MBA STUDENTS – ARE THEY
CONTRIBUTING TO ETHICAL BUSINESS PRACTISE?**

by

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CHAPTER 1: INTRODUCTION

1.1 Background

'... business ethics is neither a "frivolous, transient, fanciful fad" nor "a temporary, utopian, impractical notion" as some declared early on. Certainly, it is not, as others allege, an oxymoron. It is a vibrant, potent, and complex undertaking developing on many levels.' (Ibrahim, Angelidis & Parsa, 2008: 84).

Ethics is more than an abstract body of theories, principles and ideas. It is a way of thinking through difficult situations before deciding how to act (Manning & Stroud, 2008). This study takes this conception of ethics into the realm of the business decision and business schools' responsibility to ensure that their MBA graduates are empowered and comfortable to reason and act ethically in the difficult business situations they will face and decisions they will be expected to take in their career.

Ethics as a science has been around since the time of the Greek philosophers Aristotle and Plato (BC). Similarly, business ethics has been around for a very long time. The first 'rules for trade' were recorded in 1468 (Dahlin, 2007). The first business schools were established to meet the need of business leaders to develop the field of business management through research and education (Mulligan, 1987). This implies not only a responsibility of business schools to organisations, but also an iterative relationship between business organisations and business schools and with professional organisations and ethics organisations to produce business leaders and business managers that will ensure successful organisations, sustained business and economic growth that is ethical.

Scandals continue to rock American, British and European organisations despite stricter legislation enacted by, for example, the US legislature and securities commission in terms of which companies that violate standards of conduct can be closed down. It seems as though legislative measures do not result in an internalisation of ethical intent as companies continue to regard profit at all cost as their most important objective and pay mere lip service to the codes of ethics they have developed and presented to employees to comply with legislative requirements. South Africa, too, has seen its fair share of scandal and unethical conduct in the private and public domains of business, for example the ABSA/PSL liaison and price-fixing at SAA. All of this happens in spite of the world-class ethics paradigm established by Justice Mervin King and his team in the King I, II and III reports.

Issues of ethics in companies and government departments have been aired publicly and extensively since the beginning of the new millennium. As Carrol (2009: xii) states:

'The first decade of the 21st century has been rich with ethics scandals and ethics challenges in all types of organisations, especially business.'

Business schools generally take great pride in publishing, both internally and externally, the names of their diplomandi and graduates that have risen to the highest echelons of business leadership and often award these achievers. The profile of these achievers also contributes to the ability of business schools to achieve international accreditation and to improve their ranking with international organisations such as eduniversal ([s.a.]). However, no business school has ever owned up to having educated those business leaders that bring shame on the public and private business fraternity, nor does this affect the ranking or international accreditation of business

schools adversely. As far back as 1997 Rossouw identified a glaring absence of ethics modules in most South African business schools and finds that in general the integration of business ethics in curricula is informal and 'supposed to occur in a spontaneous way'.

In looking at the role of business schools in developing ethically minded students and graduates and thereby contributing to ethical business practise in South African business organisations, it is important to consider not only the activities and perceived successes of business schools, but to also extrapolate these activities and perceptions against the expectations of business organisations. The relevance of business ethics organisations as independent participants in the triadic relationship between business schools, businesses and ethics organisations must also be considered. These business ethics organisations are regarded as independent because they do not serve the interests of either business schools or business organisations directly, yet they play a critical normative role in creating an awareness of business ethics issues by means of, *inter alia*, the research they commission and publish – which impacts both on business education and business practise.

1.2 The problem statement

The post-apartheid higher education environment in South Africa has been subjected to significant voluntary and involuntary change with higher education being democratised and undergraduate and postgraduate quality regimes being legislated. Initially the democratisation of higher education, which remained hamstrung by access limitations, provided entrepreneurial opportunities for private providers of higher education and a number of private business schools were established. Business education in particular became a

much sought-after commodity at this time with the opening up of the labour market, the expansion of the civil service and entrepreneurial and other business opportunities in general resulting from the lifting of economic and other sanctions against South Africa which lead to the opening up of African and international markets to South African companies.

The establishment of business schools at universities to focus on business education through various types of formal and informal interventions is as much common practice in South Africa as it is in other African countries, Europe and the United States. Although all public higher education institutions in South Africa offer commerce qualifications, public and private business schools generally offer the postgraduate specialised business and management development qualifications. The flagship qualifications, and often the *raison d'être*, of many business schools internationally and in South Africa are their MBAs.

Many of the higher education providers that were offering MBA qualifications at the time could not live up to the expectations of students and their stakeholder communities, including potential employers. This undesirable state of affairs where students were paying large sums of money for qualifications that did not empower them to operate competitively in the labour market, was of concern to the Ministry of Education and resulted in a review and reaccreditation of all MBA qualifications offered by private and public institutions in South Africa in 2003 (Council on Higher Education, 2004).

Following this review, higher education institutions' MBA qualifications were given full or conditional accreditation if minimum standards were met. The accreditation of an MBA programme was withdrawn if the curriculum of the programme did not meet the minimum requirements set by the Higher Education Quality Committee (HEQC) for

postgraduate qualifications. The very detailed report published by the HEQC after the reaccreditation places specific emphasis on the relevance and importance of business ethics in MBA curricula by dedicating a whole chapter to this matter (Council on Higher Education, 2004).

Chapter 2 contains a review of this and other legislative imperatives for including business ethics in South African MBA curricula, as well as literature on business ethics. The review of scholarship was specifically done to determine the requirements for the successful implementation of ethical decision-making in the workplace and the gaps in the literature on the likelihood of the pedagogies used for teaching ethics in formal business school programmes to instil ethical thinking in business schools graduates in South Africa and internationally.

The literature review revealed a gap in the scholarly literature on the likelihood that South African business schools are building and strengthening business ethics as a critical skill for its MBA graduates. Unlike the Harvard students who signed an 'MBA Oath' in 2009 to serve the greater good and create sustainable economic, social and environmental societies, South African business schools and most international business schools have not displayed the need to develop a similar oath or even a code of ethics/conduct/honour. The Harvard MBA Oath sparked an ethics revolution of sorts internationally in business education and has drawn thousands of signatures from business schools with students taking the oath online, in the classroom or on graduation day. It also resulted in Harvard overhauling its curriculum in 2011 with a noticeable focus on business ethics (Steinborn, 2012).

The far-reaching impact of this oath on business education and practise similarly seems not to have reached South Africa's shores.

The literature review furthermore reveals that business schools in South Africa do not produce much in terms of scholarly publications on business ethics. Popular journals like the Financial Mail (Furlonger, 2012) occasionally sponsor research into perceptions about and the impact of acquiring an MBA qualification. Most recently this research indicates that only 53% of employers associate an ethical orientation with South African MBA graduates (Table 1.1).

Table 1.1 Business skills associated with MBA graduates

	%
Strategic planning ability	89
Strategic insight	88
Research ability	79
Leadership ability	72
Intellectual ability	72
General management ability	71
Self-starting ability	70
Crisis-handling ability	63
Entrepreneurial ability	62
Ethical orientation	53
Team player	46
People skills	45

Furlonger (2012) confirms that to most South African students acquiring an MBA qualification is a life-changing experience and that for 88% it leads to personal growth (Table 1.2).

Table 1.2 Life impact of MBA studies

	%
Personal growth	88
Improved business acumen	88
Improved strategic thinking	87
Self-confidence	77
Improved work life	68
Less social life	65
Time demanding	64
Better career prospects	59
Less time for family	58
Developed strong friendships	48
Pressure at work	48

However, as indicated in Table 1.3, a much smaller percentage of students (68%) indicate that the life-changing experience extends to improving their ability to solve ethical dilemmas and hence make ethical decisions (Furlonger, 2012).

Table 1.3 What the MBA teaches students

	%
Strategic thinking	91
Problem solving	86
Decision making	85
Team player	85
Leadership	84
Written reports	83
Creative thinking	82
Business process management	82
Implementation	80
Communication	80
People management	78
Working with numbers	74
Solving ethical dilemmas	68
Corporate governance dilemmas	63

Business ethics research has been gaining momentum internationally over the last decades (Rossouw, 2002 & 2004; Bazerman and Tenbrunsel, 2011; Alford and Bebensee, 2010; Steinborn, 2012). Internationally, and in the US in particular, higher education institutions have increased their focus on finding appropriate methodologies to ensure that they empower their students with ethical thinking skills (Lau, 2010; Jones, 2009; Galbraith and Webb, 2010).

The vexing question that underpins this research is whether Rossouw's concerns in the 1990s and the expectation of the CHE that business schools should deliver ethically-minded MBA graduates (Council on Higher Education, 2004), have in reality been met in the new breed of MBA curricula post 2003. This research further investigates how business leaders see the role of business schools in inculcating ethical thinking in their respective industries. Considering

Rossouw's concern and the CHE's report, the research problem directing this research is whether business schools in South Africa are likely to render graduates that are sufficiently ethically minded to improve ethical practise in the business world.

1.3 Research objective

The research problem statement as formulated above, confirms the view of this researcher that ethics is more than just an abstract body of theories, principles and ideas. It is a way of thinking through difficult situations before deciding how to act (Manning & Stroud, 2008). This study takes this conception of ethics into the realm of the business decision and business schools' responsibility to ensure that their MBA graduates are empowered and comfortable to reason and act ethically in the difficult business situations they will face and decisions they will be expected to take.

It is postulated that the fundamental problem is that business schools, although good at business education, have not developed business ethics education in a manner that is likely to lead to the demise of or even a decrease in business scandals and the abuse of private and public funds by unscrupulous individuals. This research seeks to identify the underlying reasons for this state of affairs – whether curriculum, disinterest, inability, lack of involvement with business leaders and business ethics organisations or over-curriculum.

This research further seeks to examine whether South African business schools build ethics capacity and thereby promote ethical practise in South African business organisations. It explores whether the curricula of business schools in South Africa render graduates that are likely to be sufficiently ethically minded for the demands of the world of business, what business schools offer in terms of ethics

modules and programmes, what the scope of their offerings is and whether the ethics modules and programmes are conceptualised and implemented using outdated or postmodern learning theory and pedagogical and androgical principles and methodologies that demand collaboration with stakeholders such as business and ethics organisations. As indicated by Jing and Graham (2008), it may be very difficult to embed a values-based approach in the regulations-based environment of commerce.

This study, finally, seeks to close the gap that exists between acquiring an MBA qualification and ethical business practise. As stated above, there is limited research on business ethics education in the curricula of South African business schools.

The term 'liaison' is used to denote proactive and intentional engagement aimed at achieving specific objectives in knowledge creation and improving practise. The use of the spelling of the term 'practise', for example, in the compound 'business practise' as opposed to the more commonly used form ('practice') is intentional to denote the active pursuit of business activities or to 'carry out in action' (Concise Oxford Dictionary, 1990).

1.4 Research proposition and sub propositions

The following proposition forms the basis of this research:

South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations.

Considering the above proposition the following sub propositions will be tested:

In order to determine the likelihood that South African business schools inculcate ethical thinking through their MBA programmes it can be expected that

- the curricula and statement of gradueness will demonstrate the relevant schools' commitment to producing ethically minded MBA graduates*
- they will liaise with business organisations to determine whether their graduates are ethically minded*
- they will liaise with business ethics organisations to contribute to ethical business practise*

1.5 Research approach

Chapter 3 discusses the qualitative and quantitative methodologies considered for this study and contains an exposition and motivation of the research design, methods and data gathering instruments applied in executing this study. Issues of validity, reliability, research ethics and the limitations facing the researcher in conducting this study are also highlighted. This chapter indicates that the appropriate mix of qualitative and quantitative research methodologies is harnessed to test the research proposition and sub propositions, allowing the researcher to identify results and findings that lead to conclusions and recommendations which add to the body of knowledge on business ethics.

Despite the limitations of the data, examining the curricula and environment of business education can improve our understanding of the influence they have on business practise. Thus this research adds to the literature on business education by presenting systematic,

though exploratory, data on the role of South African business schools in improving ethics in conducting business.

Given the relatively small number of business schools in South Africa, all the public and private business schools in South Africa were included in the study. Within the population of programmes offered by these business schools, the sample of curricula studied was narrowed down to only the MBA (Master of Business Administration) and MBL (Master of Business Leadership) qualifications of the institutions, since these are the most sought-after qualifications amongst business students. The curricula of the other programmes offered by the business schools were not considered for the purposes of this study.

By including survey research of business leaders and business school management teams an attempt is made to determine, *inter alia*, how close the relationship is between business leaders and business schools, whether business leaders influence business school curricula or whether they see themselves as separated from academia; whether they see and act on unethical behaviour in their environment or whether it is easier to point a finger at other industries, companies and individuals.

The answers to the vexing issues encapsulated in the research proposition and sub propositions were sought by surveying the people that set the trend and determine the direction of public and private business education in South Africa – the leaders of these business schools (questionnaire in Annexure 1) – as well as business leaders that have received public acknowledgement for their leadership integrity (questionnaire in Annexure 2). Their responses are triangulated against the views of curriculum design experts (Annexure 3), the content of MBA curricula (Annexure 4) and the findings of related research.

1.6 Outline of chapters

This research report consists of five more chapters:

Chapter 2 – Literature Review. This chapter contains a discussion of the literature on ethics and business ethics, the requirements for successful implementation of ethical decision-making in the workplace, the teaching of business ethics and the gaps and pedagogies identified by various authors, including a broad review of literature on business ethics and the success or failure of the pedagogies used to teach business ethics at business schools and universities in South Africa and internationally. The chapter further includes an overview of the legislative framework for the teaching of business ethics in South Africa and explores other research that has been undertaken into business ethics teaching in South Africa.

Chapter 3 – Research Methodology. This chapter starts with a theoretical discussion of qualitative and quantitative methodologies considered for this study. This is followed by an exposition and motivation of the research design, methods and data gathering instruments applied in executing this study, as well as issues of validity, reliability, research ethics and the limitations of this study.

Chapter 4 – Analysis of Research Results. This chapter contains the synthesis and analysis of the results of the quantitative instruments utilised for the research, namely the questionnaires sent to the leadership of South African business schools and business leaders. The ethical awareness profile of business school leaders is presented, the results are related to the literature studied and the research proposition and sub propositions are tested against the results.

Chapter 5 – Analysis of Research Findings. This chapter contains the synthesis and analysis of the findings of the qualitative instruments used for the research, namely the interviews and content analyses.

The current state of business ethics education *vis-a-vis* the state of business education in 2003 is presented, the findings are related to the literature studied and the research proposition and sub propositions are tested against the findings.

Chapter 6 – Conclusion and Recommendations. In the final chapter conclusions are drawn from the results and findings of the study and recommendations are made to business schools, business organisations, professional organisations and ethics organisations. Key recommendations speak to the deterioration in business ethics education since 2003, the resultant lack of focus on business ethics in organisations and the lack of liaison among business schools, business organisations and business ethics organisations to improve business ethics practise. Areas for possible further research are pointed out in this chapter as well.

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CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Literature is replete with the sources of ethics. In considering ethics in general, it can be argued that ethics is but a branch of the study of human conduct. Other branches of this study exist, such as psychology, history, anthropology, sociology and religion, which examine various aspects of human conduct. This study, however, is concerned only with the study of one aspect of ethics, namely business ethics. Generally seen, ethics is an aspect of human conduct that concerns *morality*, and ethics is as much a study of morality as biology is a study of life.

As the literature shows, sources of ethics are varied: conscience, revelation, reason, moral values and even science. There is vast literature dealing with one or more of these sources, e.g. Baier (1958) examines morality and rationality as the moral rationality or rational morality basic to ethical conduct; Mortimer (1950) regards Christian ethics as a fundamental source, while Taylor (1970) simply examines ideas of good and evil as a basic source of ethics. Russel (1935), on the other hand, sees religion and science as the well of ethical conduct.

Aristotle's *Nicomachean Ethics* is one of the oldest works in Western literature on ethics (arguably as old as the Old Testament). And so too are the studies by Plato in scripts as *Gorgias*, *Philebus* and *Protagoras*. It will not, however, be necessary for this study to plumb those depths since it is confined largely to examining not ethics in general, nor even its history, but rather, the literature on business ethics – which is itself largely a latter-day phenomenon ("latter-day" as covering late 20th century to the current epoch).

This chapter reviews material that is relevant to the theme of this research study, namely ethics in organisations and business ethics in

particular. It begins with a review of business ethics literature in general and concludes with the same theme but for South African business schools.

The first recorded “rules for trade” in Western literature (which today would be regarded as a code of ethics) were developed by Johannes Nider in 1468 (Dahlin, 2007). In early times business ethics was not regarded as a science, rightly or wrongly so. In attempting to find reasons for this state of affairs, Clegg *et al.* (2007: 107) state:

‘The theoretical disdain may occur because ethics have been viewed as an extraneous incursion from a moral realm outside ordinary practice and orderly theory...’

A gradual graduation from the ‘rule of man’ to the ‘rule of law’ saw a corresponding growth of the consciousness of the need for ethical integrity in organisations. This need for ethical integrity in organisations was reinforced by, among other things, the research findings of Conry and Nelson (1989) that business students come to university with the lowest level of moral reasoning skills of any undergraduate students.

Dahlin (2007) provides a fairly detailed historical overview of business ethics. He traces the roots of business ethics to the Renaissance (14th– 17th centuries). At this early stage it was established that products should be lawful and useful, that the price of goods to be traded should be ‘fair’ and that the trader must treat his customers with honesty. From the 1920s to the 1960s the focus of ethics shifted from being on the relationship between the employer and the employees with a call for employees to be paid a ‘living wage’ to an emphasis on the relationship between the organisation and the broader stakeholder community. Dahlin (2007) indicates that business ethics became particularly powerful in the US in the 1960s with the adoption of the

Civil Rights Act, various environmental protection policies and the birth of the consumer movement in the USA.

Dahlin indicates that the 1970s and the 1980s saw the emergence of business ethics as a field of study with the term 'business ethics' becoming commonly used, the establishment of business ethics as a field of study and the publication of business ethics journals. This, he argues, was a direct result of all of the business and political scandals of the time and the perception that businesses were resorting to unethical behaviour in order to survive. This led to the legislating of principles to act as guidelines for business dealings by the US government in the 1990s and the institution of incentives for US companies with programmes that prevent and detect corporate violations of the law. The success of these measures is questionable and the author's overarching conclusion (a view which is shared by Ludescher and Mahsud (2010)) was that corporate US was fuelled by greed and selfishness, the result of which affected people at all levels with downsizing and the increasing casualisation of labour. It also resulted in a watering-down of business ethics as CSR (corporate social responsibility) became the buzzword. This has not improved, as indicated by Furlonger (2012), since an ethical orientation remains low on the list of skills associated with South African MBA graduates (see Table 1.1).

In terms of ethical behaviour in South African organisations, Van Zyl and Lazenby (1999) found that these are particularly at risk given the country's changing economic environment with the opening up of markets and an end to sanctions following the 1994 elections. Over and above the importance of individual conduct and the development and institutionalisation of codes of conduct and ethics, Van Zyl and Lazenby (1999: 19) strongly emphasise that an organisation's

'performance assessment, appraisal and reward systems must be modified to account for ethical behaviour'.

This view is supported by the conclusion reached by Ermongkonchai (2010) linking the reasons for the unethical behaviour of employees to a lack of control systems, psychological contract theory and agency theory. These authors caution that performance pressures can actually increase unethical behaviour if employees' perceptions are that that is what is required to meet performance targets.

With specific reference to capitalism as the dominant economic system globally, Robin (2009) posits that 'the mission of ethics is to ameliorate the abusive use of power'. He cites this abuse of power, made possible by the inherent imbalance of power of the capitalist system, as one of the imperfections of the capitalist economic system that makes it potentially harmful to the stakeholders of organisations. Fairness and respect for people are the cornerstones of business ethics within a paradigm that takes cognisance of the level of commitment required from businesses, synergies with the mission of business and the interface between societies, business and government. These conclusions of Robin do not take cognisance of comparative capitalisms, including alliance capitalism, dirigisme capitalism and family capitalism or market-oriented, Rhineland, statist or social-democratic capitalism.

The impact of "fair" treatment on employee performance was investigated by Sharma *et al.* (2009). These authors found that whilst there is a positive relationship between corporate ethical values and job performance and commitment, this relationship is moderated by perceptions of fair treatment. As much as this finding supports the importance of treating employees as a significant stakeholder "fairly", it also implies that the same fairness may make employees overlook ethical lapses in the organisation. It therefore stands to reason that the

‘ethical audit’ of even the most ethical of organisations needs to be undertaken by independent and objective external parties.

2.2 Business ethics and the workplace

Concerns around ethical business practise are not new. Well-meaning and driven business executives often take decisions that have intended or unintended unethical consequences. Bazerman and Tenbrunsel (2011) discuss five barriers to an ethical organisation that executives should be acutely aware of:

Table 2.1 Five barriers to an ethical organization (Adapted from Bazerman and Tenbrunsel (2011: 63))

	Ill-conceived goals	Motivated blindness	Indirect blindness	The slippery slope	Overvaluing outcomes
Description	We set goals and incentives to promote a desired behaviour, but they encourage a negative one.	We overlook the unethical behaviour of others when it is in our interest to remain ignorant.	We hold others less accountable for unethical behaviour when it is carried out through third parties.	We are less able to see others’ unethical behaviour when it develops gradually.	We give a pass to unethical behaviour if the outcome is good.
Example	The pressure to maximise billable hours in accounting, consulting and law firms leads to unconscious padding.	School sport officials fail to notice they have created conditions that encourage steroid use.	Companies that turn a blind eye to the manner in which the labour brokers they use ignore labour legislation.	Auditors may be more likely to accept a client firm’s questionable financial statements if infractions have accrued over time.	A researcher whose fraudulent clinical trial saves lives is considered more ethical than one whose fraudulent trial leads to deaths.

Remedies	Brainstorm unintended consequences when devising goals and incentives. Consider alternative goals that may be more important to reward	Root out conflicts of interest. Simply being aware of them does not necessarily reduce their negative effect on decision-making.	When handing off or outsourcing work, ask whether the assignment might invite unethical behaviour and take ownership of the implications.	Be alert for even trivial ethical infractions and address them immediately. Investigate whether a change in behaviour has occurred.	Examine both “good” and “bad” decisions for their ethical implications. Reward solid decision processes, not just good outcomes.
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In organisations the rise of corporate social responsibility (CSR) as an implicit principle including business ethics as but one area of social responsibility is a typical example of how mainstreaming a concept or principle can lead to its demise. Van Liedekerke and Dubbink (2008) postulate that in order to survive and grow in the 21st century, business ethics will have to explain why it is important in a liberal free market, given the macro-sociological nature of the market. These authors are of the opinion that the survival of business ethics in Europe lies in the field positioning itself at the meso-sociological level of the organisation where the institutional constraints of market actors can be mapped whilst retaining the ability to describe and explain the perspective of these actors in a way that is ‘morally appealing’. Ludescher and Mahsud (2010) complicate the matter further by indicating that even tobacco and defence companies generally have CRS programmes, although their products are ‘of dubious ethical value’. Similarly, Alford and Bebensee (2010) raise the question whether an organisation’s products compromise its ethicality and whether the nature of the products is fundamental to business ethics. Somewhat controversially, these authors state that the general public often regard the term ‘business ethics’ as an oxymoron and that there

is a 'general air of mistrust of business by the public (Alford & Bebensee, 2010).

In contributing to the conceptual framework for business ethics, the principal components of the model of business ethics developed by Svensson and Wood (2008) are expectations (relating to the relationship between businesses and the societies within which they operate), perceptions (about the way in which the organisation interacts or fails to interact with the expectations of society relating to ethical behaviour) and evaluations (the criteria used by members of society to judge the performance of the organisation). These authors interconnect these three principal components with five subcomponents, indicating that business ethics is a continuous and iterative interactive process between the organisation and society, combining past, present and future expectations of all the stakeholders of the organisation.

Ardichvili *et al.* (2009) identified the absence of comprehensive models outlining the characteristics of ethical business cultures. Through their research they set about formulating such a model. They found that the ethical standards of role models in the organisation and the alignment of formal structures, policies and procedures with ethical behaviour form the basis of an ethical business culture. This research was confirmed by Casali and Day (2010) in their investigation of the manner in which an 'unhealthy organisational culture' results in an enabling environment for unethical decision-making. Callanan, Rotenberry, Perri and Oehlers (2010), on the other hand, studied the impact of environmental factors on ethical decision-making and identified a link between ethical relativism and ethical choices, indicating that people that have a greater relativistic orientation are 'more likely to make unethical choices' (Callanan *et al.*, 2010), while more idealistic people are more likely 'to choose more ethical options'.

Clegg *et al.* (2007) took a careful look at business ethics as a practice. Their approach was to examine what people do in the work environment when they engage with ethics. It does not focus on prescriptive models and codes, but rather on the way in which ethics is embedded in the activities and practices that occur in the work environment on a day-to-day basis – the choices people make in their work environment and the decision-making models that inform those choices. Frank (1996) concluded in an earlier study that empowering and enabling societal and environmental factors are crucial in organisations' decisions to either merely comply with the law or to take their social responsibility further than mere compliance. The distinction between ethics standards and legal standards is clearly explicated by Driscoll (1996).

Clegg *et al.* (2007) advise business leaders to establish a discourse about ethical behaviour in their organisations. This discourse would establish the paradigm within which actions and attributes could be regarded as either ethical or unethical. The paradigm should be clear and unambiguous and the discourse should remain open because the definition of what can or cannot be regarded as ethical or acceptable behaviour changes. A continued discourse about ethical behaviour should also assist in establishing ethical practices that view ethical behaviour 'in terms of the relation between self and other' (Clegg *et al.*, 2007) and that transcend race and culture – a critically important prerequisite in multicultural environments such as South Africa. On a similarly practical and applicable level, Christensen and Boneck (2010) refer to the 'right-versus-right dilemma' often faced by managers when the alternatives they have to weigh have conflicting virtues. These authors support a four-question framework for evaluating such dilemmas (Christensen and Boneck, 2010: 54):

- Which course of action will do the most good and the least harm?
- Which alternative best serves others' rights, including shareholders' rights?
- What plan can I live with, which is consistent with basic values and commitments?
- Which course of action is feasible in the world as it is?

De Villiers (2004: 22) establishes a close link between business ethics and environmental reporting by organisations by stating that:

'... individuals who have to make judgements on whether certain information should or should not be disclosed ... enter the realm of morals and ethics'

Environmental reporting occurs at the discretion of the leadership of an organisation and generally has a bias towards reporting 'good news'. In this way reporting on the environmental impact of their business becomes an ethical issue. Many of the environmental disasters that occurred in the former Soviet countries, for example, only came to light after the end of the cold war. It was a conscious decision by the governments of the day in those countries to act unethically by decimating the environment and keeping this hidden from public scrutiny by not reporting on it and even denying the environmental disasters they caused, given the emphasis Western governments and organisations placed on limiting and correcting environmental damage (De Villiers, 2004).

The continued decimation of the environment in many parts of the world by multinational companies such as Shell in Nigeria and BP in the Gulf of Mexico supports De Villiers's contention that ethics is in general not geared to environmental matters. Therefore there is a

need for 'biocentric' ethics (in terms of which all life has inherent worth and needs to be respected) and 'ecocentric' ethics (which has a more holistic approach and includes all living and non-living things in an ecosystem).

Treviño *et al.* (2008) discuss the discrepancy between the perceptions of managers (top management in particular) and general staff of the ethical state of an organisation. Because the role of senior managers is so critical in determining the ethical climate of an organisation, senior managers are bound to view this climate more favourably – a 'self-affirming tendency' (Treviño *et al.*, 2008). The consequences are significant for the organisation. If management have positive perceptions about the ethical climate, they are less likely to allocate resources to put checks and balances in place, provide training and specifically reward ethical behaviour. These authors emphasise the importance of a discourse on ethics amongst all levels of management and between management and lower level employees in the organisation to establish a healthy and accurate climate of ethics in the organisation.

Tyler *et al.* (2008) call this the 'tone at the top'. Their research emphasises the importance of commitment to ethical behaviour rather than mere compliance with ethical rules and standards. This commitment to ethical behaviour by employees at all levels of the organisation (including managers) means voluntary compliance with standards of ethics, which can only be achieved in an environment where employees feel that their voice is heard, they are treated with dignity, processes and decisions are objective and the organisation is concerned about them as employees. Rigid government-imposed compliance requirements do not achieve commitment and can in fact work against such commitment.

'The organisational feature most strongly associated with both the development of supportive values and the acceptance of rules is procedural justice.' (Tyler *et al.*, 2008: 44)

The principle of commitment to ethical behaviour raised above is relevant at all levels of the organisation. Huang *et al.* (2008) found that ethical compliance is positively associated with board composition, i.e. strong independent outside directors, and a management commitment to board independence. They found that factors such as the frequency of meetings and board size are not significant – 'a larger board is less effective in monitoring accruals because coordination becomes more impaired as the size of the board increases' (Huang *et al.*, 2008: 475).

The principle of organisational commitment to ethical behaviour is further elaborated on by Verbos *et al.* (2007) when they speak about a 'living code of ethics' within an ethical organisational identity. This code of ethics is a culmination of 'authentic' leadership and key organisational processes (attraction-selection-attrition, socialisation, reward systems, decision-making and organisational learning). They discuss principles such as 'positive deviance', which is an honourable departure from established norms or exceeding established norms while remaining relevant to the organisation's values and culture, or its identity.

The identity of the organisation is shaped by the members of the organisation but it in turn also shapes and informs the identities of individual members. The interrelatedness of organisational and individual identity and behaviour is therefore critical in the establishment and internalisation of ethical behaviour in an organisation. However, based on their research Selvarajan and Sardesai (2010) caution that the appraisal of the ethical performance of individual persons in an organisation is influenced by the same schematic, affective and attributional processes that bedevil general

performance appraisal processes. This means that the outcomes of such ethical performance evaluations can be manipulated in the same way that performance appraisals in general can be manipulated.

In examining the role of business ethics at governance level in the environment of a developing economy, in particular in the light of the publication of the second King report of corporate governance in South Africa, Rossouw (2002) concludes that an inclusive interpretation of the term 'stakeholders' (as is followed in the second King report) gives corporate governance 'a distinctively ethical character'. This notion is made explicit by the recommendation in the report that the board take responsibility for the governance of ethics. If a board does not have the foresight to follow this recommendation, Rossouw (2002) is of the opinion that it will undermine growth and shareholder value, as well as the long-term potential of the organisation.

In another article based on the second King report, Van Tonder (2006) focuses on the impact of the report on organisational change given the poor track record of the success of such initiatives by introducing the concept of the 'ethic of change'. Building on the abovementioned inclusive stakeholder approach proposed by the King report, Van Tonder (2006) indicates that change initiatives can only claim to be successful if, over and above the financial considerations, the 'non-financial, social and communal change outcomes' are also judged as being successful. The ethic of change, as the part of business ethics that identifies and implements standards of conduct in change initiatives, ensures that there is not a negative impact on stakeholder interests when an organisation embarks on such change initiatives.

Remaining with developing countries Halter and De Arruda (2009) consider the relevance of the pyramid of values to 'less-developed countries', particularly Latin America and Africa. Given the impact

multinational companies often have in these countries, they propose that this pyramid has been inverted to place corporate social responsibility at the base of the pyramid rather than at the top – where it is traditionally placed – bringing instability to the pyramid. This instability confuses individual perceptions and ethical values and substitutes business ethics with CSR reports.

The research by Keep (2009) indicates that in situations where managers are willing to be less than truthful to further organisational goals, they can unconsciously be establishing an organisational climate where ‘less than truthful’ behaviour becomes part of:

- the organisation’s negotiating strategy;
- dealing with different ethical standards in an international environment;
- the overall organisational culture.

In support of these findings of Keep (2009), Dima and Musetescu (2010) reach the firm conclusion that business ethics should become a subfield of antitrust ethics. Alford & Bebensee (2010) point to the fact that workplace ethics can generate a competitive advantage for enterprises by ‘actively and publicly managing business ethics’.

The ethical leadership inventory (ELI) of Spangenberg and Theron’s (2005) assesses the quality of ethical leadership in organisations, building on the notion that the behaviour of leaders determines the ethical culture and climate of the organisation, and therefore the ethical behaviour of rank and file employees. Leaders that want to see their subordinates perform well to achieve organisational targets will have to set the same types of targets for ethical behaviour – and acquire the skills to define the ethical vision and the passion and commitment to work towards achieving that vision.

Engelbrecht *et al.* (2005) developed a model that determines the factors that lead to an ethical climate by studying the ethical values of transformational leaders. They found an iterative and positive relationship between the role of transformational leaders (leadership behaviour) in developing an ethical climate in organisations and the role of ethical values in transformational leadership. They also found that both altruism and integrity have a positive effect on transformational leadership, allowing an environment that sets performance standards and rewards ethical behaviour, and allows for training in ethical leadership.

Taking the above principle further, Van Zyl (2001) examined the extent to which management modelling behaviour influences employees in a workplace to act either ethically or unethically. In line with the findings of other researchers, this author found that managers at all levels are the most significant role models in the work environment and their responsibility in setting the ethical tone of the organisation is undeniable. Management's attitude towards ethical behaviour will determine the success of other initiatives, such as the adoption of a code of ethics, to create an ethical work environment. Although Van Zyl's research does not extend to the role of governance bodies in determining the ethical climate of an organisation, it is fair to assume that the same role modelling that occurs between managers and employees will also occur between managers and the members of the governance bodies they report to.

Whilst business ethics research generally focuses on the top management levels of an organisation, Dean *et al.* (2010) found in investigating the ethical dilemmas faced by mid-level managers that these managers are often caught up between top managers' actions/inactions and clients' demands – with organisational climate, culture and policies being more of a hindrance than a help. The

majority of respondents in their study indicated that they never expected to face the ethical issues they did encounter in the workplace. This points to a serious need for internships, managerial shadowing or other forms of on-the-job training and support from line managers to equip managers for the ethical challenges they will face in an organisation. These researchers also warn very strongly against the 'normalization of corrupt behaviours', which was reported by respondents, since it will quickly wipe out any benefits of ethics training in organisations. In a subsequent study Martin and Austin (2010) established the validity of the moral competency index instrument, using measures of unethical behaviour and standard validation procedures, to measure leadership potential for selection and developmental purposes.

Ibrahim *et al.* (2008) and Moustafa-Leonard *et al.* (2008) indicate that the level of ethical behaviour of an individual manager is determined both by individual characteristics and by organisational factors. The role of an organisation in establishing an ethical business environment starts with the selection process, i.e. doing background and reference checks, tests, etc., to ensure that they appoint ethical individuals. This is supplemented by codes of ethics, frameworks for ethical decision-making, top management's commitment to doing business ethically and a general working environment that is conducive to ethical behaviour. Ibrahim *et al.* (2008) also found that reality-based ethics training is more effective than training based purely on theory in order to 'raise the consciousness of the participants'.

The advantages of values-based ethics over regulation-based ethical behaviour are also discussed by Jing and Graham (2008). They conclude that a combination of regulations and ethical values, together with 'rectitudinous leadership', can ensure that even the most corrupt business environment can be turned around and become ethical.

Furthermore, De Colle and Werhane (2008) discuss the relationship between the formal and informal elements of corporate ethics programmes. They postulate that inasmuch as the ethical theories of Aristotle, Kant and Mill should inform the formal aspects of ethics training programmes, these can only come to fruition in any substantive manner if the moral imagination of employees is developed – moral imagination being the ability to perceive norms, social roles and relationships as inextricable to any situation.

Moustafa-Leonard *et al.* (2008) further state that in an organisational culture where an independent view of self is the norm, ethical behavioural norms have to be defined explicitly. However, in an organisational culture where an interdependent view of self is the norm, ethical behavioural norms are defined tacitly by group dynamics. They caution that the latter can manifest itself both positively and negatively (where unethical behaviour is the group norm). The ethical culture that is rewarded (either tacitly or explicitly) is the culture that prevails.

One of the focus areas of the study by Helin and Sandström (2007) is the effectiveness of codes of ethics as transformational tools. They conclude that many organisations see a code of ethics as an end in itself; that the existence of the code is mere window-dressing – even Enron ‘gave its four page ethical codes to all new employees to sign on their first day’. These authors do not comment on the failure of Enron’s board to install a rigorous ethics regime. A code of ethics only becomes a transformational tool if it is preceded by an inclusive development or coding process, and followed by a process that ensures that the code is understood and used, motivating employees to act ethically, and then rewards these ethical actions.

Ehrlich (2005) takes this argument a step further by indicating that companies often have codes of ethics for the wrong reasons: because

it is required of a listed company or because it will reduce the sanction in the case of law suits resulting from unethical behaviour, and they are often 'too vague to be actionable'. The balance among the law, profitability and ethical behaviour is a delicate one indeed. This leads McDonald (2009) to conclude that there are three levels of motivation for the adoption of codes of ethics, namely simplistic (because other firms do it), because the organisation has identified a strategic need for risk reduction or because the organisation recognises its ethical accountability. The resulting benefits of codes of ethics are fourfold, namely altruistic, mercenary, differentiating and regulatory. These authors both steer clear of discussing the role of governance structures in ethical organisational behaviour. Research by Kaptein (2009) indicates that organisations should not have a shotgun approach to ethics programmes. By identifying the aspects of the ethical culture of the organisation that are to be improved, the ethics programme can be more focused in its design with clearly identified and measurable objectives to be achieved.

In researching the codes of ethics of companies quoted on the Italian stock exchange, Lugli *et al.* (2009) found that the only purpose of codes of ethics in the industrial sector was to provide a statement of the company's values. They also noticed a gap between the statement of ethical principles and values and the manner in which this was translated into ethical rules of conduct, supporting the notion that codes of ethics are 'window dressing' rather than providing guidelines for employee and corporate behaviour. The authors do not propose any actions to close the gap, but emphasise the necessity for further research to identify the extent to which codes of ethics can be used as risk prevention measures – a somewhat cautious approach in a sector that is clearly ethically lacking.

In a slightly different vein from the above and against a backdrop of uncertainty about how ethics should be managed and who should assume responsibility for the coordination of ethics initiatives in an organisation, Van Vuuren and Eiselen (2006) investigated whether an organisation's human resource department should assume these responsibilities. The outcome of their research is not conclusive on the matter and does not speak to the role of governance bodies, but what is clear is that there is a need for ethics training and the development of ethics management competence in the higher and professional training of human resource practitioners.

Behnam and Rasche (2009) set out to examine the related nature of the processes of strategising and ethical reflection. They conclude that strategy-making and ethical reflection are related and even intertwined processes, giving the corporate strategist an ethical responsibility and requiring 'moral competence' and the 'capacity to act in a morally upright way' of strategists. These sentiments were earlier reflected by Bonn and Fisher (2005) when they found that the challenges that dogged corporate planning departments in the 1970s and 1980s were exactly those being encountered by ethics officers or committees, namely a bureaucratic and formalised approach, lack of implementation and lack of integration throughout the organisation, which would only be solved by following an integrated approach to corporate governance and business ethics.

Cacioppe, Forster and Fox (2008) explore this relationship further and identify a number of benefits organisations find in behaving in socially responsible or ethical ways that relate to both bottom line and reputational issues. However, they still find a fairly clear divide between perceptions of ethical behaviour and CSR – with ethical behaviour being closely linked to abiding by the law and CSR to environmental issues. They conclude that companies can only achieve

their optimal performance by narrowing the divide between CSR and corporate ethics. This view supports the research of Ardichvili *et al.* (2009) which clusters the characteristics of ethical organisations as:

- mission and values driven;
- stakeholder balance;
- leadership effectiveness;
- process integrity;
- long-term perspective.

As early as 1994 Hosmer challenged strategic planning that was analytical but not ethical since it takes the trust, commitment and effort of all the stakeholders to the outcome of strategic planning processes to ensure the success of an organisation in a global economy. He argues that the 'integrity of common purpose' should be an integral part of strategic planning, rather than a possible incidental add-on after conclusion of the strategic planning process.

Having considered the impact of codes of ethics on the behaviour of people working in information technology (IT), Bricknell and Cohen (2005) found that 'once codes have penetrated into the minds of IT employees, these employees are more likely to behave in accordance with their guidelines'. They also found a significant relationship between age and ethical behaviour in that older employees are more likely to behave ethically.

Duchon and Drake (2009) warn that the character of the organisation can manipulate and limit its ability to make objective judgements about organisational behaviour and take actions that are in line with ethical

standards, i.e. organisations can develop ‘collective narcissistic¹ identities’. Such organisations rationalise rather than take responsibility for unethical behaviour. It is indicated that Arthur Andersen, for example, had formal ethical standards and training. Yet its culture automatically assumed itself to be ethical without having a virtuous character. The ethics programmes of narcissistic organisations become ‘a kind of legal camouflage’ and they confuse an appearance of virtue with the actual practice of virtue.

In surveying human resource practitioners Erasmus and Wordsworth (2004) found that there is not enough emphasis on the implementation of ethics in organisations and it rarely forms part of the strategic management plans of organisations. Although these authors did not identify it as such, this seems to point to a lack of commitment to ethics by governance structures. They found that the absence of an ombudsman or impartial office for the reporting of unethical behaviour results in a higher level of unethical behaviour. They emphasise the importance of a trust relationship between the employer and employees in curbing and reporting unethical behaviour.

The importance of ensuring that the macro-level organisational code goes beyond stating commitment to ensuring implementation is supported by Preuss (2010). However, implementation should not be buried in lower levels of code implementation. This lattice-work of codes ranging from codes by industry organisations to organisational codes to departmental (sub organisational) codes should supplement and complement one another. If this is not the case, says Preuss (2010), it allows the organisation to present ‘different messages to

¹ Narcissism generally connotes a person who possesses an extreme love of self, a grandiose sense of self-importance, and a powerful sense of entitlement. (Duchon & Drake, 2009)

different audiences' by only making very general statements in the more visible corporate code, often ignoring issues that are important to less powerful stakeholders and small shareholder groups or individual shareholders. If governance bodies fail in their ethics oversight responsibility and are seen to be complicit with management, it confirms the impression that codes of ethics are often adopted as window-dressing rather than as a statement of commitment to organisational stakeholders.

In the current environment of international business and multinational companies, Kline (2005) suggests that responsiveness to local practices has the potential to undermine a firm's business code of conduct, or, more seriously, violate a new company's ethical commitments. The concept of 'when in Rome do as the Romans do' does not apply in international business precisely because companies need some global standards in order to avoid serious moral conflicts. Doh *et al.* (2010) plead for greater congruence and synergy between international business and business ethics. They postulate that international business practices, including the emergence of multinational companies from developing countries, have led to the 'hybridization of values' or cross-cultural values. This, together with the interaction between ethics and business strategy, the internationalisation of organised crime and a growing realisation that international business can no longer present itself as values neutral, suggests that business ethics has much to contribute to international business research. The impact of developing markets, in particular China, and transnational companies on business ethics is also highlighted by Michaelson (2010: 242) who refers to

'the influence that economic power can have over ethical norms in the midst of a historic period of economic rebalancing'

and indicates that a match needs to be made between the cultures of people, ethics and economics. The increasing economic power of the BRIC countries (Brazil, Russia, India and China) and the fact that their social traditions are undeniably different from the heretofore dominant Western traditions (which are a result of the 'old' power balance) give rise to what Michaelson (2010) refers to as 'practical differences' in international business operations. The underlying principle of the operations of international businesses in developing countries should comply with ethical standards that define basic moral obligations and ensure sustainable economic development in these countries. The underlying ethical objective is the improvement of the productive capabilities of these areas through developing skills, improving local and regional trade and responding constructively to local social tensions and conflicts (Bird, 2009a).

Many studies have tackled corruption in international business, for example that by Cuervo-Cazurra (2006). In a strong statement on the necessity for international regulations and practices to enforce ethical business practices, Delios (2010) states that the 'Darwinian' nature of market forces and the resulting transactional nature of the relationship between organisations and their stakeholders, in particular employees, weakens the resolve of organisations to invest profits in corporate social responsibility. According to Delios (2010), organisations that 'cared more' would be competitively disadvantaged in the short term and are likely to face closure in the medium term.

Bird (2009b) brings together this sense of ethics across cultures with a realisation that even in developed countries there is a history in the development of ethical business conduct ('legacy issues') that is often conveniently forgotten when judgement is passed on the state of business ethics in other countries. Multinational companies that suffer from this selective amnesia when entering new markets are at great

risk of failure or costly legal battles, while those companies that have a sense both of the ethical history of the home country and the host country will have gained a competitive advantage in the host country.

It can be argued that an attempt has been made by the United Nations to establish international principles with the Global Compact (UNGC). The UNGC uses the definition of corruption which covers financial gain and non-financial advantages as developed by Transparency International, namely:

‘the abuse of entrusted power for private gain’

In determining the relationship between paternalistic leadership and the organisational climate regarding ethics, Erben and Güneşer (2008) found that benevolent and moral paternalistic leadership has a positive and moderate impact on the ethical climate of an organisation. In contrast authoritarian paternalistic leadership has a significant negative relation on the ethical climate of an organisation. This confirms the important role of perceptions of the commitment of leaders to ethical conduct and to the ethical climate of an organisation. This conclusion ties in with Fassin’s research (2009) on the role of stakeholder theory in mainstreaming business ethics into management practice and strategy.

The situation is entirely different where entrepreneurs are concerned. In the research undertaken by Robinson *et al.* (2003) into the ethical dilemmas of entrepreneurs, one respondent indicated that ‘his reputation was his collateral’. This remark is confirmed by the rest of the research results that consumers are intolerant of unethical behaviour by entrepreneurs. In general Robinson *et al.* (2003) found that the ethical dilemmas faced by entrepreneurs are not that different from those faced by large corporations. However, the impact of ethical breaches is much more immediate and significant to an entrepreneur.

2.3 The curriculum of business ethics

In examining the state of business ethics in Europe over the past twenty years, Van Liedekerke and Dubbink (2008) found that business ethics as an academic discipline is 'a rare breed' regarded by ethicists as 'misguided, trivial and superficial at best'. Even though there is a lot of civil criticism of pollution, over-consumption and the profit motive in Europe, business ethics is to ethicists more of a means of giving the public a false sense of confidence in business leaders' intentions than a solution to these issues *per se*.

As early as 1987, and following on reports published in the late 1950s, Mulligan (1987) asserted that a humanities-based component was lacking in the curricula of business schools. This author argues that the humanities, and business ethics in particular, counterbalances that which business science brings to the curricula since the focus of the humanities 'often is on questions which the scientific method cannot grasp'. Failure to ensure this balance between science and the humanities leads to business schools producing 'manager technician(s)' rather than well-rounded business leaders. Mulligan (1987: 599) considers business ethics to be:

'... probably the last best hope for the humanities in business education'

Brown *et al.* (2010) caution that although business schools equip their students with the academic and social skills that will help them achieve success in the business world, this does not extend to teaching them how to distinguish between what is ethical and merely profitable – 'the proverbial moral line in the sand'. These authors state that students do not acquire ethical decision-making skills by being exposed to one course or subject, but through multifaceted exposure over an extended period. Lang, Hall and Jones (2010) point out that

emphasising the specific consequences of unethical behaviour in an organisation's control environment and providing anonymous ways of reporting such actions may reduce the occurrence of such incidents among young professionals. They conclude that compliance is higher when future accounting professionals are trained not to engage in unethical activities.

Porter and McKibbin (1988) argue that while there is a demand for business ethics education in American business schools, business education is not giving sufficient attention to ethics in the business school curriculum. This suggests that employer expectations could play an important role in influencing the curricula of business schools, both in America and in South Africa.

Freeman *et al.* (2009) are of the opinion that the general business school curriculum does not encourage students to engage in moral reflection and is based on an ideology that is 'deeply hostile to business ethics' – a view supported by Wines (2008). This can be overcome by allowing the humanities ('human needs, behaviours, values and cultures') to take their rightful place in the curriculum and by engaging in a 'more equal dialogue' with business executives to bring the challenges facing them into the classroom. As with any other educational institution, it is the responsibility of business schools to educate the student as a whole person, which includes shaping and forming their values and beliefs (Bush *et al.*, 2009). In this regard Freeman *et al.* (2009) maintain that business ethicists need to broaden their role by:

- emphasising competence as much as character;
- engaging contemporary issues;
- incorporating systems thinking;

- championing an enterprise approach to ethics.

Cavico and Mujtaba (2009) support the notion that business schools have a lot to answer for in the unethical behaviour and scandals found in the business world, as a result of their overemphasis on bottom line issues at all costs rather than placing more emphasis on the long-term success of their graduates. For example, they could introduce compulsory ethics courses that stimulate students' moral awareness and help them develop moral reasoning skills.

An investigation by Waples *et al.* (2009) found, however, that business ethics courses have a very small impact on increasing the ethical awareness, behaviour and perceptions of students. This conclusion speaks more to the nature and composition of the business ethics courses offered to date than to the relevance of teaching business ethics. The implication of this study is that if the didactic approach to business ethics teaching is not substantively reviewed, this teaching might as well not take place because current methodologies do not yield the desired results. The toolkit for MBA curriculum change (United Nations, 2012) provides a plethora of learning methodologies business schools can use in a post modern curriculum to address the ethical, moral and practical challenges students will face in the workplace.

The findings of the above authors are contradicted by the findings of a study conducted by Lau (2010) which suggest that ethics education not only has significant value in improving the overall ethical orientation of students but that it also empowers students to take a 'higher ethical stance' on a range of ethical issues. In addition to the 88% of the treatment group in the study that was in favour of an ethics course in their curriculum, 68% of the control group (which was not exposed to ethics training) indicated that ethics should be included in the curriculum of business qualifications. A subsequent study

(Furlonger, 2012) found that 68% of MBA graduates indicated that the curriculum prepared them for solving ethical dilemmas (see also Table 1.3).

In experimenting with the success of a novel didactic approach to teaching business ethics, Jones (2009) found that he could significantly improve the moral reasoning of business students over a fairly short period (five 75-minute classes and two assignments). The relevance of this study is heightened by the fact that it included a control group and that pre- and post-training measures were obtained for both groups. Another novel didactic approach – the use of literature to ‘stimulate the moral imagination of students’ – is proposed by Von Weltzien Hoivik (2009). The objective of this approach is also to develop students’ personal skills so that they learn how to wrestle with complex situations and to enhance their moral competence and understanding of intertwined moral dilemmas using great literary works, such as Shakespeare’s *Othello*, as the ‘case studies’. Christian and Gumbus (2009) have investigated a number of other innovative approaches to teaching business ethics, linking it to professional codes of ethics. They identify the underlying principle of teaching business ethics as expanding students’ exposure to ethical reasoning in the workplace. They achieve this primarily by combining actual workplace examples with the requirements of professional codes of conduct. The methodology keeps students actively involved, whilst allowing time for reflection and internalising new insights, which is a sound didactic principle in any environment.

This need for business ethics education in business schools to keep track of the nature of the students they teach is also pointed out by Galbraith and Webb (2010), who refer to the unique nature of the ‘millennial students’ born between 1980 and 2001. In research these students score high on economic values and low on religious values.

The clarion call for business schools therefore ranges from teaching a unified set of ethical values, through the ability to weigh contrasting tensions and challenges that test the value system, to role models for the day-to-day practice of ethics in business. These authors are convinced that students 'can be taught good ethical behaviour for business applications'. In fact, they regard it as the responsibility of academics in business schools to provide this guidance to their students.

Using the ethical intent of university students in business classes as an indicator of future counterproductive behaviour, Deshpande and Joseph (2010) found that students that do not perceive certain types of unacceptable behaviour as unethical are more likely to be involved in counterproductive behaviour. In line with other previous studies about ethical conduct and age, these authors also found that younger employees are more likely to make themselves guilty of counterproductive behaviour. They propose, amongst other things, that new employees be 'indoctrinated' in an intensive ethical training programme that ethical behaviour is required in an organisation – a process Wines (2008) calls 'conditioning'. This conditioning will help students overcome their one-dimensional thinking and prepare them to deal with complex moral choices and take ethical decisions when under fire in the boardroom (Wines, 2008).

Ethical intent was also the topic of the research of Persons (2009). Although the relevance of the research is limited by the fact that as they were students, many of the participants may not have had exposure to a corporate code of ethics, the results are nonetheless significant for ethics education in identifying six problem areas in which a significant number of respondents had unethical intent, namely

- not reporting the unethical behaviour of a close friend who did it for the first time;
- using a company computer for personal purposes;
- accepting a lunch invitation from a supplier who may want a special favour;
- using a company copy machine for personal purposes;
- channel stuffing;
- selling an employer's stock on the basis of inside information.

In taking business ethics from the classroom to the boardroom, Dorweiler and Yakhou (2006) state that the fact that a board has a governance role does not absolve it from responsibility for the ethical (or unethical) business practices of the organisation. It is part of the governance responsibility to set rules and standards for the conduct of business. The execution of these rules and standards starts with the senior or executive management, which sets the ethical tone and creates the ethical climate of the organisation. They conclude that the cost of repair after a scandal by far exceeds the cost of establishing preventive, detective and corrective measures.

In an interview with Henle (2006) Terry Broderick voices a clear opinion on the role and difficulties of business schools in teaching ethics. The responsibility of business schools to generate ethical business leaders is undeniable, but:

'[i]t is a lot easier to teach about financial success than it is to talk about doing the right thing' (Henle, 2006: 350)

Broderick (Henle, 2006) emphasises that ethics should be taught in a 'meaningful way', which includes a partnership between the business community and the business schools that will allow feedback from

organisations on the knowledge, skills and abilities required of ethical business executives and ensuring that education and sensitisation about ethical behaviour is an ongoing process. According to Broderick (Henle, 2006), having a stand-alone course or module on ethics is not sufficient either. Rather, the principles of ethical behaviour should be infused in the design and presentation of each course or module to ensure that students graduate with the tools required in all spheres of business to act ethically.

The 2008 study of the Aspen Institute on the attitudes of MBA students about business and society produced a number of significant outcomes. Just less than 80% of respondents regarded it as very important that a 'well-run company' operate according to its values and a strong code of ethics. This is more or less the same percentage that regarded it as very important for such a company to produce high-quality products and services.

On the down side more than 70% of respondents did 'not mind too much' if their values were in conflict with those of the company they worked for. These two outcomes seem somewhat contradictory and point to a possible development area for business schools in their training programmes, more so because just more than 40% of respondents were confident that their studies were preparing them to manage value conflicts and only 15% regarded high ethical standards as an important factor in selecting a job. One of the conclusions of the study is that the opportunities for students to practise ethical decision-making reduce significantly as they progress in their studies – a matter that can and should be addressed by business schools.

Erasmus and Wordsworth (2004) found that nearly 44% of organisations do not provide their employees with any training on ethical business conduct. This, they say, 'can create a culture in which unethical conduct could flourish'. Where training is offered it is

insufficient, of poor quality or not properly linked to business ethics structures and systems. In this regard Goosen and Van Vuuren (2005) caution against an 'over-dependence and reliance on rules and regulations' in institutionalising ethical behaviour in the organisation and propagate a holistic systems approach that would include mentoring as a means for ethical transfer to take place. Their research finds little evidence of ethics mentoring in organisations where there is formal mentoring.

The action model developed by Rabl and Kühlmann (2008) in an attempt to understand corruption in organisations provides critical pointers on what a curriculum that intends to produce ethical leaders should contain. These authors found that the three major factors leading to corrupt actions are:

- attitude towards corruption;
- the subjective norm;
- the perceived behavioural control.

This practitioner-based approach to the development of theories on ethics in organisations, as opposed to the traditional ethics literature based approach, is strongly supported by Nielsen (2010).

Making students aware of what corruption is, why it should be rejected and the consequences of corrupt behaviour can be covered in general in the curriculum, but also a specific outcome of all modules that make up a qualification.

Rossouw (1997) found that the teaching of business ethics at South African business schools is 'informal and supposed to occur in a spontaneous way' and that it is 'extremely difficult to tell how effective' this is. Published research on business ethics in South Africa is found to be 'very limited'. He concludes that business ethics needs to be

integrated into curricula at business schools, with due caution that the integration does not result in 'evaporation'. Given the barely visible reference to business ethics in the accreditation requirements of international accrediting organisations – and the importance of such accreditation to South African business schools – the evaporation is likely to continue.

From a purely academic perspective, Ma (2009) conducted an overview of business ethics research for the period 1997 to 2006. His study found that the main research theme is on ethical decision-making, followed by the relationship between corporate social responsibility and corporate performance and the status of business ethics research. In looking forward, Ma (2009) is of the opinion that the practical importance of business ethics, including cultural factors in business ethics and theory refinement and development from a non-Western perspective, will dominate future research on business ethics. In a similar study published a year later Tseng *et al.* (2010) largely confirmed Ma's research by identifying the three 'concentrations of interest' in business ethics publications as ethical/unethical decision-making, followed by corporate governance and firm performance, and ethical principles and code of conduct.

2.4 Business ethics within the South African higher education legislative framework

In the period following on the promulgation of the Higher Education Act (101 of 1997), which sets out the roles and responsibilities of the Council on Higher Education (CHE) and its permanent subcommittee the Higher Education Quality Committee (HEQC), the Minister of Education expressed his concern about the proliferation of MBAs in South Africa. As part of its review of postgraduate qualifications, the

HEQC undertook a formal review of all MBA qualifications offered by higher education institutions in South Africa in order to reaccredit such qualifications. This reaccreditation was the first national review of a programme by the HEQC. The purpose of the reaccreditation was twofold: firstly, to assure the public and students that, judged against an agreed-upon set of standards, South African MBA programmes meet a minimum threshold of quality, and secondly, to help programmes to identify paths of improvement and enhancement based on the results of the reaccreditation (Council on Higher Education, 2004). As an outcome of the evaluation process a higher education institution's MBA programme was awarded full accreditation or conditional accreditation, or accreditation was withdrawn.

Two criterion statements and their minimum standards are specifically relevant to this research:

Table 2.2: Relevant criterion statements and minimum standards (Source: South Africa. Higher Education Quality Committee, 2003)

Criterion statement	Minimum standards
<p><u>Criterion 9: Learning programme</u></p> <p>The programme reflects its mission, goals and objectives leading to the MBA or in the designated area of the specialisation and has clear learning objectives.</p>	<p>The core content should include:</p> <p>...</p> <ul style="list-style-type: none"> - The impact of environmental forces on organisations, including ... ethical issues; and the effect of international developments - The ability to respond to and manage change should be covered explicitly

<p><u>Criterion 13: External environment</u></p> <p>The unit is active in the field of management and contributes to the improvement of management in society.</p>	<p>iii. The unit ensures that all partnership agreements are focused on ensuring quality teaching and learning.</p> <p>iv. The unit consciously measures and monitors its relationships with external stakeholders</p>
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Out of the 37 MBA programmes reviewed by the HEQC, only 19 programmes received full accreditation.

Following the reaccreditation an analytical report was published in October 2004 on the national state of the provision of the MBA (Council on Higher Education, 2004). The national review of the MBA focused on criteria of input, process and outcomes. Specifically with regard to outcomes, business schools had to indicate which mechanisms they had in place for monitoring the quality of their courses and graduates in relation to both the expected learning outcomes of the programme and the expectations of external stakeholders.

Chapter four of the report deals with the content and structure of MBA programmes. A concern is raised that attempts to improve enrolment figures have led to a 'thinning of the curriculum content' (Council on Higher Education, 2004: 87) resulting in 'confusion' about the relationship between fundamental and core modules. A number of curriculum types encountered during the review are discussed anonymously as examples of either 'poor' or 'good' curricula and it is indicated that there is an increased focus on teaching soft management skills, including business ethics. This is an important

aspect in moving towards the epistemological convergence required of a multidisciplinary qualification such as the MBA. Given the fact that the report indicates that South African business schools increasingly rely on part-time faculty to teach MBA programmes, the mooted epistemological convergence will remain a challenge, particularly to the small number of full-time academics that must coordinate the curriculum. The report also points out that more research needs to be undertaken on the limitations and possibilities of distance education to teach both the soft and hard skills required of MBA graduates. The emphasis on and relevance of business ethics in MBA (and by implication business school) curricula is further elaborated on in 'The State of the Provision of the MBA in South Africa' (South Africa. Higher Education Quality Committee, 2004) published by the HEQC after the reaccreditation process.

Although the core content of criterion 9 as cited in this publication is silent on business ethics as such, a whole chapter is dedicated to the importance of business ethics and related aspects such as corporate social responsibility to the education of business students.

'Academically, the oldest concept or notion regulating the relationship between business and society is business ethics, which traditionally sought to provide business leaders and managers with decision-making frameworks within which to reason ethically' (South Africa. Higher Education Quality Committee, 2004: 116)

Similarly, the Higher Education Qualifications Framework (HEQF) (South Africa. Department of Education, 2007b), promulgated in terms of section 3 of the Higher Education Act (101 of 1997), indicates that one of the characteristics of the HEQF is that it is designed to 'facilitate the education of graduates who will contribute to the social, cultural and economic development of South Africa and participate

successfully in the global economy' (South Africa. Department of Education, 2007b: 10).

2.5 Business ethics in South African universities and business schools

In 2007 the Ethics Institute of South Africa (EthicsSA) undertook a research project under the auspices of the southern African regional office of the United Nations Office on Drugs and Crime (ROSAF) on ethics education and training at South African schools and universities. This research project was undertaken in terms of the South African National Anti-Corruption Programme (NAP) and resolutions taken at the second National Anti-Corruption Summit of March 2005 to promote the foundation of an ethical society (Ethics Institute of South Africa, 2007). The review focused on nine universities and 224 educators at primary and secondary schools in three provinces, namely Gauteng, Mpumalanga and North West province.

The aim of the project was 'to review the state of ethics (values) education and training in universities and schools' in order to determine whether 'ethics and integrity training and education are incorporated' in the curricula of schools and universities (Ethics Institute of South Africa, 2007: xi-xii). The strategic objectives of NAP identify ethics education and training as a key factor in promoting ethics in all sectors of South African civil and business communities.

Six of the universities surveyed have ethics centres. These centres are housed in a variety of faculties or schools and aim mainly to 'stimulate critical thinking about ethical issues through research and teaching' (Ethics Institute of South Africa, 2007: 7). Seven universities offer ethics modules at honours and master's level and five have

students at PhD level. The backgrounds of students enrolled for ethics courses are diverse and include business students. It is reported that students from business-oriented fields generally have a negative attitude towards ethics as a subject and are initially resistant to taking the module.

The ethics modules are taught by experienced lecturers from the philosophy department using lectures, tutorial work and case discussions. The duration of the modules varies between a full semester and a single lecture of a few hours. In business schools the course is generally a semester long and is weighted at between 2 and 3% of the requirements of the degree as a whole. Student feedback on the course is generally negative 'with students failing to understand the relevance of ethics for their chosen profession' (Ethics Institute of South Africa, 2007: 12).

There was general consensus amongst the participants from the universities that ethics should reach all disciplines and should be integrated better into the teaching of those disciplines. However, philosophy departments were afraid that decentralising ethics teaching might compromise the quality and depth of ethics teaching, whilst students want ethics courses to be more relevant (i.e. less theoretical and more practical). The researchers therefore concluded that universities need to balance the relevance and quality of ethics education and training.

In the first publication of the BEN-Africa book series Rossouw (2004) addresses the development of business ethics as an academic field. The author indicates that business ethics studies all three dimensions of economic activity, namely how the macro, meso and micro dimension impacts on the individual, society and the environment. Rossouw also discusses the various positions regarding the possible purpose of business ethics, namely the explanative stream and the

evaluative stream, and concludes that limiting the teaching of business ethics to only one of these positions will be 'detrimental to the development of business ethics' (Rossouw, 2004: 17). The author pleads for 'methodological flexibility' in order to promote the development of business ethics in the academic fields of teaching, research and 'interaction' or community engagement.

In discussing business ethics research Rossouw (2004) indicates that the research ontology should be rich enough to be able to accommodate all the dimensions of ethical agency in the economy. Regarding the teaching of business ethics, the author indicates that there is no consensus on the purpose of teaching business ethics and he discusses the three positions taken on this matter, namely cognitive competence, behavioural competence and managerial competence, and the pedagogical implications of these positions for the teaching of business ethics.

Rossouw (2004) states that engagement with and within the business ethics community recognising a 'multiplicity of perspectives' is as important for business ethics as it is for any other academic community. Similarly, the importance of the interaction with business practitioners is emphasised to improve both business practice and business teaching. A concern is raised by the author about a lack of such interaction on the one hand, but also about the dangers of a lack of critical distance between academia and business practitioners on the other.

During 2009 the Harvard Business School graduating class did something unusual in that they signed a voluntary student-led pledge that the goal of a business leader was to serve the greater good, and they promised that they would act responsibly and ethically and refrain from advancing their own narrow ambitions at the expense of others. Other business schools have also seen an explosion of interest in

ethics classes and activities that focus on personal and corporate responsibility. For instance, at Columbia Business School an ethics course is a requirement, and students there have formed a Leadership and Ethics Board that sponsors guest lectures and other activities.

The Yale School of Management developed sessions in its core curriculum related to the recent ethical crisis in the United States. It also worked with the Aspen Institute to create a curriculum aimed at teaching business students how to act on their values. No less than 55 business schools in the United States are using all or part of the curriculum in pilot programmes.

In line with the practice at US military colleges, a number of US universities have introduced 'honour codes' that students must sign off and adhere to. The code permeates all aspects of student life and holds students accountable for their words and deeds. Students must answer to a structure that comprises fellow students for alleged breaches of the code. A student can be expelled from the college or university if found guilty of a breach of the code. This practice is informed by a belief that after a student has lived with and within this honour system for a number of years, s/he will not only *behave* honourably, but will *be* honourable (Bush *et al.*, 2009).

It is evident from Table 2.3 below that this practice seems to be a foreign concept to South African business schools. Where it is indicated that no evidence of a code of honour was found, it means that there was no evidence of such code on the website of the business school. The contention is that if such a code exists, it should not be hidden away and presented to students as a surprise after they have registered, but that it should rather be a visible and prominent document evident to anyone that visits the website of the business school to obtain information.

Table 2.3 Code of honour at South African business schools

<i>Business school</i>	<i>Code of honour?</i>
GIBS	No evidence found
Graduate School of Business, UKZN	No evidence found
Henley Business School	No evidence found
Management College of Southern Africa	No evidence found
Milpark Business School	No evidence found
NMMU	No evidence found
NWU (Mafikeng campus)	No evidence found
Potchefstroom Business School	No evidence found
Regenesys Business School	No evidence found
Regent Business School	No evidence found
Rhodes Investec Business School	No evidence found

(Table continues on next page)

Business school	Code of honour?
School of Management, UFS	No evidence found
Turfloop Graduate School of Leadership	No evidence found
TUT Business School	No evidence found
UCT Graduate School of Business	No evidence found
Unisa Graduate School of Business Leadership	No evidence found
University of Stellenbosch Business School	No evidence found
Wits Business School	No evidence found

No evidence has been found that South African business schools have undertaken similar or other innovative measures to empower their students to improve ethical business practice. Annexure 4 provides a summary of the ethics component of the curricula of South African business schools (both public and private) that offer postgraduate specialised business and management development qualifications. The programmes listed are not inclusive of all programmes offered by the respective business schools.

Of the 46 programmes evaluated by this researcher, 31 did not have any business ethics module, 11 had a compulsory ethics module and 4 had business ethics as an elective module. Of the 15 ethics modules listed, 11 were combined with another discipline such as law or governance and only 4 (2 of which were compulsory modules) were unadulterated business ethics modules. This approach to teaching business ethics seems to indicate a lack of a deep and all-encompassing concern for the impact of ethics education on ethical business practice.

2.6 Conclusion

Ethics as a science has been around for a very long time, as already indicated in Chapter 1. Yet there is little evidence of business schools building on and strengthening it as a field of study, especially in South Africa.

Goodstein and Wicks (2007) conclude from their research that the existing elements of the regimes of responsibility, including legal sanction, demands of professional bodies, organisational culture and checks and balances, were 'problematic and not robust'. This being so because ethical behaviour depends on the interactions between stakeholders and perceptions of what ethical behaviour really is. Organisations need to create a climate of trust within which there is little or no fear of confronting unethical behaviour through cooperative problem-solving, thus making ethical business behaviour the joint responsibility of all stakeholders and creating an expectation of ethical behaviour amongst stakeholders. Heath (2006), on the other hand, challenges the stakeholder approach to business ethics as 'morally lax' in the light of possible conflict between stakeholder interests. The two other possible approaches to studying business ethics that he proposes, namely a minimal conception relating to the fiduciary obligation towards shareholders and a broader conception relating to

the regulatory environment, still both place ethical conduct at the centre, rather than at the periphery, of an organisation's activities.

The literature reviewed speaks to the necessity for a holistic and deeply individual approach to institutionalising ethical behaviour in organisations. The role of the leadership of an organisation in 'walking the talk' remains critical, but following a strictly top-down approach is fundamentally flawed. A commitment to ethical behaviour by the management of the organisation will manifest in discussions on the topic, reward systems and other institutional processes and procedures. Goosen and Van Vuuren (2005: 70) are upfront in their recommendation that further research is necessary on:

'the development of an integrated curriculum (at graduate and post-graduate level) in the training of managers with regard to the role of mentoring in the institutionalisation of business ethics'

Despite the fact that it is clear from the above that the management of an organisation has a critical role to play in determining the ethical identity of such an organisation, South African business schools have done very little to establish business ethics as a fullyfledged field of study. Business ethics in its current format is a fairly new field of study for students at business schools in South Africa.

There is an abundance of theory on the prerequisites for an ethical organisational environment, yet these matters have in most instances not been embedded in the training of the business leaders of the future. It may be fairly difficult to embed a values-based approach to ethics in a regulations-based environment such as the business world (Jing & Graham, 2008).

The literature is clear on the advantages of commitment over compliance as far as the implementation of business ethics is

concerned. A modern day student of business and business ethics will therefore have to focus on how to develop an inherent compass of ethical business behaviour and lead by example in the implementation of business ethics in the corporate and government spheres. Greater awareness of business ethics and a series of three reports on corporate governance in South Africa that contain a host of invaluable recommendations on improving the ethics of organisations, have not improved the levels of ethical business conduct. Carr's ethics bluff (Carr, 1968) should be unmasked in organisations that have all the right codes, but whose conduct violates the spirit and intention of business ethics. This practice – termed 'corporate hypocrisy' by Wagner *et al.* (2009) – has a significant negative impact on consumers' perceptions of the authenticity of an organisation and hence their loyalty towards such organisation. Do our business schools address the issues of corporate hypocrisy in their business ethics education modules and courses?

We are cognisant of how institutions can influence companies and organisations. It is now time for the South African business schools to step up to the challenge and produce business leaders with a sufficiently keen sense of ethics that they will be able to transform their organisations by considering not only the financial but also the moral implications of the decisions they take.

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CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Collis and Hussey (2009) state that in spite of the fact that research is an integral part of academic and business activities, there is no consensus on how to define this concept. However, they conclude that there is general agreement that research is a systematic and methodical process of enquiry and investigation that increases knowledge (Collis & Hussey, 2009).

These authors summarise the typical objectives of research to be one or more of the following:

- Reviewing and synthesising existing knowledge;
- Investigating an existing situation or problem;
- Providing a solution to a problem;
- Exploring and analysing more general issues;
- Constructing or creating a new procedure or system;
- Explaining a new phenomenon;
- Generating new knowledge.

Pursuant to this researcher's objective of investigating the extent to which business schools in South Africa build on and improve the capabilities of their students and graduates to think and act ethically, the study was guided by the eight distinct characteristics of research identified by Leedy & Ormrod (2005: 2), namely:

- Research originates with a question or problem.
- Research requires clear articulation of the goal.
- Research requires a specific plan for proceeding.
- Research usually divides the principal problem into more manageable subproblems.
- Research is guided by the specific problem, question, or hypothesis.
- Research accepts certain critical assumptions.
- Research requires the collection and interpretation of data in an attempt to resolve the problem that initiated the research.
- Research is by its nature cyclical or, more exactly, helical.

The research in this study attempts to follow not only Leedy and Ormrod's standards but also those of Collis and Hussey (2009), Welman, Kruger and Mitchell (2005) as well as those of Cooper and Schindler (1998).

This chapter the research paradigm, including the research design and methodology, the data collection instruments and methods used for this study, triangulation, data analysis and research ethics are discusses and motivated. It will be shown that the research was rigorous, systematic and appropriate in terms of accepted research practice, providing a scientific basis for the conclusions that will be presented in the chapters that follow.

3.2 Research objectives

The objectives of this study were to:

- determine whether South African business schools build ethics capacity by inculcating ethical thinking in their students;
- determine whether South African business schools are promoting ethical business practice that will be useful in South African businesses, organisations and public institutions;
- evaluate the extent to which South African business schools have established links with business ethics organisations such as EthicsSA and BEN-Africa through affiliation and collaboration;
- determine the extent to which the needs of South African businesses, organisations and public institutions to employ ethically minded graduates are met by South African business schools;
- evaluate the extent to which South African business schools are in touch with the needs of employers and business leaders in producing ethically minded graduates.

3.3 Research proposition

Chapter 1 provides detailed background on the proposition that this research tests. Briefly the research proposition is:

South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations.

The sub propositions to the research proposition are:

In order to determine the likelihood that South African business schools inculcate ethical thinking through their MBA programmes it can be expected that

- the curricula and statement of gradueness will demonstrate the relevant schools' commitment to producing ethically minded MBA graduates*
- they will liaise with business organisations to determine whether their graduates are ethically minded*
- they will liaise with business ethics organisations to contribute to ethical business practise*

3.4 Research methodologies considered for this research

Leedy and Ormrod (2005) make a distinction between quantitative and qualitative research based on the answers to the following five questions:

- What is the purpose of the research?
- What is the nature of the research process?
- What are the data like, and how are they collected?
- How are data analysed to determine their meaning?
- How are the findings communicated?

According to Welman, Kruger and Mitchell (2005), the qualitative approach to research is also known as the anti-positivist approach. However, they do acknowledge that not all qualitative approaches are

anti-positivist in nature. These authors also state that qualitative research uses more flexible methods to investigate subjective data.

When the objective of a research project is to answer questions about the complex nature of a phenomenon, to describe and understand the phenomenon from the perspective of the researcher, a qualitative research design is appropriate (Leedy & Ormrod, 2005). Lee (1999) indicates that qualitative research should not be simplified into 'research with no numbers' as opposed to quantitative research being 'research with numbers'.

3.4.1 Qualitative research designs

Denzin and Lincoln (2000) characterise qualitative research as 'interdisciplinary, transdisciplinary, and sometimes counterdisciplinary'. In contrast to the 'hard data' of the positivist school, the phenomenological school (to which the qualitative approach belongs) employs what is viewed as 'soft data'. Neuman (2006) sees this form in terms of words, symbols, sentences, impressions, etc. This research approach is really a method of inquiry to garner an in-depth understanding of social phenomena or human conduct, including the reasons abutting or motivating such conduct.

Qualitative research is characterised by a multiplicity of research methodologies such as content analysis, ethnography, case study, grounded theory, observation research, historical research and phenomenological research. Regardless of their divergence, they have two things in common as pointed out by Leedy and Ormrod (2005:133):

- They are attentive to phenomena that exist in the real world.
- They consist of studying these phenomena in all their complex multifaceted forms without simplification.

In qualitative approaches researchers examine cases or events as they occur in the natural environment, in their socio-historical contexts. Here researchers look at the social context of the phenomenon they will be examining. In this approach great detail and insights into the cases or phenomena replace the complex tools of statistical analysis or exact measurements over a number of cases or units in the quantitative research method.

It seemed therefore, on the face of it, as though a qualitative approach could have been appropriate to resolve the research proposition. However, the various qualitative approaches will be examined more closely to determine whether that was in fact the case.

Leedy and Ormrod (2005) discuss five common qualitative research designs, namely case study research, ethnography, phenomenological study, grounded theory study and content analysis.

3.4.1.1 Case study

In a case study a specific individual, programme or event is studied in depth. The researcher can focus on a single case or on two or more cases. In the latter instance the cases are different in key ways, which will allow the researcher to make comparisons, develop a theory or generalise as far as certain aspects are concerned.

A case study is often used to learn more about a situation that is not well known or understood. The most important weakness of a case study is that the findings cannot necessarily be generalised to other situations. (Leedy & Ormrod, 2005)

Welman *et al.* (2005) indicate that the unit of analysis in a case study can be either typical or atypical, but it cannot include both. The typical unit of analysis will be highly representative of the population and the atypical units extremely untypical of the phenomenon being studied.

It seems from the discussion that a case study could be an appropriate instrument to apply in resolving the research proposition.

3.4.1.2 Ethnography

In ethnography (called 'participant observation' by Welman *et al.*, 2005) the researcher focuses on a group of people in their natural setting for a prolonged period. The objective of the study is to identify cultural norms, beliefs, social structures and other cultural patterns (Leedy & Ormrod, 2005).

Ethnography is used when an understanding needs to be gained of the complexities of the specific culture; therefore Leedy and Ormrod (2005) find a background in cultural anthropology essential before a researcher uses this method. A major weakness is that the researcher is often not part of the cultural group and is therefore regarded as an 'outsider'.

The description of ethnography as a qualitative research design did not convince the researcher that it should be applied as an instrument to resolve the research proposition.

3.4.1.3 Phenomenological study

Welman *et al.* (2005) regard the phenomenological approach as an extreme anti-positivist approach where the researcher tries to understand the participant's life-world and experience of specific phenomena. Leedy and Ormrod (2005) indicate that in a phenomenological study the researcher attempts to understand people's perceptions, perspectives and understanding of a specific situation. The researcher therefore investigates the manner in which people experience a specific situation from various perspectives in order to reach a better understanding of those experiences.

The description of the environment that is appropriate for a phenomenological study did not convince the researcher that it would be an appropriate instrument to use to resolve the research proposition.

3.4.1.4 *Grounded theory study*

In a grounded theory study the data gathered are used to develop a theory or a theoretical model. Developing a theory from primary data collected by the researcher is clearly different from developing a theory from studying the literature on a specific subject. The grounded theory study typically focuses on the process related to the subject being observed and the objective is to develop a theory about that process (Leedy & Ormrod, 2005). It is not, as is sometimes incorrectly believed, a process of moulding the data to the theory and it involves extensive coding and analysis (Berg, 2004).

Although interviewing is usually the primary form of data gathering for a grounded theory study, any other forms of data that may be relevant to the study may be used. The perspectives and voices of the people being studied must be included in the data (Leedy & Ormrod, 2005) and theories must be developed inductively, deductively or through a combination of these processes (Berg, 2004).

It seems from this discussion that a grounded theory study could have been appropriate as an instrument to resolve the research proposition. However, for this study there may have been other more appropriate qualitative instruments.

3.4.1.5 *Content analysis*

The objective of a content analysis study is to identify the specific characteristics of a body of material. In a content analysis the content of a body of material is examined systematically in order to identify

patterns, themes or biases. This is typically performed on forms of communication such as books, newspapers and films. This examination can be either limited to manifest content which is physically present, or extended to include latent content, i.e. interpreting the symbolism underlying the physical data (Berg, 2004). This author identifies seven major elements that can be counted and a combination of these elements is often required.

As a rule a content analysis is quite systematic. Measures such as the interaction between specifying the basic elements of the content being examined and applying rules for identifying and recording these elements, are put in place to make it as objective as possible (Leedy & Ormrod, 2005; Berg, 2004; Marshall & Rossman, 2011).

This description made a compelling case for utilising content analysis as an instrument to resolve the research proposition, convincing the researcher of its suitability.

3.4.2 Data collection methods for qualitative research

Bless *et al.* (2006) indicate that data can be classified according to the method used for collecting the data or in terms of the intrinsic properties of the data. When classified in terms of the collection method, a distinction is made between primary and secondary data – primary data being collected for the specific study and secondary data having been used before by other researchers for their studies. Data classified in terms of the intrinsic properties of the data are either qualitative or quantitative.

Data gathering methods can be adapted to different types of research. Marshall and Rossman (2011: 137) describe the four primary data collection methods used by qualitative researchers as:

- participating in the setting;
- observing directly;
- interviewing in depth;
- analysing documents and material culture

Leedy and Ormrod (2005: 143) express the following view on collecting data for qualitative research:

'In qualitative research, the potential sources of data are limited only by the researcher's open-mindedness and creativity'

It can be concluded from this citation that the qualitative researcher will use all the appropriate data collection methods to ensure that the research has sufficient depth to resolve the research proposition or question. This means that data collection takes a long time in a qualitative study.

Given the compelling arguments for the utilisation of qualitative methodologies to resolve the research proposition, this researcher considered the appropriate data collection methods in constructing the research design as discussed below.

3.4.2.1 Observation as a qualitative data collection method

Observation is both an overall approach to inquiry and a data-gathering method (Marshall & Rossman, 2011). However, this method was not considered to be appropriate for the research and is therefore not discussed in detail.

3.4.2.2 Interviews as a qualitative data collection method

Observers have intimated that we live in an 'interview society' (Marshall & Rossman, 2011) with interviews on radio and television

talk shows, news, dating games and as part of formal research. Interviews involve direct personal contact with interviewees (Bless *et al.*, 2006) and can be structured, semi-structured or unstructured. Interviews conducted for quantitative studies are generally more structured than those conducted for qualitative studies. Building trust is very important during an interview and the interviewer should not create any impression other than that the interviewees' views are valuable and important.

The interviewer should *inter alia* have very good listening and question framing skills (Marshall & Rossman, 2011). Interviews consist of essential questions, extra questions, throw-away questions and probing questions (Berg, 2004). According to Leedy and Ormrod (2005) interviewers may ask questions relating to a wide range of aspects during an interview, including facts, feelings and reasons for actions or feelings.

Unstructured interviews may yield information that the researcher did not ask for, with the disadvantage that different information is obtained from different people. This limits the researcher's ability to compare the information obtained in the various interviews.

From this description the researcher was convinced that interviews were appropriate as a data collection method for the research.

3.4.2.3 Focus groups as a qualitative data collection method

The researcher may also choose to conduct focus group interviews, which is interviewing several participants at the same time. The added dynamic of the interaction among the participants on the questions posed adds value to the responses obtained, or can detract from that value if the 'dramaturgical orientation' thereof is not controlled (Berg, 2004).

According to Marshall and Rossman (2011), focus group interviews come largely from market research but have been adopted widely in social and applied research. Welman *et al.* (2005) define focus groups as small numbers of participants that meet to express their opinion on a specific set of open questions. The discussion can be structured or unstructured and is facilitated by the researcher who creates a supportive environment. The responses of the individual members of the focus group also generally result in discussion by the rest of the group, allowing the researcher to obtain insights that would not have been possible in personal interviews. Since this method is socially oriented, Welman *et al.* (2005) reiterate the importance of selecting the appropriate participants for a focus group, making sure that:

- the quality of information obtained is not compromised;
- the discussions are not dominated by a few individuals;
- hostility is managed.

The only disadvantage these authors mention is that certain members of the group may feel intimidated by some other members of the focus group and not participate freely – also called ‘power dynamics’ by Marshall and Rossman (2011). Bless *et al.* (2006) advise that these restraints can be overcome by:

- using open-ended questions;
- eliciting stories from participants;
- following up on responses.

The information above convinced the researcher that focus groups were an appropriate data collection method for the research.

3.4.3 Quantitative research designs

'In contrast [to qualitative research], quantitative research refers to counts and measures of things' (Berg, 2004: 3).

The quantitative approach employs the linear research path which Neuman (2006) defines as research which 'proceeds in a clear, logical step by step straight line' as opposed to qualitative research which 'proceeds in a cyclical, iterative, or back and forth pattern'.

Quantification belongs to what is commonly referred to as the positivist school. The major focus of the positivist paradigm is quantification which is based on mathematics. Quantitative methods emphasise the discovery of careful empirical observations, causal laws and value-free research. Given that it invariably deals with numbers, quantitative data is considered 'hard data' (Neuman, 2006; Denzin & Lincoln, 2000).

Bless *et al.* (2006) distinguish between pre-experimental designs, quasi-experimental designs and experimental designs. Of these the latter are described as 'the most rigorous of all the designs' with 'strict requirements' and quasi-experimental designs appear as 'amendments to stricter experimental designs'.

The researcher was not convinced that any of the quantitative research methodologies discussed above would allow her to resolve the research proposition.

Leedy and Ormrod (2005) discuss four common quantitative research designs, namely observation study, correlation research, developmental designs and survey research.

- **Observation study** – focuses on a particular aspect of behaviour which is quantified. It provides 'a quantitative alternative to such approaches as ethnographies and grounded theory studies' (Leedy & Ormrod, 2005).

- **Correlation research** – the researcher attempts to determine the extent to which a change in a specific characteristic or variable (the independent variable) results in a change or changes in one or more other variables (the dependent variables). If a change in the independent variable causes a somewhat predictable change in the independent variable(s), it can be said that a correlation exists.
- **Developmental design** – can be divided into cross-sectional and longitudinal studies. A cross-sectional study is a comparison of a specific aspect that occurs in different groups, for example the leisure activities of the age groups 10-19, 20-29 and 30-39.

A longitudinal study, on the other hand, focuses on a particular characteristic of a specific group over a period. Data relating to the characteristic are gathered at predetermined times, e.g. every three years in the above example.

- **Survey research** – the goal of survey research is to learn more about a population at a specific moment in time by surveying a sample of the population: hence the methodology is commonly called a descriptive survey or normative survey. Although structured and semi-structured interviews are used to gather data, the interviews are much more formal and emotionally neutral than when conducted as part of qualitative research. Alternatively, researchers use questionnaires to gather data for survey research.

Having considered these four quantitative research designs, the researcher was convinced that only one of them, namely survey research, would assist her in resolving the research proposition.

3.5 Research design and methods applied in this study

Close scrutiny and evaluation of qualitative and quantitative research methodologies, in particular those set out above, led the researcher to conclude that the previously stated research proposition and sub propositions that were investigated did not lend themselves to the exclusive application of either qualitative or quantitative approaches.

A further objective consideration of the qualitative and quantitative research methodologies led the researcher to conclude that a mixed research design would be appropriate to test the stated research proposition. The researcher therefore chose to adopt a mixed method approach to this research study.

Having considered, in particular, the primary qualitative and quantitative research designs identified by Leedy and Ormrod (2005), Neuman (2006) and other authors as discussed above, the relevant qualitative and quantitative methodologies that were regarded as appropriate for this study are discussed in detail in the sections that follow.

3.5.1 Content analysis

The researcher concluded that an initial content analysis of the curricula of the MBAs of South African business schools would be the appropriate first step to test the stated research proposition. This content analysis was followed and supplemented by a study of selected publications of the CHE and BENAfrica and EthicsSA as South African business ethics organisations.

The MBA curricula of South African business schools are in the public domain on the websites of the respective business schools. It was necessary to study these curricula in detail to get a clear sense of the

knowledge and skills that South African business schools seek to impart to and to instil in their MBA students and graduates.

As a result of a national concern about the quality of MBA programmes, the Department of Education embarked on a process of reaccrediting all MBA programmes offered by South African higher education institutions in 2003. Only 19 MBA programmes received full accreditation. The criteria used for this reaccreditation exercise and the subsequent report and recommendations were also regarded as relevant documents for the research. These documents set out the basis on which programmes received accreditation and made clear the Ministry of Education's expectations of the way forward for MBA programmes. When this research was undertaken the researcher found that:

- eight MBA programmes had a compulsory ethics module;
- of the eight compulsory ethics modules only one did not combine business ethics with subjects such as law or governance;
- four MBA programmes had an elective ethics module;
- of the elective modules only one was not in combination with another subject.

In the report on the reaccreditation published by the HEQC (South Africa. Higher Education Quality Committee, 2004) an entire chapter is dedicated to the importance of business ethics and related aspects in MBA curricula. The content of this report was analysed to supplement the analysis of the MBA curricula.

Business ethics organisations such as EthicsSA and BENAfrica also play a valuable normative role in business ethics education and practice in South Africa. It was therefore regarded as relevant to

include an analysis of the content of selected publications by South African ethics organisations in this study.

3.5.2 Focus group interviews with curriculum design experts

The second step the researcher took was to conduct focus group interviews – a qualitative research methodology. Collis and Hussy (2009: 155) define a focus group as:

‘a method for collecting data whereby selected participants discuss their reactions and feelings about a procedure, service, situation or concept, under the guidance of a group leader’

The objectives of the focus group interviews were twofold. Firstly, the researcher wished to determine the extent to which academics currently considered business ethics in designing their curricula and, if this was done, how appropriate the approaches were that were being used by such academics.

Secondly the researcher wanted to determine whether the methodologies used by academics to address issues of business ethics in their curricula were regarded as inadequate or outdated by the curriculum design experts. If this was the case, the aim was to obtain the specialised input of these experts on alternative didactic methodologies that would be more appropriate to inculcate ethical thinking in business school students.

As suggested by Welman *et al.* (2005), care was taken in the focus group discussions to ensure that:

- the appropriate participants were selected;
- the quality of information obtained was not compromised;
- the discussions were not dominated by a few individuals;

- hostility was managed.

This was achieved by:

- posing open-ended questions;
- eliciting stories from participants;
- following up on responses (Bless *et al.*, 2006: 124)

Two semi-structured focus group interviews were arranged on two different days and in different locations (Johannesburg and Pretoria). A total of 36 curriculum design experts were invited (N=36) to these interviews. These curriculum design experts comprise the staff of the curriculum design department at South Africa's largest university, namely the University of South Africa (Unisa). This is the largest single number of curriculum design experts in one department at a South African university and many of these experts have worked in similar departments at a variety of other Southern African universities, such as the University of Johannesburg, the Tshwane University of Technology, the University of KwaZulu-Natal and the University of Zimbabwe.

The sample of curriculum design experts worked with academics across disciplines and were directly involved in the design of curricula for a number of business schools across South Africa and in other African countries. Therefore, although the participation rate in the interviews was low, the input of the experts that did participate is relevant since they had broad experience of curriculum design at a number of business schools. It can be argued that the curriculum design experts that were invited but that did not attend the focus group interviews did so because they had not been involved in the design of curricula at business schools. The letter accompanying the invitation

to participate in the interview stated that the study focused on the curricula of business schools.

Convenience sampling was used to determine the sample of curriculum design experts, since the researcher had direct access to the people in the sample.

The purpose of the focus group interview was set out in the emailed invitation and invitees were requested to contact the researcher beforehand if they had any queries. The guideline procedure of Collis and Hussy (2009) for focus group interviews was followed and on the day of the respective focus group interviews the participants all signed informed consent forms in which they agreed to the recording of the focus group interviews.

The guiding questions for the focus group interviews are attached as Annexure 3. Care was taken to ensure that the semi-structured focus group interviews were conducted in an ethical manner. The invitation to the defined population of didactic specialists to participate in the focus group interviews explained the nature of the research. Invitees were given the option to contact the researcher beforehand if they had any questions for clarity before the interviews took place. All the didactic specialists that participated in the focus group interviews (n=8) signed an informed consent form after the objectives of the research had been explained to them on the day of the respective interviews. The focus group interviews were recorded after participants had agreed to this by signing the consent form.

3.5.3 Individual interviews with curriculum design experts

Three curriculum design experts from the sample that were unable to attend either of the focus group interviews requested to be interviewed individually. The researcher set up and conducted interviews with two of these curriculum design experts on dates that suited the individuals

concerned. The third curriculum design expert eventually indicated that she could not fit the interview into her schedule.

The same consent form that was signed by the participants in the focus group interviews was signed by these interviewees and the guiding questions used for the focus group interviews were also used to steer the individual interviews. The individual interviews were not recorded but detailed notes were taken by the interviewer.

Care was taken to ensure that the individual interviews were conducted in an ethical manner. The interviewees also received the invitation explaining the nature of the research and were given the option to contact the researcher beforehand if they had any questions for clarity before the interviews took place. Preceding the individual interviews with the didactic specialists the interviewees also signed an informed consent form after the objectives of the research had been explained to them. The interviews were conducted by the researcher and lasted approximately one hour each. The interviews were semi-structured using the same set of guiding questions that were used in the focus group interviews.

3.5.4 Survey research

The fourth step the researcher undertook was survey research – a quantitative research methodology. The objective of survey research is to learn about a large population by surveying a sample of the population (Leedy & Ormrod, 2005).

For the purposes of this research two questionnaires were compiled and administered electronically to two different samples. The first questionnaire consisted of 42 questions and the second of 50 questions. The focus of the questions in the questionnaires was on the actual implementation of business ethics in the respective environments and the identification of further needs to improve the

practice of business ethics. The details of the questionnaires are discussed below under the appropriate headings.

3.5.4.1 Questionnaire to business school leaders

A questionnaire (Annexure 1) was developed for distribution to the executive management teams of South African public and private business schools, i.e. the entire population of the executive leadership of South African business schools. The objective of distributing this questionnaire was to obtain the views of the executive leadership of the business schools on the role business schools play *inter alia* in:

- providing business ethics education to their students;
- determining the extent to which they inculcate ethical thinking in their students.

The researcher concluded that given the relatively small number of business schools in South Africa (n=18) compared with other countries such as the United States of America, where the number of business schools runs into hundreds if not thousands, it was not necessary to identify a sample from the population. Rather, a census study would be the appropriate approach for this survey.

All 18 business schools that offer MBA or MBL qualifications agreed to participate in the study and the link to the web-based questionnaire was sent electronically to the executive management teams of:

- the five accredited private business schools;
- the thirteen accredited public business schools.

In only one instance was the researcher given the email addresses of the executive management team of the business school to distribute the questionnaire directly to them. The other business schools cited concerns with confidentiality and chose to distribute the link to the

web-based questionnaire to the executive management team themselves, confirming with the researcher the number of respondents to whom the questionnaire was sent. The covering letter containing the link to the web-based questionnaire (Annexure 1) explained the purpose of the research and gave the assurance of anonymity and confidentiality of responses.

Several telephonic and email follow-ups were made to ensure that the members of the executive management teams participated and that a sufficient response rate was achieved.

The use of a census study of South African business schools significantly improves the validity of the study. It means that the research findings are immediately generalised as applicable to all South African business schools, encompassing all four types of South African public higher education institutions resulting from the reconfiguration of higher education earlier this century, namely

- universities;
- comprehensive institutions;
- universities of technology;
- the dedicated distance education institution.

3.5.4.2 Questionnaire to business organisation leaders

A second questionnaire (Annexure 2) was developed and administered to selected South African executive management teams that have independently been acknowledged for their excellence. The sample of business leaders to form part of the study was drawn by means of purposive sampling. The sample consisted of individual managers and management teams that have received independent recognition for their leadership excellence as the top 10 companies

and executive management teams identified by the Corporate Research Foundation Institute (CRF Institute, 2011) as South Africa's leading managers for 2010.

The CRF Institute teams with a panel of experts, including leading thinkers within the business community, academics, journalists and fund managers for these awards. This panel draws on its combined knowledge, experience and understanding of the local business environment to identify 150 companies which best epitomise outstanding leadership in South Africa. The Publisher's Choice Top 10 is then selected according to the final score tallies. The remaining 140 companies are not ranked. The top 10 companies in leadership excellence as determined by the CRF Institute for 2010 were:

- Clicks Group Limited
- Accenture
- Coca-Cola South Africa
- Berco Express (Pty) Ltd
- sanofi-aventis
- Webber Wentzel Attorneys
- The Platinum Group (Pty)Ltd
- Pfizer Laboratories
- Medihelp Medical Scheme
- SAP

All ten companies agreed to participate in the research. In instances where an individual manager from any of these companies received the award as leading manager, the questionnaire was sent to their

colleagues in the executive management team of that company as well, since these individuals consistently cited the role of other members of their management team as a contributor to their success.

Concerns with confidentiality were also raised by these companies. As with the business schools the researcher was in only one instance given the email addresses of the executive management team of the organisation to distribute the questionnaire directly to them. The other nine companies chose to distribute the link to the web-based questionnaire to the executive management team themselves, confirming with the researcher the number of respondents to whom the questionnaire was sent. The covering letter containing the link to the web-based questionnaire explained the purpose of the research and gave the assurance of anonymity and confidentiality of responses.

Several telephonic and email follow-ups were made to the organisations to ensure that the members of the executive management team participated and that a sufficient response rate was achieved.

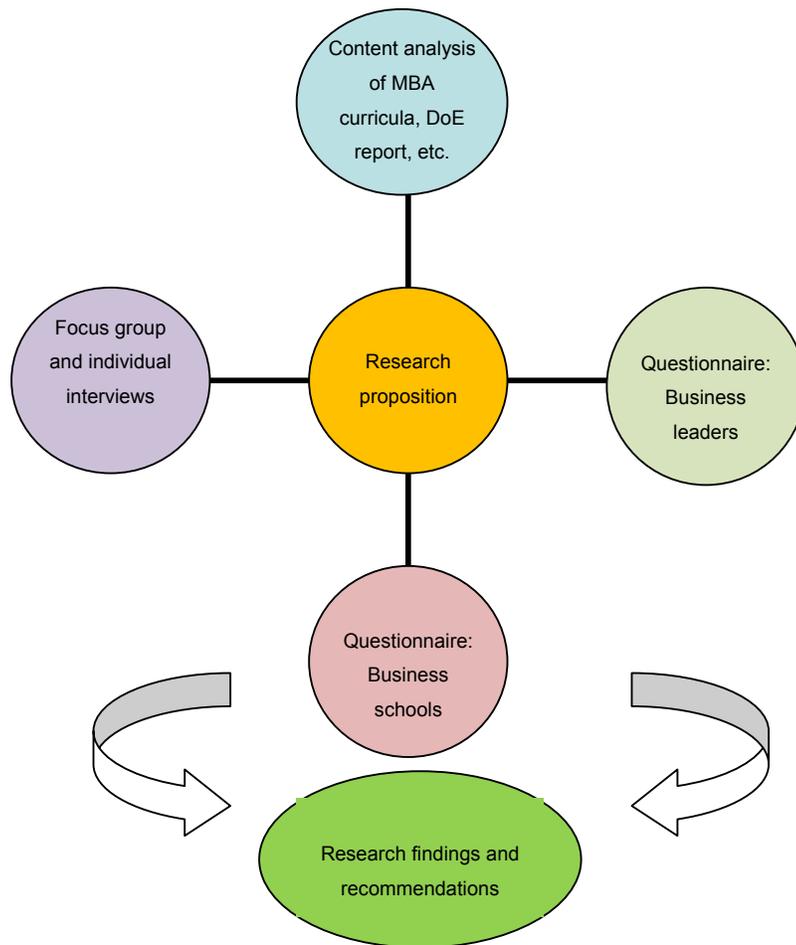


Figure 3.1 The research methodology

3.6 Data collection methods

Primary and secondary data were collected by means of qualitative and quantitative methods in order to resolve the research proposition. The discussion that follows explores in more detail and under the appropriate headings the respective data collection methods used for the research.

3.6.1 Collection of primary data

Both qualitative and quantitative instruments were used to collect primary data. Qualitative instruments used were:

- an in-depth study of the MBA/MBL curricula of the business schools as these appear on the websites of the respective business schools;
- semi-structured focus group discussions with instructional designers / didactic specialists;
- semi-structured individual interviews with didactic specialists who were not available for either of the focus group interviews.

Two quantitative instruments were used to collect primary data. These instruments were:

- a web-based questionnaire sent to the management teams of business schools (Annexure 1);
- a web-based questionnaire sent to selected business leaders/ teams (Annexure 2).

Specific care was taken in the formulation of the questions in the questionnaires to ensure that the questions did not elicit or suggest specific answers.

3.6.2 Analysis strategy for primary data

The questionnaire designed for the leadership of business schools was distributed electronically to a total of 112 of the top leadership of business schools, i.e. the director / head / dean / CEO / principal of the business school and those persons reporting to him/her (n=112). Thirty-three full responses were received and three partly completed questionnaires were submitted on the database for the questionnaire

($n=36$), indicating a response rate of 32.1%. Several personal (telephonic) and electronic (email) follow-ups were made to the business schools to ensure the return of the questionnaire. The response rate for electronically administered voluntary surveys is generally low (Sheehan, 2001; University of Texas, [s.a.]; Ethics Institute of South Africa, 2012), with a response rate of 20% regarded as very high. Therefore a response rate of 32.1% is acceptable for an exploratory study and will generate statistically sound results.

Responses to the business school questionnaire were summarised and analysed using SPSS in order to make comparisons and determine trends in the results and findings.

It will not be possible to generalise over the population because the representativeness of the response group was not tested. Only the frequency of occurrence is reported, hence only trends will be reported from the results.

The questionnaire designed for business leaders was distributed electronically to the top leadership ($N=100$) of businesses identified by the CRF Institute (2011) as South Africa's leading managers for 2010. Sixteen full responses were received and five partly completed questionnaires were submitted by respondents on the questionnaire website ($n=21$), indicating a response rate of 21%. Usually the response rate for self-administered questionnaires is low, but a response rate of 21% is acceptable to generate statistically sound results.

Responses to the business leaders' questionnaire were summarised and analysed using SPSS in order to make comparisons and determine trends in the results and findings.

It will not be possible to generalise over the population because the representativeness of the response group was not tested. Only the

frequency of occurrence is reported, hence only trends will be reported from the results.

The content of the MBA/MBL curricula was analysed and tabulated to identify the prevalence of business ethics modules in the curricula and to determine whether these were compulsory or elective modules (Annexure 5). This information was compared with the data provided by responses to specific questions in the questionnaire to business school management teams. The content of the focus group and individual interviews was analysed and summarised to determine trends and themes. These trends and themes were compared with the data provided by responses to specific questions in the questionnaire to business school management teams and the secondary data sources.

3.6.3 Collection of secondary data

Secondary data was collected by studying

- selected publications by South African business ethics organisations (EthicsSA and BENAfrica);
- relevant documentation relating to the MBA reaccreditation that was undertaken by the Department of Education.

3.6.4 Analysis strategy for secondary data

The secondary data were analysed and summarised to determine trends and themes. This information was compared with the data provided by responses to specific questions in the questionnaire to business school management teams and the data gathered during the focus group and individual interviews.

3.7 Data analysis

All data collected were analysed in a manner appropriate for the specific type of data.

- Curricula were summarised and interpreted.
- Responses to the business leaders questionnaire were summarised and analysed using SPSS in order to make comparisons and determine trends.
- Comparisons were made where appropriate between the data gathered with the two questionnaires using SPSS.
- Focus group interview and individual interview data were summarised and interpreted.
- Relevant publications were summarised and interpreted.

3.8 Validity, reliability and triangulation

Validity can be defined as the extent to which the research findings accurately reflect the phenomena under study (Collis & Hussey, 2009). All the public and the private business schools in South Africa were approached to participate in the survey research and all the relevant curricula of these business schools were included in the study. Although the researcher initially faced reluctance from some business schools, eventually all the private and public business schools agreed to participate and the link to the web-based questionnaire was sent to their management teams.

The perceptions of the business fraternity was also gauged by means of a separate questionnaire and extrapolated against the information provided by the business schools.

Collis & Hussey (2009) indicate that for research findings and results to be reliable a repeat study should produce the same result. The researcher made efforts to ensure the reliability of the research findings. Public documents containing curriculum information and the process and outcome of the MBA reaccreditation were downloaded from the internet and studied. Relevant publications by South African ethics organisations were sourced and studied and a large group of curriculum design experts with an average of 15 years' experience in the field were invited to interviews.

Telephonic contact was made with all the business schools and business organisations in the sample to obtain their consent for participating in the research before the links to the respective web-based questionnaires were distributed to them. This ensured informed and voluntary participation. Follow-up contact by telephone and e-mail ensured that the questionnaires were distributed to the appropriate persons.

Triangulation is one of the foremost measures to ensure the validity and reliability of qualitative research. It can be described as 'comparing multiple data sources in search of common themes' (Leedy & Ormrod, 2005:100).

This research used the data from the curricula, the different questionnaires and interviews and publications to corroborate and illuminate the research proposition. The data obtained from the questionnaires were juxtaposed against accepted and appropriate didactic methodologies designed to ensure that postgraduate business students become ethically minded businessmen and women.

Marshall and Rossman (2011) indicate that a process of using multiple informants and more than one data gathering instrument strengthens the usefulness of research by allowing the researcher to find multiple

perspectives of the research proposition. Berg (2004) describes the process as one of mutual confirmation of measures and validation of findings.

The triangulation resulting from a mixed research design such as the design described above, involving the collection and interpretation of both primary and secondary data by means of qualitative and quantitative methodologies, significantly improves the validity and reliability of the research results.

3.9 Research ethics

As Marshall and Rossman (2011: 140) state:

'... research ethics helps to prevent research abuses and assists investigators in understanding their responsibilities and ethical scholars'

The pursuit of knowledge through research involves ethical considerations of great significance. This research is no exception. The research ethics protocol the researcher subjected this study included the following:

- Privacy (Neuman, 2006). The consent letter for the interviews and the covering letter accompanying the questionnaires guaranteed the privacy of respondents and participants.
- Confidentiality (Neuman, 2006). The covering letters accompanying the questionnaires (Annexure 1; Annexure 2) gave the assurance that the information provided by respondents and participants would not be used for any purpose other than this research.

- Informed consent (Collis & Hussey, 2006). All participants in the semi-structured focus group interviews and individual interviews signed a consent form. Responding to the questionnaire implied the respondent's consent to participate in the research – described as 'passive consent' by Berg (2004).
- Anonymity (Neuman, 2006). The questionnaires were administered electronically, thereby further ensuring the anonymity of responses and respondents.
- Deception (Cooper & Schindler, 1998). All participants in the research agreed to participate either explicitly by signing a consent form or implicitly by returning the web-based questionnaire.
- Plagiarism (Neuman, 2006). All sources of information were duly acknowledged where such information was cited.
- Research fraud (Neuman, 2006). All data reported on were collected by the researcher and the processes set out in this chapter actually took place as stated.

In research, as in many other activities such as business, politics and education, there are often fraudulent and unethical instances. As Neuman (2006) points out, scientific misconduct, research fraud and plagiarism are found in the research enterprise. It is for this reason, amongst others, that institutions of higher learning, such as the UNISA School for Business Leadership (SBL) under the auspices of which this research was conducted, have policies and procedures to prevent scientific misconduct in the pursuit of knowledge and encourage the reporting and punishment of such misconduct.

The researcher is bound by the following Unisa SBL documents and procedures with regard to the above notation:

- Doctor of Business Leadership Degree Rules and Procedures;
- Master's and Doctoral degree general information;
- The Master's Dissertation and Doctoral Thesis: A Guide to Research and the Organization of Material;
- Colloquiums of doctoral students and faculty.

The researcher complied fully with these policies and procedures.

The researcher has furthermore taken the utmost care to ensure that the data gathering process was ethical by adhering to the principles of ethical research identified by Marshall and Rossman (2011), namely:

- non-maleficence (not harming participants);
- beneficence (contributing to the well-being of others);
- autonomy (choice to participate or not);
- justice (all people are equal);
- fidelity (refraining from deception and maintaining confidentiality);
- respect for participants' rights and dignity (preserving the dignity and self-respect of participants).

3.10 Limitations of the study

The first limitation of the study revolves around the fact that the target population for the questionnaires was the top management teams of the business schools and business organisations. These individuals typically have long and dense working days and it requires a special effort by them to complete the questionnaire.

The fact that the research deals with a very sensitive topic was a further limitation. It was possibly not easy for business school leaders and business leaders to respond fairly to questions where such response could indicate that they as individuals, or their organisation / business school, was lacking in some way regarding matters of business ethics. Attempts were made to overcome these limitations by making use of web-based questionnaires with the link to the questionnaires distributed electronically via email. This allowed the target population to access the questionnaires wherever they were, whenever it suited them and it improved the confidentiality of responses.

The last limitation relates to the questionnaires. Given that this is a new field of research the questionnaire categories were not as refined or as clearly defined as they may be in future research projects as a result of the lessons learnt from the administration of the questionnaires.

3.11 Conclusion

A motivated discussion was put forward indicating the research design of this study, the specific methodologies and data gathering instruments used for this research, and how the research design, triangulation and data gathering instruments used for this study contribute to the reliability and validity of data gathered. The ethical nature of the study was highlighted and the data analysis process – which is described in detail in the next chapter – was briefly alluded to.

This discussion should leave no doubt that the rigour and appropriateness required by accepted research practice has been adhered to. This allowed the researcher to determine the extent to which public and private business schools have involved themselves

in a process that will build ethical capacity in their students and will empower these students with an ability to ensure that their business practices are ethical.

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CHAPTER 4: ANALYSIS OF RESEARCH RESULTS

4.1 Introduction

Chapter 3 elaborated on the research methodologies available for qualitative and quantitative research studies, the philosophical underpinnings of the methodologies, as well as the strengths and weaknesses of each methodology. The chapter further indicated which methodology and instruments were selected by the researcher for this research, that the research would primarily be qualitative and that the quantitative aspects of the research would be used to substantiate the qualitative aspects of the study. The selection of the specific methodology, the research design and the data collection instruments were subsequently motivated.

The analysis of the research results will focus on the data collected by means of the quantitative instruments discussed in detail in Chapter 3, namely:

- a questionnaire designed for the research and distributed to the management teams of all South African business schools (Annexure 1);
- a questionnaire designed for the research and distributed to South Africa's top ten management teams as identified by the CRF Institute (2011) (Annexure 2).

This chapter presents the results and deductions of the statistical analyses conducted on the data collected by means of these instruments. The findings and deductions of the synthesis and analysis of the qualitative data are presented in Chapter 5. These results and findings allow the researcher to test the research proposition and sub propositions.

4.2 Results of the questionnaires

As indicated in Chapter 1, the objective of the research was to test the research proposition that:

South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations.

The analysis strategy described in Chapter 3 was designed to answer to the above research proposition. The questionnaires administered to address the research proposition and sub propositions were designed in such a way that subsets of statements in the questionnaire address specific ethical issues or constructs related to the sub-propositions. In terms of the statistical analysis strategy the results were analysed and presented in line with these ethical issues. Sections 4.2.2 up to 4.2.4 of this chapter present these results. The quantitative results were used to triangulate the outcome of the interviews, the content analysis of the curricula and other relevant published research in order to validate the qualitative findings of the research with the results of the quantitative component.

To improve the reliability of the questionnaires as measuring instruments, both questionnaires were pilot tested. Questionnaires were distributed to a randomly selected group of ten academics from the academic target population. The feedback provided by these academics was incorporated into the questionnaires, allowing the researcher to test and improve the content validity of the questionnaires. (A detailed description of the steps taken to ensure the validity and reliability of the quantitative results is set out in Chapter 3.)

In accordance with the research ethics policy of Unisa (http://www.unisa.ac.za/contents/research/docs/ResearchEthicsPolicy_apprvCounc_21Sept07.pdf), the anonymity of the participating

institutions and individuals is protected and in the research discussions and interpretation of response perceptions of this study these institutions and individuals are not referred to by name.

In reporting on the results of each questionnaire the first part of the statistical analysis results, namely the biographical profile of the respondents, is presented first. This allows the researcher to add analytical depth to the discussion of the research results by extrapolating other results against the biographical profile of respondents.

4.2.1 Biographical profile of business school respondents

As explained in Chapter 3, 36 of the top leaders of business schools in South Africa participated in the study and represented the business schools in their official capacity. Table 4.1 below indicates the biographical properties of the sample.

Table 4.1 Biographical profile of business school leaders

Highest qualification	N	%
First degree	3	9.1
Honours degree	3	9.1
Master's degree	13	39.4
Doctorate	9	27.3
Post-doctoral degree	2	6.1
Other Matric Dip. Travel & Tourism MDP	3	9.1
No response	3	8.3
Total	36	100
Years of experience in business education		
Less than 3 years	5	15.2
3-5 years	3	9.1
6-10 years	4	12.1
11-15 years	7	21.2
More than 15 years	14	42.4
No response	3	8.3
Total	36	100

Years of experience with current business school	N	%
Less than 3 years	10	30.3
3-5 years	6	18.2
6-10 years	9	27.3
11-15 years	3	9.1
More than 15 years	5	15.2
No response	3	8.3
Total	36	100
Industry experience		
Yes	31	94
No	2	6
No response	3	8.3
Total	36	100

The biographical profile of respondents indicates that the respondents were well qualified and very experienced as far as both business education and industry experience is concerned. Thirty three point four percent (33.4%) of respondents had at least a doctoral qualification; 63.6% had been involved in business education for more than ten years and 81.3% have worked in their industry for more than 5 years. Figure 4.1 presents the industry experience and business education experience of respondents. It is evident from the data in Figure 4.1 that the profile of the research sample is that of highly experienced and well-qualified respondents. The results presented in this chapter can thus be viewed as the opinion of experienced and well-educated respondents.

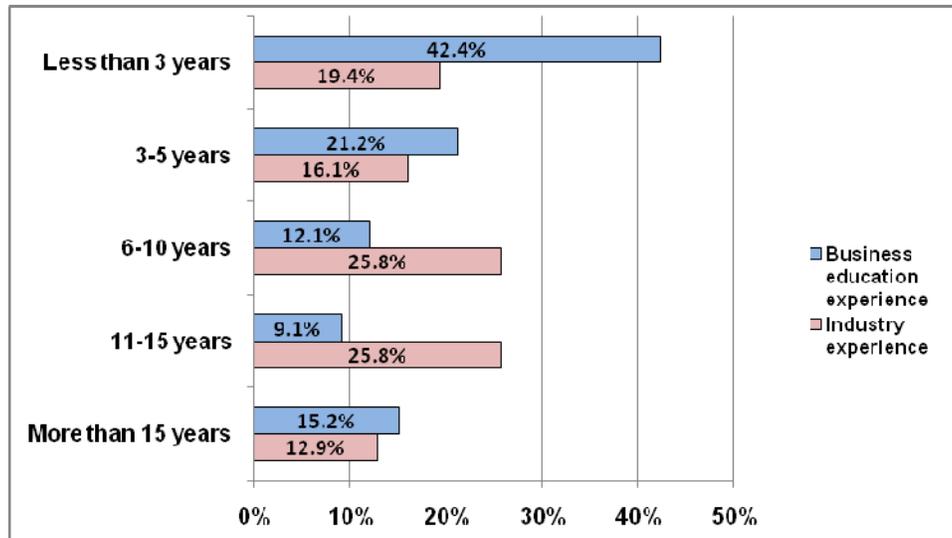


Figure 4.1 Industry and business education experience of respondents

The frequency distribution of years of service at the current business school is presented graphically in Figure 4.2 below. This illustrates a good balance between mobility and stability of business school respondents, with 48.5% of respondents having had up to five years' experience at their current business school and 51.6% of respondents having had more than five years' experience at their current business school. It can be argued that the majority of the latter group of respondents would have been at their current business school at the time of the 2003 reaccreditation of MBAs by the Council on Higher Education (CHE) and would have had to participate in the implementation of the recommendations resulting from the reaccreditation process. As will be pointed out and discussed in detail in Chapter 5, the state of business ethics at business schools has deteriorated since 2003 – which would suggest that a large group of respondents has failed to ensure that business ethics education is reinforced and embedded at their business schools since the

publication of the reaccreditation report in 2004 with its strong focus on the importance of business ethics education at business schools.

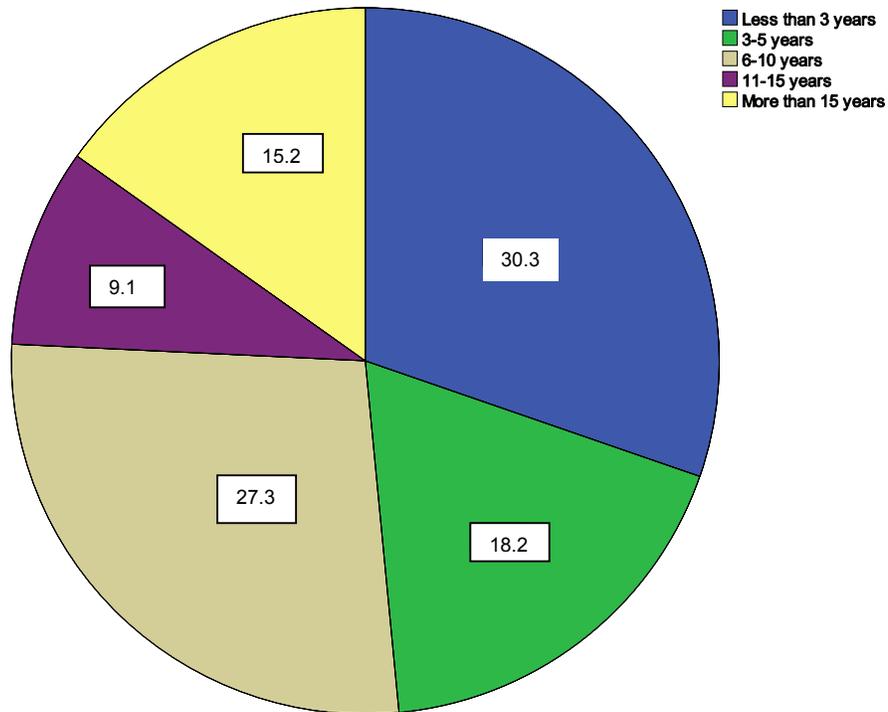


Figure 4.2 Number of years with current business school

The biographical properties of respondents were analysed further to develop a fifth biographical attribute, namely the level of ethical thinking or ethical mindedness of respondents. For this purpose an ethics awareness score was developed for each respondent. This score reflects the number of positive responses ('yes') to the following questions on ethical thinking:

- Does the respondent belong to a professional body?
- Does the professional body have a code of ethics?
- Has the respondent signed the code of ethics?
- Is the respondent familiar with the content of the code of ethics?

- Does the respondent's business school have a code of ethics?
- Has the respondent signed the business school's code of ethics?
- Is the respondent familiar with the content of the business school's code of ethics?
- Does the respondent discuss business ethics issues at management level in the business school?
- Does the respondent liaise with ethics organisations?
- Do the needs of industry inform / influence the business school's curricula?

Respondents could score a maximum awareness score of 10 points (1 per question) and a minimum awareness score of 0. This awareness score was used in subsequent analyses in this subsection to determine firstly whether respondents' ethical awareness was above average (more than 5 out of 10) and secondly whether ethical awareness was affected by level of qualification or teaching experience.

The level of ethical awareness of respondents was evaluated by means of hypothesis testing. The null hypothesis stated that the average awareness level of respondents was equal to 6; the alternative hypothesis stated that the average ethical awareness score of respondents was below 6. (Since the range of the ethical score was between 0 and 10, it was reasoned that a value of 6 would indicate above average ethical awareness – respondents would in this instance have replied 'yes' to 6 out of 10 ethical awareness statements.) The score distribution is presented in Table 4.2 below.

Table 4.2 Distribution of ethical awareness scores of business school leaders

Ethically minded	Frequency	Per cent
e-minded-- (1-5)	32	88.89
e-minded++ (6+)	4	11.11
N=36; mean= 2.8611111; std deviation = 2.2187870		

The average ethical awareness score of business school respondents was calculated as 2.86 (standard deviation of 2.21). Since the t-probability associated with the t-statistic value of -8.49 was found to be statistically significant on the 0.1% level of significance (degrees of freedom = 35), the null hypothesis of a high level of ethical awareness (an average ethical awareness score of 6) was rejected in favour of the alternative hypothesis of a lower level of ethical awareness (an average ethical awareness score less than 6).

To investigate the effect of qualifications and teaching experience on respondents' ethical awareness, three two-way frequency tables were calculated to cross reference categories of ethical mindedness (scores < 5; scores >4) against categories of:

- qualifications (a master's degree or lower qualification; a doctoral degree or more);
- business education experience (less than 11 years' experience; more than 10 years' experience);
- a combination of four qualification-by-experience categories (master's or less; doctorate or more; combined with <11years or >10years' business education experience).

Tables 4.3 – 4.5 display the three ethical awareness distributions. Since observations were limited and some cells in the three tables are sparsely populated, it was reasoned that the probability associated with the usual Pearson's chi-square test might not yield reliable results on statistically significant dependencies between ethical awareness

and qualifications and/or business education experience. Fisher's exact probabilities (which accommodate sparsely populated frequency distributions) were calculated for these tables. These exact probabilities are listed in the three tables below. Fisher's exact probabilities were calculated using the Monte Carlo iterative approach.

Table 4.3 Ethical awareness profile (qualifications) of business school respondents

Qualifications by ethical mindedness			
Qualifications	Ethical mindedness		
Frequency row per cent	e-minded-- (1-4)	e-minded++ (5-8)	Total
Master's or lower	19 86.36	3 13.64	22
Doctorate or higher	8 72.73	3 27.27	11
Total	27	6	33
Frequency missing = 3			
Fisher's exact probability (chi square ≥ 0.92) = 0.64 n.s.			
Probability (Cochran-Armitage Z-statistic=-0.97) = 0.16 n.s.			

Table 4.4 Ethical awareness profile (business education experience) of business school respondents

Teaching experience by ethical mindedness			
Experience	Ethical mindedness		
Frequency row per cent	e-minded-- (1-4)	e-minded++ (5-8)	Total
10 years or less	10 83.33	2 16.67	12
11 years or more	20 83.33	4 16.67	24
Total	30	6	36
Fisher's exact probability (chi square ≥ 0.00) = 1.00 n.s.			
Probability (Cochran-Armitage Z-statistic=-0.00) = 0.50 n.s.			

Table 4.5 Ethical awareness profile (qualifications and teaching experience) of business school respondents

Qualifications by years teaching experience	Ethics awareness score		Total
	e-minded-- (0-4 score)	e-minded++ (5-8 score)	
Frequency row per cent			
Master's-/10 years-	9 81.82	2 18.18	11
Master's-/11 years+	10 90.91	1 9.09	11
Doctorate+/10 years-	1 100.00	0 0.00	1
Doctorate+/11 years+	7 70.00	3 30.00	10
Total	27	6	33
Frequency missing = 3			
Fisher's exact probability (chi square statistic ≥ 1.72) = 0.57 n.s. Probability (Cochran-Armitage Z-statistic = -0.81) = 0.21 n.s.			

The fact that non-significance was indicated for the three awareness distributions for Fisher's exact test and for the Cochran-Armitage trend test leads to the deduction that qualifications and experience did not influence ethical awareness in a manner that was statistically significant, i.e. the attributes were not dependent. The non-significance implies that the distribution of higher to lower levels of ethical awareness – the ratio of higher to lower ethical scores - over the categories of qualifications; or over the categories of experience; or over the categories of combinations (interaction) of qualifications and experience, did not differ. In each experience or qualifications category the frequency of lower awareness scores was higher than the frequency of higher ethical awareness scores. Qualifications or experience did not change / influence this pattern.

Svensson and Wood (2008) indicate that business ethics is a continuous and iterative process. The importance of role modelling for embedding ethical behaviour is confirmed by Ardichvili *et al.* (2009), Casali and Day (2010), and Clegg *et al.* (2007). The low ethical awareness of business school respondents pointed out above in

tables 4.3, 4.4 and 4.5 raises questions about the involvement of business school leaders in building the ethics capacity of students. Given these low ethical awareness scores, it can be asserted that South African business school managers seem not have the ethical ability or capacity to produce ethically minded graduates. The assertion can furthermore be made that due to this apparent lack of positive role modelling, the graduates of these business schools are unlikely to have an impact on improving ethical business practise since their educational role models are not sufficiently ethically aware.

These results do not support the research proposition that South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations. It seems therefore from these results that South African business schools are not in a position to contribute to ethical business practise.

4.2.2 Results of the questionnaire to the leadership of business schools

As indicated earlier, thirty six (36) of the top leaders of business schools in South Africa participated in the study and represented the business schools in their official capacity. The data that were gathered from the business schools addressed the research proposition stated above, as well as the sub propositions to the research proposition, namely:

- The curricula and statement of graduateness of South African business schools show their clear commitment to producing ethically minded MBA graduates.
- South African business schools liaise with business organisations to determine whether their graduates are ethically minded.

- South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise.
- South African business schools provide a fully fledged business ethics curriculum.

The results of the business school leaders' questionnaire is summarised in three themes comprising subsets of questionnaire items and presented in Table 4.6 below to address the research proposition and sub-propositions. Each theme, namely commitment to ethical thinking and producing ethically minded graduates; liaison with business ethics organisations and industry; and providing a fully fledged ethics curriculum, is subsequently discussed in detail under these headings in sections 4.2.2.1 to 4.2.2.4. As indicated in Chapter 3 and above all South African business schools participated in the research and the respondents were representative of these business schools. This implies that the results discussed in this chapter and the findings discussed in Chapter 5 can be generalised to all South African business schools.

Table 4.6 Summary of the results of the questionnaire to business school leaders

Commitment to ethical thinking and producing ethically minded graduates	Yes	%	No	%	Don't know	%	Missing (%)	Total
1. Do you belong to a professional body?	14	38.9	19	52.8	0		3 (8.3)	36
2. Does that body have a code of ethics?	10	27.8	1	2.8	3	8.3	22 (61.1)	36
3. Did you sign the code of ethics?	5	13.9	9	25	0		22 (61.1)	36
4. Are you familiar with the content of the code of ethics?	9	25	5	13.9	0		22 (61.1)	36
5. Does your business school have a code of ethics?	14	38.9	8	22.2	5	13.9	9 (25)	36
6. Did you sign the business school's code of ethics?	7	19.4	7	19.4	0		22 (61.1)	36
7. Are you familiar with the content of the business school's code of ethics?	12	33.3	1	2.8	0		23 (63.9)	36
8. Do your students sign a code of ethics/conduct/honour?	12	33.3	9	25	4	11.1	11 (30.6)	36
9. Where there is a business ethics module in your qualifications, is it compulsory?	19	52.8	3	8.3	4	11.1	10 (27.8)	36
10. Is business ethics a specific outcome in the modules of your business school?	21	58.3	0		5	13.9	10 (27.8)	36

11. Does the statement of graduation refer to ethical conduct in any way?	1	2.8	0		0			35 (97.2)	36
12. Has your business school received requests from industry to improve the ethical thinking skills of students?	5	13.9	5	13.9	12	33.3		14 (38.9)	36
13. How often are business ethics issues discussed at management level in your business school?	Never	%	Sometimes	%	Regularly	%			
	1	2.8	14	38.9	11	30.6		10 (27.8)	36
Liaison with business ethics organisations and industry	Directly	%	Indirectly	%	Not at all	%	Unsure	%	
14. How do you as an individual liaise with business ethics organisations such as EthicsSA or BEN-Africa?	1	2.8	2	2.8	22	61.1	0		11 (30.6)
15. How does your business school liaise with business ethics organisations such as EthicsSA or BEN-Africa?	2	5.6	1	2.8	8	22.2	15	41.7	10 (27.8)
16. How does your business school liaise with industry?	20	55.6	1	2.8	1	2.8	0		14 (38.9)
Providing a fully fledged ethics curriculum									
17. Does your business school include a business ethics module in its qualifications?	Yes, in all	%	Only in some	%					
	11	30.6	15	41.7				10 (27.8)	36
18. Are you aware of incidences of unethical conduct in your industry in recent years?	Yes	%	No	%	Don't know	%			
	7	19.4	9	25	6	16.7		14 (38.9)	36
19. To what extent do the needs of industry inform/influence your curriculum?	Not at all	%	Slightly	%	Fairly extensively	%			
	1	2.8	3	8.3	18	50		14 (38.9)	36

4.2.2.1 Commitment to ethical thinking and producing ethically minded graduates

In this subsection deductions are considered that are made from the frequency distribution of questionnaire items relating to the commitment of business school leaders to instil ethical thinking and produce ethically minded graduates as reported in Table 4.6 above.

With reference to membership of a professional body, less than half of the respondents (38.9%) belonged to a professional body (Table 4.6). In Figure 4.3 below the respondents that belonged to a professional

body ('yes' and 'no' responses) are cross-tabulated with years of experience in business education. Thirteen point nine percent (13.9%) of the respondents that had up to ten years' experience in business education belonged to a professional body, whereas 25% that had more than ten years experience in business education belonged to a professional body.

The observed trend differs from that found for business leaders discussed later in this chapter. These responses indicate that business leaders with extensive experience in a managerial position (>10 years) are less likely to belong to a professional body.

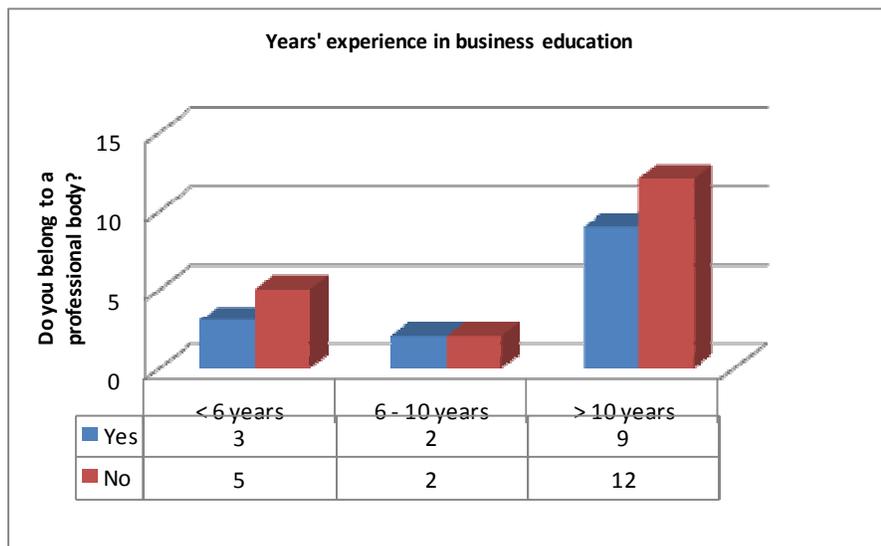


Figure 4.3 Membership of a professional body and business education experience

Respondents had to indicate whether their professional body has a code of ethics and whether they had signed it. Twenty seven point eight percent (27.8%) indicated that their professional body had a code of ethics, and 8.3% did not know (Table 4.6, questions 2 and 3). Sixty one point one percent (61.1%) of respondents chose not to answer this question. Given the sensitive nature of this question it can be argued that these respondents did not know whether their professional body has a code of ethics but chose not to respond to this

question rather than admit it. The use of an anonymous questionnaire prevented the researcher from making a follow-up to confirm or challenge this assumption.

Of the 25% of respondents that had not signed the code of ethics of their professional body 33% had a master's degree as highest qualification, 44% had a doctorate as highest qualification. Twenty two per cent (22%) had a postdoctoral qualification. All but one had more than ten years' business education experience. Reasons respondents offered for not signing the code of ethics were:

- 'I have not been approached to do so' (Masters, 15+ years experience)
- 'I don't know if there is one' (Doctorate, 15+ years experience)
- 'I was not expected to sign a code of ethics – professional membership still implies living and working according to a professional code of conduct' (Doctorate, 15+ years experience)
- 'It does not require people to sign it' (Doctorate, 10-15 years experience)
- 'It is not in my contract, I checked it' (Postdoctoral, -5 years experience)
- 'It was just never done' (Postdoctoral, -5 years experience)
- 'Never required' (Masters, 15+ years experience)
- 'Nobody ever requested it' (Masters, 10-15 years experience)
- 'Not a prerequisite that members do' (Doctorate, 15+ years experience)

It is meaningful to note that such a large component of the highly qualified and experienced leadership of business schools – who have to instil ethical thinking in staff and students – appear to sign their professional code of ethics only if it is compulsory for them to do so. This compliance mentality is not expected of the leaders of business schools that regard business ethics to be an important matter and that wish to improve ethical business practise (Fassin, 2009; Preuss, 2010, Ibrahim *et al.*, 2008). Manning & Stroud (2008) state that in order to instil ethical thinking in others, an individual will have had to mature beyond compliance to voluntary ethical actions.

A total of sixty-one percent (61%) of participants did not respond to the questions on whether their professional body had a code of conduct and whether they had signed the code. This tendency may indicate that the questions were regarded as awkward and that respondents did not care to respond to them. It further seems to suggest that the 39% response to these questions is unreliable and not representative of the population.

The 'yes' and 'don't know' responses to the question whether the professional body they belonged to had a code of ethics was cross-tabulated with respondents that liaised with business ethics organisations. This cross-tabulation reveals that none of the respondents that were unsure whether the professional body they belonged to had a code of ethics liaised with business ethics organisations (Figure 4.4). The respondent that indicated that his/her professional body did not have a code of ethics is not reflected in the cross-table, because this respondent did not indicate how he/she liaised with business ethics organisations.

This result, though based on a limited set of responses, creates the impression that respondents that were generally indifferent towards business ethics would likewise not be interested in the ethics aspects

of their professional body and would therefore not attempt to strengthen the ethical aspects of their profession by liaising with business ethics organisations. This suggested gap should be further investigated and addressed by business ethics organisations by means other than the use of an anonymous questionnaire.

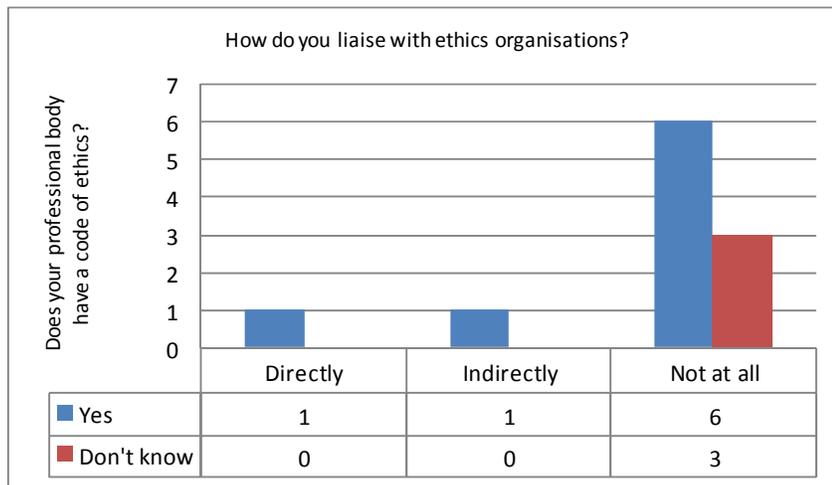


Figure 4.4 Liaison with business ethics organisations and knowing whether their professional body has a code of ethics

Only 25% of the business school leaders that responded to this question were familiar with the content of the code of ethics of their professional body (Table 4.6, question 4). It can be argued that if they were committed to the ethos and content of this document, they would have familiarised themselves with its content and would have signed it.

A proportion of respondents (22) did not state whether or not they were familiar with the content of the code of ethics of their professional body. This confirms the assertion that there is an unacceptably high level of nonchalance regarding the code of ethics of professional bodies amongst business school leaders. It further seems to place in doubt the intention and ability of these business schools to produce ethically-minded graduates.

Some 33% of respondents indicated (Table 4.6, question 7) that they were familiar with the content of the code of ethics of their business school. This creates the impression that where it is not compulsory for the management teams of business schools to sign a code of ethics, some managers will make the effort to familiarise themselves with the content of the code. It also seems as though respondents were more likely to engage with the code of ethics of their business school than with the code of ethics of their professional body. However, all but one of the remaining respondents did not respond to this question. This could suggest that respondents felt awkward about their ignorance and even disinterest in this regard and opted to ignore the question. The impression can be created that ignorance and disinterest imply an unwillingness to comply with ethical standards.

In responding to the questions on whether the business school they were with had a code of ethics and whether they had signed this code (Table 4.6, questions 5 and 6), thirty eight point nine percent (38.9%) of the respondents indicated that their business school had a code of ethics. Exactly half of the respondents from those business schools that did have a code of ethics had signed the code. Reasons given for not signing the code were

- 'it was only for notice'
- 'never been asked to sign it'
- 'not been required to do so'

Table 4.6 further shows that 13.9% of respondents did not know whether their business school had a code of ethics. Nine respondents did not respond to this question, possibly suggesting that an even higher proportion of respondents were ignorant regarding whether their business school had a code of ethics.

The fact that only 7 out of 33 respondents in total (or 7 out of 14 respondents that indicated that there were ethics codes at their schools) had signed the school's code of ethics seems to suggest – taking into consideration the fact that a small sample was questioned – the prevalence of a compliance mentality amongst business school leaders. As Manning & Stroud (2008) point out, it looks good to have a code of ethics but the business schools have not been 'organised for integrity'. This apparent trend could be interpreted as a perception that only a nominal culture of ethical practice exists at many business schools and that the existence of a code of ethics is regarded as a sufficient action in and of itself to instil ethical conduct in staff and students. The views expressed by the curriculum design experts in interviews and discussed in Chapter 5 and authors such as Clegg *et al.* (2007) and Tyler *et al.* (2008) seem to disagree with these findings of the questionnaire, stating that a continued discourse about ethical behaviour and a commitment to ethical behaviour is required to establish ethical practices. Helin and Sandström (2007) state that even Enron gave new employees a four-page code of ethics to sign on their first day at the company.

The number of years that respondents had been with their current business school, their highest academic qualification and the combination of their academic qualifications and length of time at their current business school were cross-tabulated with responses ('yes' and 'no') to the question whether their business school had a code of ethics (Tables 4.7 – 4.9).

The two-way tables were calculated to evaluate whether length of employment and/or qualifications of the management of business schools influence these schools to develop a code of ethics. Non parametric tests were used to determine statistical significance in these instances. Since observations were limited and some cells in

these tables were sparsely populated, it was reasoned that the probability associated with the usual Pearson's chi-square test might not provide reliable indicators of statistically significant dependencies between length of service at a business school and / or qualifications of the management of business schools. Fisher's exact probabilities (which accommodate sparsely populated frequency distributions) were calculated for these tables. These exact probabilities are listed in Tables 4.7 – 4.9 below (along with Cochran-Armitage trend tests). Fisher's exact probabilities were calculated using the Monte Carlo iterative approach.

Table 4.7 Cross-tabulation of business schools' code of ethics and highest academic qualification of respondents

Qualifications and code of ethics			
Qualifications	Code of ethics?		
Frequency Per cent Row per cent	Yes	No	Total
Master's or lower	11 50.00 73.33	4 18.18 26.67	15
Doctorate or higher	3 13.64 42.86	4 18.18 57.14	7
Total	14	8	22
Frequency missing = 9 Fisher's exact probability (F >= 11) = 0.18 n.s. Probability (Cochran-Armitage Z-statistic=-1.38 = 0.08~ (10% level of significance).			

Table 4.8 Cross-tabulation of business schools' code of ethics and years' service with current business school

Length of time at current business school and code of ethics			
Period	Code of ethics?		
Frequency Percent Row per cent	Yes	No	Total
10 years or less	6	1	7
	27.27	4.55	
	85.71	14.29	
11 years or more	8	7	15
	36.36	31.82	
	53.33	46.67	
Total	14	8	22
Frequency missing = 9 Fisher's exact probability (F >= 6) = 0.16 n.s. Probability (Cochran-Armitage Z-statistic=-1.47 = 0.07~ (10% level of significance).			

Table 4.9 Cross-tabulation of business schools with a code of ethics, years' service with current business school and highest academic qualification of respondents

Qualifications by years experience at current business school	Business school has a code of ethics?		Total
	Yes	No	
Master's-/5 years-	5 83.33	1 16.67	6
Master's-/6 years+	6 66.67	3 33.33	9
Doctorate+/5 years-	2 100.00	0 0.00	2
Doctorate+/6 years+	1 20.00	4 80.00	5
Total	14	8	22
Frequency missing = 9 Exact probability (chi square=6.30)=0.097# Probability (Cochran-Armitage Z-statistic=-1.95) = 0.097~ ~: Statistical significance on 10% level			

Statistical significance on the 10% level of significance is indicated for Tables 4.8 and 4.9. Although the statistical power associated with statistical significance on the 10% level is not as significant as a 0.1% or even 5% significance level, this finding on the 10% level is acceptable. It suggests that length of employment at a particular

business school might affect the fact that business schools have or do not have a code of ethics. The highest qualified respondents with the longest tenure at their current business school indicated that their business school did not have a code of ethics. This finding would suggest that if ethics were an important matter to respondents, they would have ensured in their extended tenure that a code of ethics were developed for their school. This result seems to suggest disinterest in business ethics amongst the highest qualified and longest serving business school leaders.

Responses to the question on how often business ethics issues are discussed at management level in business schools (Table 4.6, question 13) reveal that although they were discussed regularly by 30.6% of respondents, they were discussed sometimes or never by 41.7% of respondents. The fact that ten respondents (27.8%) did not respond to this question seems to suggest that these respondents did not know how often business ethics issues were discussed at management level in their business school. This may create the impression of disinterest in discussions on these matters, i.e. 'switching off' when these matters are discussed; it may indicate that these matters were not discussed at all; or it may indicate ignorance on the matter. These figures seem to confirm the supposition that business schools lack commitment to business ethics.

The category frequencies of the question on how regularly business ethics is discussed by management was cross-referenced with the number of years' service at the current business school (Figure 4.5). Over all periods of service (<6 years; 6-10 years and >10 years) the same general response pattern of ethics discussion frequency levels seem to manifest: for each appointment period the majority of respondents indicated some or regular discussions. The results show that although business ethics matters are discussed by managers in

business schools they are not regular or standing agenda items. This confirms the earlier observation about disinterest in or ignorance of business ethics matters and the discussion thereof by the management of business schools.

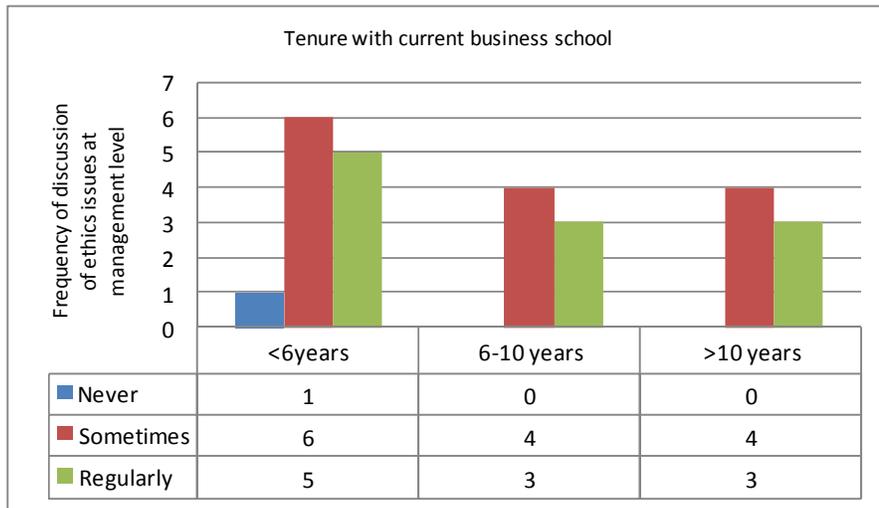


Figure 4.5 Experience at current business school and frequency of discussing ethics matters at management level

In exploring how business schools have given effect to the outcomes and recommendations of the 2003 reaccreditation of MBAs by the CHE, seven respondents (19.5%), six of which indicated that their highest qualification was a Master’s degree and the seventh with a postdoctoral qualification, said that they did not know how their business school had responded to the outcomes and recommendations (Table 4.10). The most common reason given was that they were unsure or were not with the business school at the time of the reaccreditation. These responses are substantiated by the data on their tenure at their current business school.

Results therefore seem to indicate that a substantial proportion of respondents were oblivious to whether their business school’s MBA curriculum met the accreditation criteria. This trend may suggest a casual and less than considered approach to building the ethics

capacity of the business schools and their students. It may further suggest that business school managers do not explore and familiarise themselves with the entire paradigm of their business school to identify the gaps and weaknesses in the school's curricula. This can, in turn, limit the renewal managers bring about in their leadership position at a business school (Hammond & Moser, 2009; Zahra, Newey & Shaver, 2011).

Table 4.10 Business schools' response to the recommendations of the 2003 reaccreditation of MBAs

Item description and responses	N	%
How did your business school give effect to the outcomes and recommendations of the 2003 reaccreditation of MBAs?		
Don't know	7	19.5
Detailed response	15	41.7
Only started offering the MBA after 2003	2	5.6
No response	12	33.3
Total	36	100

The specific responses of the fifteen respondents that were informed as to how their business school responded to the outcomes and recommendations of the reaccreditation were fairly detailed, e.g.:

- 'Deepened our international relations and addressed staff complement.'
- 'The school got reaccredited without any problems.'
- 'Our MBA programme was the first in SA to have a compulsory course in Business Ethics – started in the 1980's. It has been updated and improved and entrenched in the programme.'
- 'These have all been implemented in the teaching of the MBA programme. Ethical issues are addressed in some elective modules but also integrated in the teaching of the other modules.'

As far as a statement of graduateness is concerned, only one respondent indicated that his/her business school had a statement of graduateness (Table 4.11). Sixty nine point five per cent (69.5%) of the respondents either did not know or indicated that their school did not have such a statement. A statement of graduateness is a fundamental statement of the developmental paradigm within which the curricula of business schools are developed. If the leadership of business schools are not conversant with such a developmental paradigm as a result of having interrogated and conceptualised it, it is fair to assume that curriculum does not occur within the parameters of any such paradigm, i.e. that curriculum is not structured to assist students in achieving certain predefined broad developmental objectives such as ethical thinking, but rather that curriculum is unfocused and haphazard. Hase and Kenyon (2000) refer to pedagogical approaches that embody a 'desire to go beyond the simple acquisition of skills and knowledge' that will ensure that graduates are 'able to deal effectively with the turbulent environment in which they live'.

Table 4.11 Statement of graduateness

Does your business school have a statement of graduateness?	N	%
Yes	1	2.8
No	11	30.6
Don't know	14	38.9
No response	10	27.8
Total	36	100.0

A further analysis reveals that, as reported by the specific respondent, the business school that had a statement of graduateness included ethical conduct in this statement and also an ethics module in its qualifications. This response would suggest that the particular business school has taken significant steps towards developing

ethically minded graduates. These actions were only reported for one of the South African business schools (out of eighteen) and therefore the sub proposition that the curricula and statement of graduateness of South African business schools show their clear commitment to producing ethically minded MBA graduates is not supported.

Figure 4.6 indicates that respondents that had been with their current business school for five years or less generally did not know whether their business school had a statement of graduateness. Given the mobility of business school leaders evident from the biographical information, namely that 48.5% of respondents had not been with their current business school for more than five years, it seems to confirm the deduction made from the low ethical awareness score of business school leaders (Table 4.2) that the ethical orientation of business school managers is lacking. These results may be indicative of an unacceptable level of ignorance amongst the managers of business schools regarding the types of graduates the business school wants to produce. This is in direct contrast to the earlier responses indicating that teaching business ethics – and by implication producing ethically minded graduates – is the responsibility of business schools.

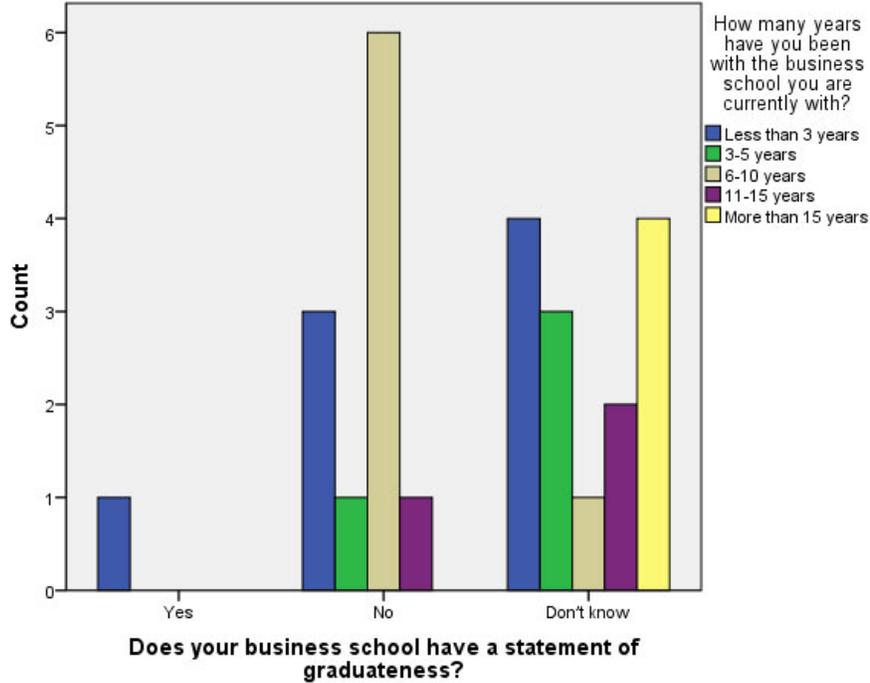


Figure 4.6 Knowing whether the business school had a statement of graduateness

Respondents were also asked to indicate whether students at their business school signed a code of honour, code of conduct or code of ethics on or after registration (Table 4.6, question 8). Nearly half of respondents (48%) who replied said that students at their business school signed a code of honour, code of conduct or code of ethics on or after registering. Relating this response to the response to the question on the statement of graduateness, it seems to confirm the perception that business schools have a somewhat haphazard approach towards producing ethically minded students. Students are required to sign a code, yet the code does not relate to a bigger paradigm of developing ethical skills as embodied by the statement of graduateness.

In responding to the question on the types of ethical transgression by students their business school experienced over the period 2006 – 2010, plagiarism was by far identified as the biggest problem area with

69.4% of respondents identifying it as an issue their business school had to deal with. This is followed by cheating in examinations (36.1%) and lying (25%). These figures are reflected in Figure 4.7 below.

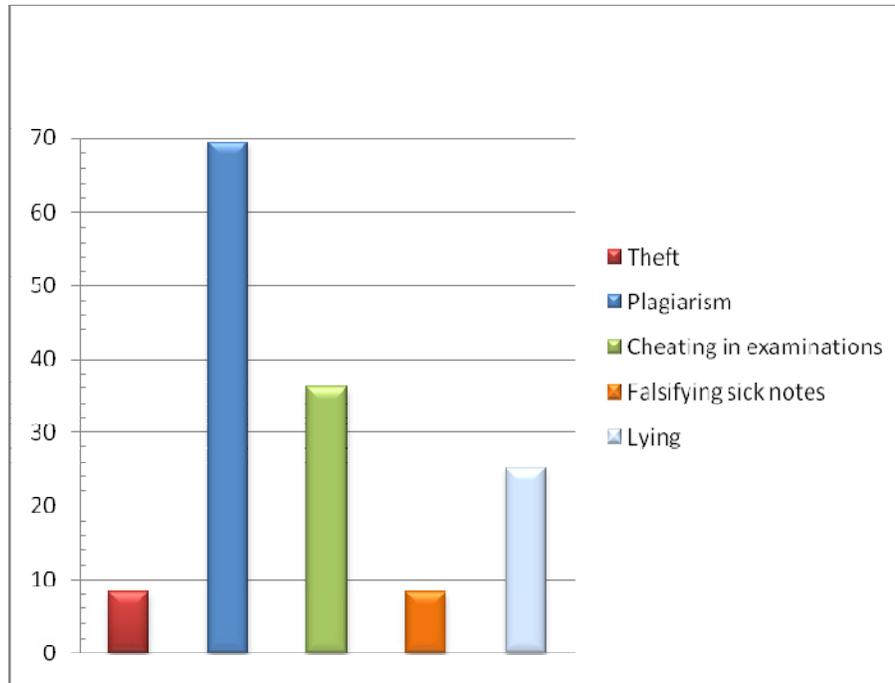


Figure 4.7 Types and frequency of ethical transgressions experienced by business schools

Figure 4.8 illustrates the steady increase in the occurrence of plagiarism reported by respondents between 2005 and 2010. Qualitative and quantitative responses are depicted in this figure, with qualitative responses being the number of additional comments made by respondents. These qualitative responses (such as 'many') were given one value each. The upward trend in the occurrence of plagiarism, linked to the apparent haphazard approach to improving the ethical awareness of students discussed above, suggests that business schools have generally not implemented an integrated programme of developing students' ethical thinking skills. This starts with a code of ethics or conduct for students which, when discussed thoroughly as part of student orientation, can alert students to the

types of activities that are considered to be unethical (such as plagiarism, lying and cheating).

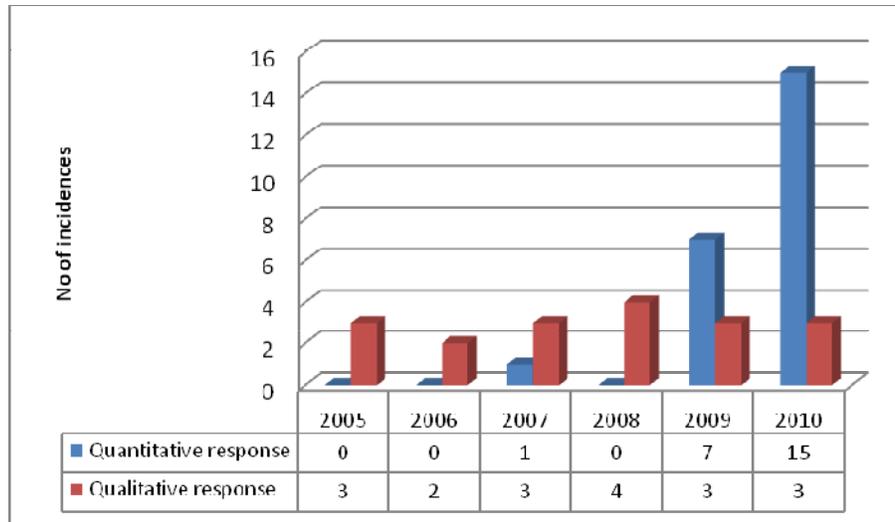


Figure 4.8 Increase in the occurrence of plagiarism at business schools between 2005 and 2010

4.2.2.2 Liaison with business ethics organisations and industry

Liaison was probed in questions dealing with personal and business school interactions with business ethics organisations, business school liaison with industry and prevalence of unethical conduct in industry. Table 4.6 (question 14) shows that only a very small percentage of respondents (8.4%) personally liaised either directly or indirectly with business ethics organisations EthicsSA and BEN-Africa.

Liaison between business schools and these business ethics organisations shows a similar pattern. Only 8.4% of the respondents reported that their business school liaised either directly or indirectly with business ethics organisations (Table 4.6, question 16). Twenty two point two percent (22.2%) of the respondents reported that there was no liaison between their business school and business ethics organisations and a substantial number of respondents (41.7%) were

not sure if there was any liaison between their business school and these organisations. As Hughes *et al.* (2011) maintain the value of 'knowledge networks' therefore appears to be lost to these business schools. Business ethics organisations have an important normative role. Close liaison between these organisations and business schools is necessary to ensure that business schools are exposed to the cutting edge of business ethics knowledge systems and teaching (Zahra *et al.*, 2011). This, in turn, is transferred to developing their students into ethically minded graduates. It was established in response to an earlier question that teaching business ethics is the responsibility of business schools. Therefore an apparent lack of interaction with business ethics organisations can impact on the ability of business schools to produce ethically minded graduates.

Respondents identified the nature of the liaison between business schools and business ethics organisations as the following (Table 4.6, question 16):

- 'Member of both. Former associate of EthicsSA'
- 'Our Director was chairman of Ben-Africa'
- 'The director of our Centre for Corporate Governance is in regular contact with these organisations and feed back all relevant matter to the academic staff.'

The frequency figures on liaison in this subsection suggest that the sub proposition that South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise is not supported by deductions based on these figures.

Twenty two point seven percent (22.7%) of the respondents revealed that their business school received requests from industry to improve

the ethical thinking skills of their students. Responses in this regard are reported in Figure 4.9 below. These methodologies are in line with the recommendations of Bush *et al.* (2009), Jones (2009) and Von Weltzien Hoivik (2009). However, more than half of the respondents did not know whether their business school had received requests from industry to improve the ethical thinking skills of students.

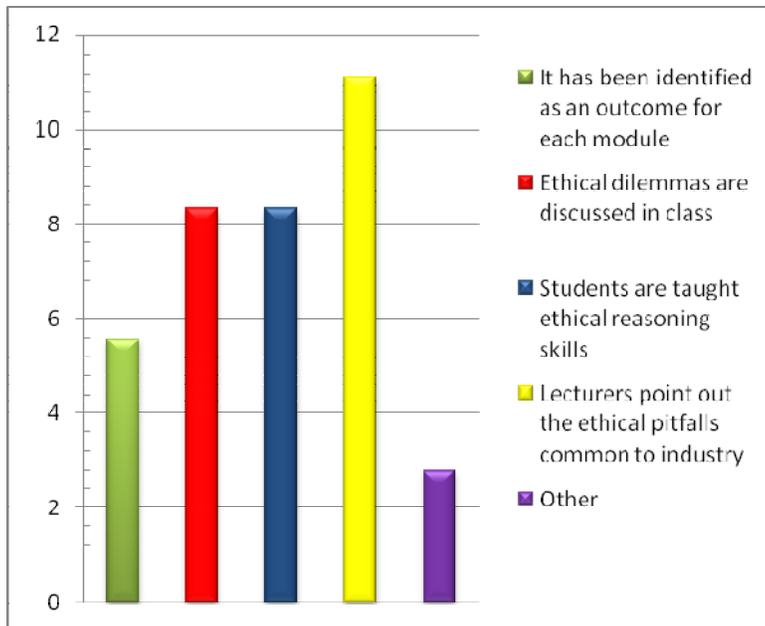


Figure 4.9 How business schools respond to requests to improve the ethical thinking skills of students

Only two reasons were selected from those provided to indicate why business schools do not respond to requests from industry to improve the ethical thinking skills of students, namely 'limited teaching time' and 'business lecturers are not ethicists' – the latter suggesting that business education at some business schools continue to be devoid of values. General comments on this question stated, for example, that the business school received few requests to improve the ethical thinking skills of students and that the ethics teaching of the business school was 'excellent' and hence no such requests were received. No detail was given to substantiate the alleged excellence of the ethics

education of the business school and it could be regarded as subjective.

These results appear to point to limited liaison between business schools, ethics organisations and industry and do not support the sub proposition that South African business schools liaise with business organisations to determine whether their graduates are ethically minded.

In the final question business schools' leadership had to indicate whether they were aware of incidences of unethical conduct in their industry over the period 2005-2010. Twenty five percent (25%) of the respondents were not aware of any such incidences and 16.7% did not know whether there had been any incidences. Respondents who were aware of such incidences either cited specific numbers of incidents when asked to do so, or merely responded that there were 'many' incidences. Figure 4.10 below sets out the trends on the number of incidences of unethical conduct in their industry over the period 2005-2010 as reported by respondents. Qualitative and quantitative responses are reflected in the table. Qualitative responses describing the number of incidences (such as 'many') were each given a value of one, but are depicted separately in order not to distort the quantitative responses.

The increase in the number of incidences is clearly evident. A similar trend can be observed from the responses of business leaders discussed later in the chapter. Doh *et al.* (2010) emphasise that the increase in unethical conduct is particularly vexing in multinational companies where a 'hybridization of values' has led to a situation where the ethical values of the home country are not necessarily practised in the host countries. Michaelson (2010) refers to this as 'practical differences' in international business operations.

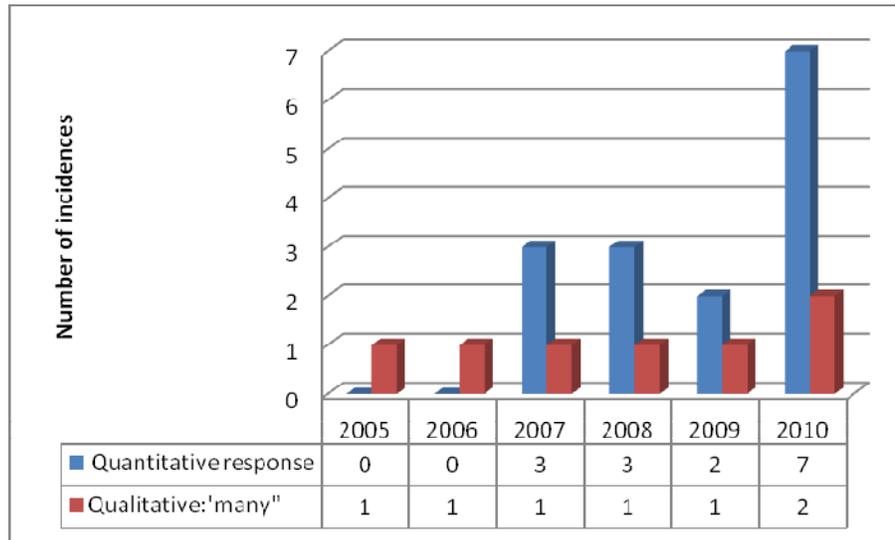


Figure 4.10 Trends in the number of incidences of unethical conduct that business school leaders were aware of in their industry in the period 2005-2010

The increased trend in unethical conduct in industry illustrated in Figure 4.10 does not support the research proposition that South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations.

4.2.2.3 Providing a fully-fledged ethics curriculum

To determine whether South African business schools provide a fully fledged ethics curriculum, respondents had to state whether their business school included a business ethics module as part of its qualifications, whether such module was compulsory, how the business school prepared students for the ethical dilemmas they will face in the workplace and the extent to which the needs of industry informed the curricula. Given the sensitive nature of these questions, a low response rate was envisaged.

All respondents that replied to the question indicated that their business school had a business ethics module in either some or all of its qualifications (Table 4.6, question 17). Ten respondents did not respond to this question, which could create the impression that not all business school managers were informed about whether their business school had a business ethics module in its qualifications.

In exploring the matter further, respondents were asked to indicate whether the business ethics module was compulsory (Table 4.6, question 9). Nineteen respondents (52.8%) responded in the affirmative. Four respondents (11.1%) did not know and 27.8% did not respond to this question. Once again respondents not responding to the question leaves it open to suggestion that they were uninformed about the matter. This would suggest that a significant percentage of respondents (38.9%) were uninformed about whether the business ethics module in their curricula was compulsory. This provides further evidence of the unacceptably high level of ignorance about the actual state of business ethics training at their business school amongst business school leaders.

The content analysis of the MBA curricula of South African business schools presented in Chapter 5 reveals that only eight of the 21 MBA curricula have a compulsory business ethics module and one curriculum has an elective business ethics module, i.e. only nine of 21 curricula have either a compulsory or an elective business ethics module. These findings do not agree with the frequency findings regarding the prevalence of compulsory business ethics modules. This proves to be a clear example of what Treviño *et al.* (2008) call the 'self-affirming tendency' of senior managers that are bound to view ethical matters more favourably since they set the ethical tone of the organisation (Tyler *et al.*, 2008). Furlonger (2012) indicates that business ethics is not one of the twelve most valued subjects of MBA

graduates and that the ability to solve ethical dilemmas is not one of the top ten skills acquired by these graduates.

The responses to these questions and the contradictory state of affairs observed in the curricula content analysis of South African business schools indicate that business school leaders are unaware of the extent to which the MBA curriculum of their business school is lacking as far as the teaching of business ethics is concerned. It also points to a somewhat idealistic view of their business school's focus on business ethics. The results therefore do not support the sub proposition that South African business schools provide a fully fledged business ethics curriculum.

Although 55.6% of the respondents reported that their business school liaised directly with industry, a slightly lower percentage, namely 50.0%, indicated that the needs of industry informed or influenced the curriculum fairly extensively (see Table 4.6, question 19). Authors such as Hughes *et al.* (2011), Zahra *et al.* (2011) and Hammond and Moser (2009) emphasise the critical role of industry input to ensure the relevance of the curricula of business schools. However, only 42.9% of business leaders stated that their needs influenced business school curricula fairly extensively. This possibly suggests that the purpose of the liaison between business schools and industry is currently not focused on ensuring that the curricula reflect the needs of industry. This supports the finding by Clinebell and Clinebell (2008) that business schools fear that liaison with professional organisations and business leaders may lead to perceptions that the school is moving away from the scientific educational model to the vocational model, which has less prestige.

Respondents were asked how their business school prepared their students for the ethics issues they will face in the business environment. For twenty one respondents (58.3%) business ethics

was a specific outcome in the modules offered by the business school (Table 4.6, question 10). Other methodologies were selected as set out below. Respondents could select any number of stated methodologies:

- It is discussed in each lecture (13.9%)
- It is integrated into each module or subject (41.7%)
- It is covered in response to students' questions (33.3%)
- Students are taught ethical reasoning skills (36.1%)
- Lecturers point out and discuss the ethical pitfalls of the industry (50%)

The appropriateness of these methodologies is supported by the research of Bush *et al.* (2009), Jones (2009) and Von Weltzien Hoivik (2009). Despite these efforts Dean *et al.* (2010) uncovered in their research that middle managers continue to be faced with ethical issues they never expected to encounter in the workplace. The increase in the number of incidences of unethical conduct was also pointed out in Figure 4.10 earlier in this chapter and discussed.

The option 'Teaching ethics is not the business school's responsibility' was also given as a possible response. It is particularly important that none of the respondents selected this option. This result would suggest that the leadership of all South African business schools thus acknowledge that it is the responsibility of business schools to teach ethics and produce ethically minded graduates. The explicit acknowledgement of this responsibility is not borne out by the findings of this research, and the sub proposition that South African business schools provide a fully fledged business ethics curriculum is not supported.

4.2.3 *Biographical profile of business leader respondents*

As explained in Chapter 3, the business leaders that participated in this study had all received independent recognition for their leadership excellence (CRF Institute, 2011). Table 4.12 below describes the biographical properties of the 21 business leaders that participated in the research.

Table 4.12 Biographical profile of business leader respondents

Highest qualification	N	%
Matric	4	19
First degree	2	9.5
Honours degree	3	14.3
Master's degree	4	19
Doctorate	1	4.8
Other	3	14.3
No response	4	19
Total	21	100
Years' experience in current position		
Less than 3 years	7	33.3
3-5 years	4	19
6-10 years	4	19
11-15 years	0	0.0
More than 15 years	2	9.5
No response	4	19
Total	21	100
Years' experience as a manager		
Less than 3 years	1	4.8
3-5 years	0	0.0
6-10 years	3	14.3
11-15 years	5	23.8
More than 15 years	8	38.1
No response	4	19
Total	21	100
Type of business		
Financial	1	4.8
Technology	1	4.8
Service	4	19
Medical	10	47.6
Foods manufacturing	1	4.8
Transport	1	4.8
No response	3	14.3
Total	21	100
When was the company established?		
Before 1970	12	57.1
1990-2010	6	28.6
No response	3	14.3
Total	21	100
Where does the company operate?		
Only in South Africa	2	9.5
In Africa	1	4.8
Internationally	15	71.4
No response	3	14.3
Total	21	100

The biographical profile of respondents to the business leaders' questionnaire indicates that the respondents had varied academic backgrounds. Their level of education was spread fairly evenly across all categories and in general they appeared to be well qualified. The respondents also appeared to be very experienced: 61.9% had more

than ten years' experience in management positions. With 71.3% having been in their current position for ten years or less, they were professionally slightly more mobile than their counterparts at business schools. They represented well-established companies that had experienced the democratisation of South Africa, survived the numerous upheavals in the markets since the 1970s and predominantly operated internationally (76.2%). The largest single group of respondents was from a company that operates in the medical field, which suggests that the company values participation in research. The results presented in this chapter can therefore be viewed as the opinion of highly experienced and well-educated respondents.

4.2.4 Results of the questionnaire to business leaders

As indicated above, 21 of the top business leaders in South Africa participated in the study. The data gathered were used to triangulate the results of the questionnaire to business school leaders and to further test the stated research proposition and the following sub propositions:

- South African business schools liaise with businesses, organisations to determine whether their graduates are ethically minded.
- South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise.

The results of the business leaders' questionnaire are summarised in three themes comprising subsets of questionnaire items presented in Table 4.13 below to address the research proposition and relevant sub propositions. Each theme, namely ethical mindedness of business leaders; ethical business practise; liaison with business ethics

organisations; and liaison with business schools, is subsequently analysed and discussed in detail under these headings in sections 4.2.4.1 to 4.2.4.4.

Table 4.13 Summary of the results of the questionnaire to business leaders

Ethical mindedness of business leaders	Yes	%	No	%	Don't know	%	Missing (%)	Total		
1. Do you belong to a professional body?	7	33.3	10	47.6			4 (19)	21		
2. Does that body have a code of ethics?	7	33.3					14 (66.7)	21		
3. Did you sign the code of ethics?	5	23.8	2	9.5			14 (66.7)	21		
4. Are you familiar with the content of the code of ethics?	6	28.6	1	4.8			14 (66.7)	21		
Ethical business practise	Yes	%	No	%	Don't know	%	Missing (%)	Total		
5. Does your organisation have a code of ethics?	11	52.4					10 (47.6)	21		
6. Does your organisation have a code of conduct?	13	61.9					8 (38.1)	21		
7. Does your organisation have a code of honour?	1	4.8					20 (95.2)	21		
8. Do your staff sign this code / these codes?	13	61.9	2	9.5			6 (28.6)	21		
9. Do you include business ethics in your strategic planning?	4	19	11	52.4			6 (28.6)	21		
10. Do you include business ethics in your operational planning?	3	14.3	12	57.1			6 (28.6)	21		
11. Does your organisation have a corporate training programme?	13	61.9	2	9.5			6 (28.6)	21		
12. Does your corporate training programme include training on ethical thinking skills and business ethics?	9	42.9	2	9.5	2	9.5	8 (38.1)	21		
13. Are you aware of incidences of unethical conduct in your industry in recent years?	7	33.3	5	23.8	3	14.3	6 (28.6)	21		
14. Are you aware of incidences of unethical conduct in your company in recent years?	5	23.8	9	42.9	1	4.8	6 (28.6)	21		
15. Are you aware of incidences of unethical conduct in your management team in recent years?	2	9.5	10	47.6	3	14.3	6 (28.6)	21		
	Strongly disagree	%	Disagree	%	Agree	%	Strongly agree	%	Missing (%)	Total
16. Business in general is lacking in ethical conduct.			7	33.3	7	33.3	1	4.8	6 (28.6)	21
17. My industry is lacking in ethical conduct.	4	19	7	33.3	3	14.3	1	4.8	6 (28.6)	21
18. My organisation is lacking in ethical conduct.	9	42.9	5	23.8	1	4.8			6 (28.6)	21
19. My management team is lacking in ethical conduct.	8	38.1	6	28.6	1	4.8			6 (28.6)	21

Liaison with business ethics organisations	Direct-ly	%	In-direct-ly	%	Not at all	%	Missing (%)	Total	
20. How does your organisation liaise with EthicsSA?	2	9.5			13	61.9	6 (28.6)	21	
21. How does your organisation liaise with BEN-Africa?	2	9.5			13	61.9	6 (28.6)	21	
22. How do you as an individual liaise with EthicsSA?	2	9.5			13	61.9	6 (28.6)	21	
23. How do you as an individual liaise with BEN-Africa?	2	9.5			13	61.9	6 (28.6)	21	
Liaison with business schools									
24. Have you ever lectured to students?	4 (part time)	19			13	61.9	4 (19)	21	
25. Does your company liaise with business schools?	5	23.8	1	4.8	11	52.4	4 (19)	21	
26. Do you as an individual liaise with business schools?	1	4.8			16	76.2	4 (19)	21	
	Not at all	%	Slightly	%	Fairly extensively	%	Missing (%)	Total	
27. To what extent do the needs of business leaders influence business school curricula?	2	9.5	6	28.6	9	42.9	4 (19)	21	
	Strongly disagree	%	Disagree	%	Agree	%	Strongly agree	%	
28. The ethical thinking skills of business school graduates are well-developed.			4	19	11	52.4		6 (28.6)	21
	Yes	%	No	%	Don't know	%	Missing (%)	Total	
29. Have you requested business schools to improve the ethical capacity of their students?			17	81			4 (19)	21	
30. Given the opportunity, would you request business schools to improve the ethical capacity of their students?	13	61.9	2	9.5	2	9.5	4 (19)	21	
31. Would you favour a business school for your corporate training programme if it claims to improve the ethical capacity of students?	13	61.9	1	4.8	3	14.3	4 (19)	21	
32. Do you encourage your staff to study at business schools?	13	61.9	4	19			4 (19)	21	

4.2.4.1 Ethical mindedness of business leaders

In this subsection deductions are considered that are made from the frequency distribution of questionnaire items relating to the ethical mindedness of business leaders as reported in Table 4.13 above. The first aspect in determining whether respondents were ethically minded was to consider whether or not they belong to a professional body. Professional bodies are generally established to set operating standards for members of a specific profession (including matters of ethics related to such profession) and these bodies oversee and ensure compliance with such standards (Hughes *et al.*, 2011).

As indicated in Table 4.13 nearly half of the respondents (47.6%) did not belong to a professional body. Three of the four respondents that cite their highest qualification as Matric did not belong to a professional body. Figure 4.11 reveals that respondents that did not belong to a professional body had generally been in a management position for more than ten years. In other words, the most experienced managers, who set an example for and mentor less experienced managers, did not regard it as important to belong to professional bodies. It could be argued that this is to the detriment of the professional bodies concerned and it is suggested that professional bodies re-evaluate their role, functions and relevance to their profession, given the important role they traditionally fulfil in ensuring ethical business practise. Respondents that did belong to a professional body all indicated that the body they belonged to had a code of ethics. This seems to confirm the important normative role professional bodies play in ensuring that the members of the profession they represent conduct themselves ethically.

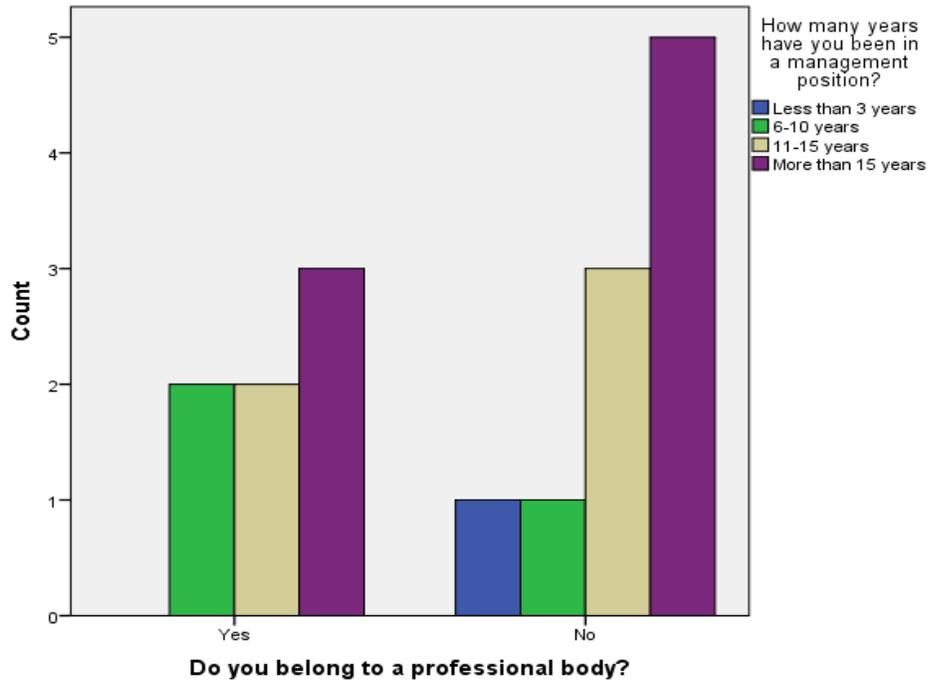


Figure 4.11 Management experience of respondents that did not belong to a professional body

Table 4.14 below shows that 71.4% of the respondents whose professional body they belonged to had a code of ethics had signed that code of ethics. The only reason given for not signing the code of ethics was that it was not a requirement (i.e. not compulsory). These respondents were generally (71.4%) very familiar with the content of the code. One of the respondents that indicated that he /she had not signed the code indicated that he / she was very familiar with the content of the code. The role of professional bodies to ensure compliance of its members with, inter alia, its code of ethics and the ability of such bodies to implement punitive measures in cases of non-compliance with such a code evidences the critical role professional bodies play in improving ethical business practise. Given the indications in research by authors such as Conry and Nelson (1989), Galbraith and Webb (2010), Deshpande and Joseph (2010) and Persons (2009) that the level of ethical intent of business students is very low, it is suggested that professional bodies investigate the gap further and devise appropriate ways of ensuring that their members

sign the code, are familiar with the content of the code and ply their trade in terms thereof.

Table 4.14 Professional bodies and codes of ethics

Item description and responses	N	%
Do you belong to a professional body?		
Yes	7	33.3
No	10	47.6
No response	4	19
Total	17	100.0
Does that body have a code of ethics?		
Yes	7	100.0
No	0	0.0
Total	7	100.0
Did you sign the code of ethics of the professional body?		
Yes	5	71.4
No	2	28.6
Total	7	100.0
How familiar are you with the content of the code of ethics of the professional body?		
Not familiar at all	1	14.3
Fairly familiar	1	14.3
Very familiar	5	71.4
Total	7	100.0

In Figure 4.12 below the respondents who belonged to a professional body are cross-tabulated with those who liaised with business schools. This cross-tabulation reveals that the respondents that did not belong to a professional body did not liaise with business schools either. These results seem to confirm the earlier conclusion from the business school questionnaire that the liaison between business schools, professional bodies and business leaders is inadequate. These results do not support the sub proposition that South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise.

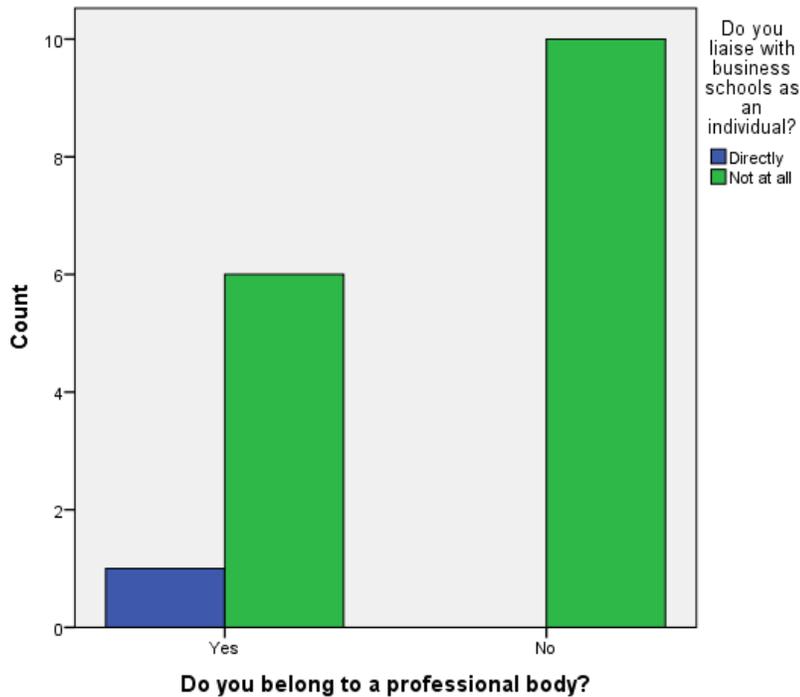


Figure 4.12 Membership of professional bodies and liaison with business schools

In order to determine whether respondents that were very familiar with the content of their professional code of ethics liaised with business schools and ethics organisations, these responses are cross-tabulated in Figure 4.13 below. This cross-tabulation creates the impression that the respondents who were very familiar with the content of their professional code of ethics did not liaise with business ethics organisations or business schools. This result seems to suggest that neither business schools nor business ethics organisations have ties with ethically minded business leaders – weakening their impact on ethical business practise and the relevance of curricula (Hammond & Moser, 2009; Zahra *et al.*, 2011). This suggested gap should be further investigated and addressed by business schools and ethics organisations.

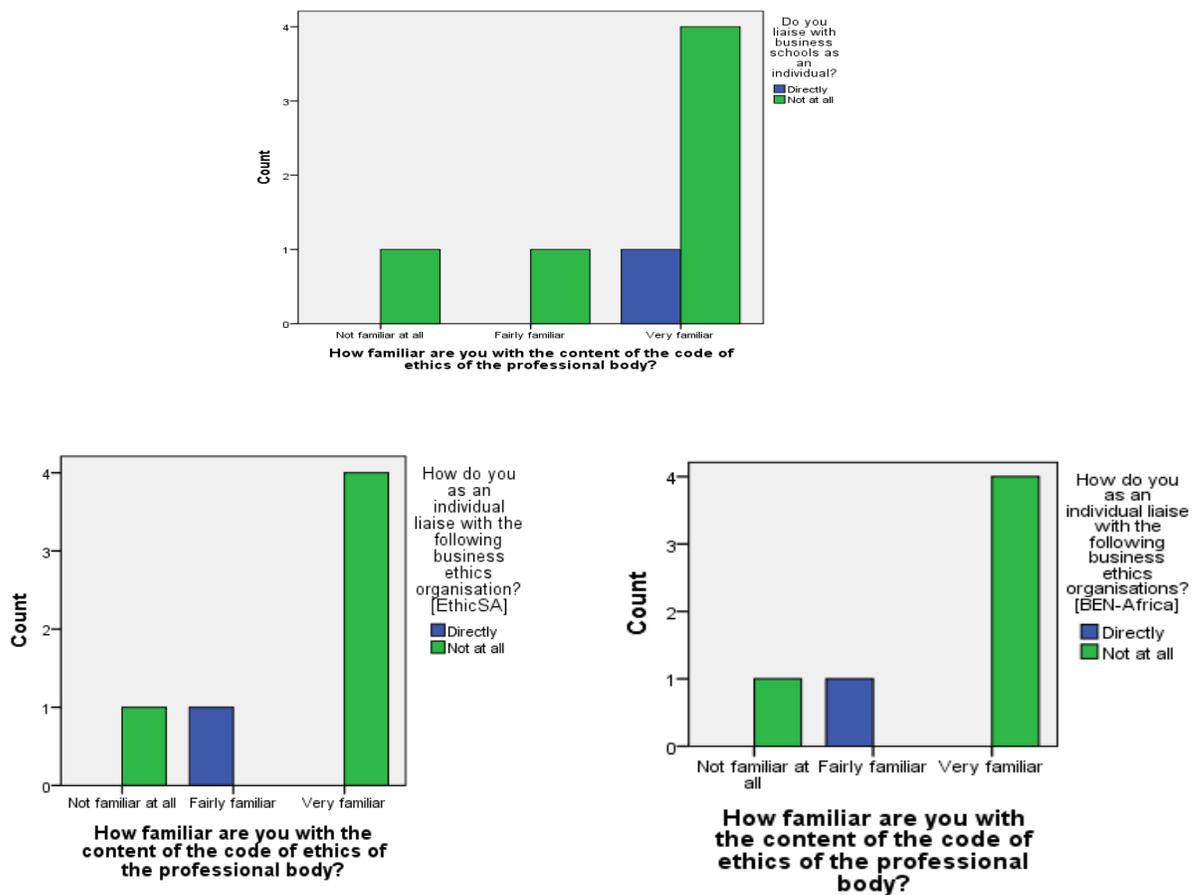


Figure 4.13 Familiarity with the content of a professional code of ethics and liaison with business schools and business ethics organisations

These results do not support the sub proposition that South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise.

4.2.4.2 Ethical business practise

It is evident from Table 4.13, questions 5 to 7, that all responding organisations had one or more codes (code of ethics and / or code of conduct and / or code of honour). Six organisations had both a code of ethics and a code of conduct. Further analysis reveals that one organisation that had both a code of ethics and a code of conduct liaised with business ethics organisations and one organisation that

had one of these codes liaised with business ethics organisations. These results suggest that even organisations that regard it as important to have a code of ethics, conduct or honour, do not liaise with business organisations and business ethics organisations. This trend may suggest that liaison between business organisations that have taken a step towards ensuring ethical business practise and business schools and ethics organisations is severely lacking, and that the sub-proposition that South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise is not supported.

Table 4.13, question 8, indicates that 86.7% of the business organisations surveyed required their staff to sign the code. Staff members were assisted to internalise the code primarily by means of awareness campaigns and workshops. E-learning programmes and mandatory e-based training including tests were also used by business organisations to ensure that their staff members internalised the code/s. In 19% of instances staff were assisted to internalise the code by means of disciplinary action. The respondents indicating that staff were assisted to internalise the code by means of disciplinary action came from three different organisations (Table 4.15). It seems therefore that 30% of the organisations surveyed used punitive measures to ensure that their staff complied with the code(s) that had been developed to improve their ethical behaviour. Research by Selvarajan and Sardesai (2010), Moustafa-Leonard *et al.* (2008) and Helin and Sandström (2007) suggest that although punitive measures may improve compliance, it is not the best way to ensure improved ethical behaviour – which should be the objective of a code of ethics/honour/conduct. This can be achieved better by motivating staff to act ethically by rewarding an ethical culture and developing the moral imagination of employees (De Colle and Werhane, 2008).

Table 4.15 Internalising codes in business organisations

Item description and responses	N	%
How are staff assisted to internalise this code / these codes?		
Workshops	7	33.3
Awareness campaign	12	57.1
Dedicated marketing drive	1	4.8
Consultation	3	14.3
Disciplinary action	4	19.0
Other	2	9.5
E-learning programmes		
Mandatory e-based training with tests that need to be passed		

In exploring the impact of business ethics on business operations, respondents were asked whether they included business ethics in their strategic and operational planning. Table 4.13, questions 9 and 10, shows that only 19% of respondents included business ethics in their strategic planning and even less (14.3%) included it in their operational planning. Behnam and Rasche (2009) maintain that strategic planning and ethical reflection are 'related and sometimes even intertwined processes' through which norms are justified, situations are analysed and situational rules of action are established that will lead to ethical behaviour. Van Tonder (2006) concludes that in order to be successful, change initiatives have to be driven by an ethic of change that determines a standard of conduct that does not set financial considerations above stakeholder interests. This result would suggest that it is in the power of business schools to ensure, through their curricula, that the distance between strategic and operational planning and ethical business practise is eradicated.

As far as corporate training programmes are concerned (Table 4.13, questions 11 and 12) respondents' organisations generally had a corporate training programme (61.9%) and 47.6% indicated that these programmes were compulsory. Forty two point nine percent (42.9%) of respondents said that their corporate training programme included training on ethical thinking skills and business ethics. Results show

that nearly half of the respondents were oblivious as to whether the training programme was compulsory and whether it included training on ethical thinking skills and business ethics. This trend may suggest a casual and less than considered approach to capacity building in general and specifically building ethics capacity in a number of the companies surveyed.

In cross-tabulating responses to the question on the ethical component of corporate training programmes with the responses on whether their staff signed the code of ethics/conduct/honour (Figure 4.14), a strong correlation is revealed between organisations that had training programmes which included training on business ethics and ethical thinking skills and companies that required their staff to sign a code of ethics/conduct/honour. This result confirms the research by Spangenberg and Theron (2005) that leaders who want their employees to act ethically provide them with opportunities to acquire the requisite skills, creating the enabling societal factors described by Frank (1996) which result in ethical conduct by employees.

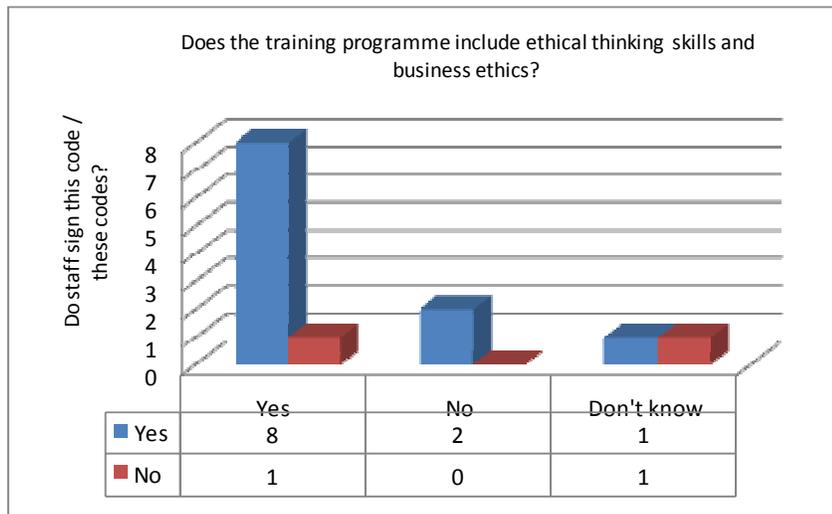


Figure 4.14 Codes of ethics/conduct/honour and ethics in corporate training programmes

In an attempt to gauge respondents' perceptions about ethical conduct in the business world (Table 4.13, questions 16 to 19), respondents

were requested to rate on a 4-point Likert scale their opinion on the following statement: 'Business in general is lacking in ethical conduct'. Thirty eight point one percent (38.1%) of the respondents agreed or strongly agreed with the statement. In responding to a similar statement about their specific industry ('My industry is lacking in ethical conduct'), 19.1% agreed or strongly agreed with the statement. The response trend changed significantly when respondents had to apply the statement to their organisation and their management team: only 4.8% agreed with both statements and no one agreed strongly. Given the sensitive nature of these questions it was anticipated that respondents may be reluctant to respond and a fairly high non-response rate was expected for these items. Respondents not responding to the questions leaves it open to suggestion that they are disinterested in matters of ethics in their industry and organisation.

The prevalence of incidences of unethical conduct in the business world was explored further and respondents were asked to state whether they were aware of any such incidences in their industry, company and management team over the period 2005 to 2010. As indicated in Table 4.13, questions 13-15, 33.3% of the respondents were aware of incidences of unethical conduct in their industry in this period, 23.8% were aware of incidences in their company and 9.5% were aware of incidences in their management team in the period stated.

The trends that can be observed from these results seem to indicate that the closer to home the perception of unethical conduct is, the more subjective observations are. These results are confirmed by the 'self-affirming tendency' identified by Treviño *et al.* (2008) which occurs as a result of the critical role of senior managers in determining the ethical climate of an organisation. These authors report that it causes senior managers to view the ethical climate more favourably

than other employees would. Alternatively, it could be argued that perceptions of unethical conduct in the business world are exaggerated and overemphasised by the media.

A cross-tabulation of respondents who were aware of incidences of unethical conduct in their industry in recent years and respondents who disagreed or strongly disagreed that their industry was lacking in ethical conduct (Figure 4.15) reveals that nearly two-thirds (71.4%) of respondents that were aware of incidences in their industry disagreed or strongly disagreed that their industry was lacking in ethical conduct. This creates the impression that the incidents reported by respondents are either isolated or that respondents closed their eyes to the ethical dilemma facing their industry. This once again confirmation of the self-affirming tendency identified by Treviño *et al.* (2008), as well as the good news reporting identified by De Villiers (2004), and the manipulation of ethical performance evaluations identified by Selvarajan and Sardesai (2010).

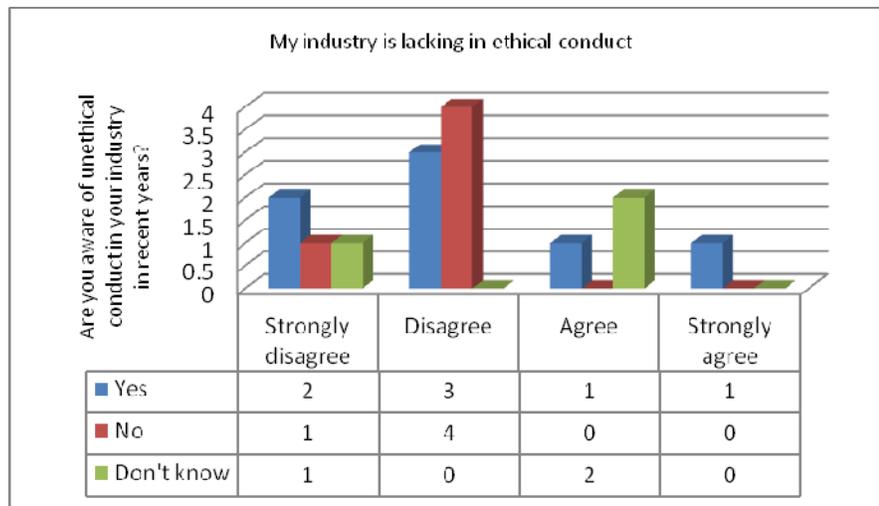


Figure 4.15 Perceptions of unethical business practise and incidences of unethical conduct

Further exploring incidences of unethical conduct, respondents were asked to quantify the incidences of unethical conduct they were aware of in the period 2005 to 2010. Figure 4.16 below reflects the actual

growth in the number of incidences reported by respondents. This figure also sets out the trends on the number of incidences of unethical conduct reported by respondents. Only quantitative responses are reflected in the figure. Qualitative responses describing the number of incidences (such as 'limited' and 'not sure') were not factored into the table in order not to distort the quantitative responses.

Figure 4.16 indicates an increase in the number of cases of unethical conduct that respondents reported in their organisation and management team, with a slight decrease in 2010 for the organisations. The contradiction between the upward trend for management teams and the downward trend for organisations is puzzling because, as asserted by various authors (Tyler *et al.*, 2008; Verbos *et al.*, 2007; Van Tonder, 2006; Van Zyl, 2001), the management team of an organisation generally determines the ethical climate of such organisation. However, respondents report a slight decline in the number of cases of unethical conduct in their industry in 2010 after a steady increase in the preceding five years.

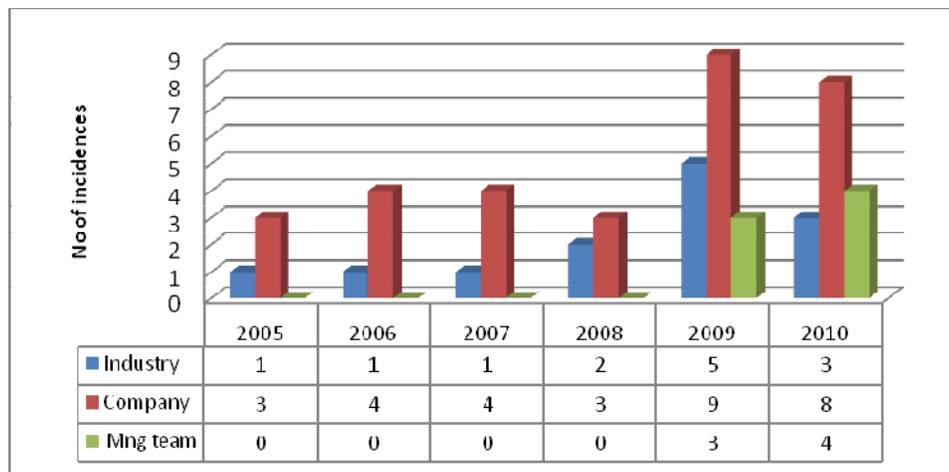


Figure 4.16 Number of incidences of unethical conduct reported by business leaders

The increased trend in incidences of unethical conduct illustrated by Figure 4.16, linked to the lack of liaison between respondents and business schools and ethics organisations, shows that the results do not support the sub proposition that South African business schools and business organisations liaise with ethics organisations to contribute to ethical business practise.

4.2.4.3 Liaison with business ethics organisations

To determine the extent of liaison with business ethics organisations, respondents were asked firstly whether their organisation liaised with ethics organisations and secondly whether they as individuals liaised with ethics organisations. Two ethics organisations were specified, namely EthicsSA and BEN-Africa. The responses, as summarised in Table 4.13, questions 20 to 23, reveal that only 9.5% of both individual respondents and the organisations they represented liaised directly with either EthicsSA or BEN-Africa. Once again, respondents not responding to the question leaves it open to suggestion that they were uninformed on the matter or chose not to make public the fact that they did not liaise with ethics organisations.

Respondents specified the nature of the direct liaison as 'constant communication' and 'by example'. The same two respondents liaised with both EthicsSA and BEN-Africa. Taking into account that one of the respondents seemed to have misunderstood the question and defined the nature of the liaison as '*I don't know as it [sic] is done at group level and not at the divisional level where I stand*', it seems as though only one person liaised with the ethics organisations identified. This result appears to point to a lack of involvement by business leaders in the activities of ethics organisations – either directly, for example by joining the organisation and actively supporting its activities, or indirectly by making their organisation aware of the role and functions of ethics organisations. This suggested gap should be

further investigated and addressed by business ethics organisations. A closer relationship will ensure that business organisations integrate ethics into their operations as identified by Behnam and Rasche (2009), and that they do not see a code of ethics as an end in itself as suggested by Helin and Sandström (2007), or have codes of ethics because it is required of them as a listed company (Ehrlich, 2005).

These results seem to indicate that the sub proposition that South African business schools and business organisations liaise with business ethics organisations to contribute to ethical business practise is not supported.

4.2.4.4 Liaison with business schools

In exploring the nature and extent of their liaison with business schools, respondents were requested whether they had lectured to students in their field of expertise (Table 4.13, question 24). The results show that no respondent had lectured full time and 19% had lectured part time. As far as liaison in general is concerned (Table 4.13, questions 25 and 26), one respondent liaised directly with business schools. The nature of the liaison was identified as 'career talks' with business school students. The other respondents (76.2%) did not liaise with business schools at all.

Only 23.8% of organisations surveyed liaised directly with business schools (Figure 4.17) and one respondent reported that his/her organisation liaised indirectly with business schools. The nature of the liaison was detailed as:

'Bursaries, career fairs, career talks, graduate recruitment, development of training programmes, leadership development, sponsoring a Chair, agreement between head office and business schools in France.'

The other organisations surveyed (52.4%) did not liaise with business schools at all. Given the experience and the profile of the business leaders that participated in the survey, these results would suggest that business schools are not identifying experienced and recognised business leaders and involving them in the education of business students. Clinebell and Clinebell (2008), Hughes *et al.* (2011) and Zahra *et al.* (2011) underscore the importance of business schools liaising with the appropriate business leaders in order to ensure maximum benefit as far as curriculum, lecturing and mentoring are concerned.

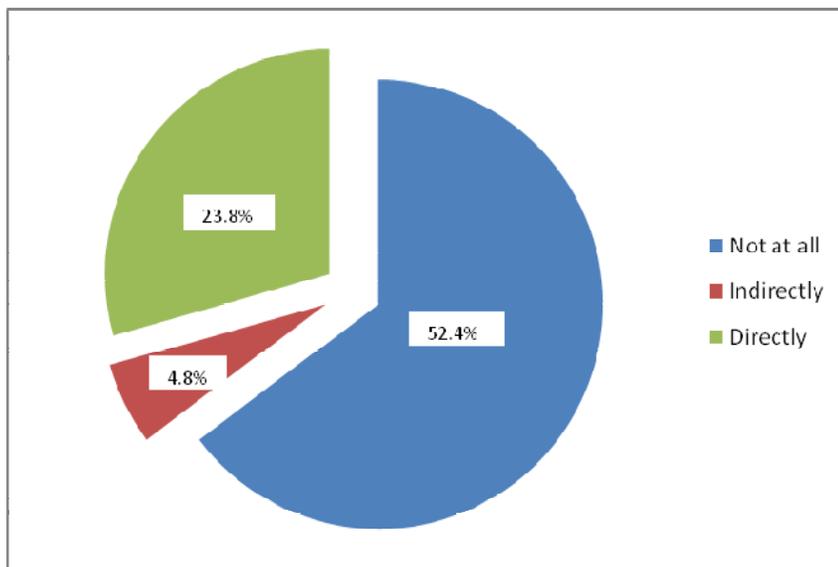


Figure 4.17 Liaison between business organisations and business schools

There is no indication from the responses that the purpose of the liaison is to improve the ethics capacity of graduates or to ensure that the curricula of the business school(s) produce ethically minded graduates. The results would suggest that the sub proposition that South African business schools liaise with business organisations to determine whether their graduates are ethically minded is not supported.

The 23.8% of respondents that reported that their organisation liaised directly with business schools seems to be in stark contrast to the 55.6% of business school respondents who indicated that their business school liaised directly with business organisations. Given the profile of organisations that participated in the research, i.e. companies of the top 10 leaders awarded in 2010, this result portrays a picture of business schools that need to investigate whether they have relationships with the appropriate companies and whether the nature of the relationship is beneficial both to themselves and to business organisations. Business schools have the added responsibility of probing and delving deeper into the nature of this gap.

To confirm this impression 42.9% of business leaders said that their needs informed or influenced the curricula of business schools fairly extensively (Figure 4.18), whilst as reported earlier 50% of business school respondents said that the needs of business leaders informed or influenced the curricula of business schools fairly extensively. Results seem to indicate dissonance in the perceptions of business school leaders and business leaders regarding this matter which may require further investigation and action by business schools.

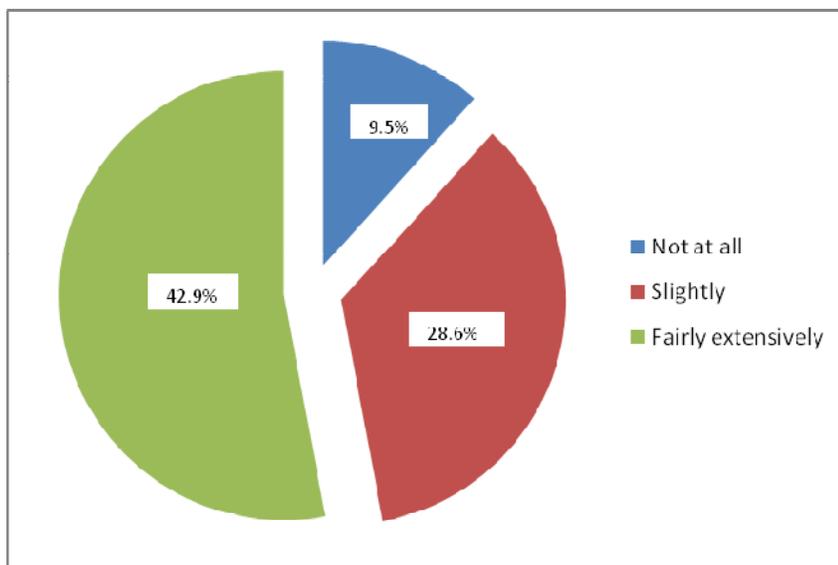


Figure 4.18 Influence of business leaders' needs on curricula

Respondents had generally (81%) not requested business schools to improve the ethical capacity of their students (Table 4.13, questions 29 and 30). The majority of respondents (61.9%) said that they would request business schools to do so if they had the opportunity. It would therefore seem as though the primary reason respondents have not requested business schools to improve the ethical capacity of their students is that they have not had the opportunity to do so. These results therefore do not support the sub proposition that South African business schools liaise with business organisations to determine whether their graduates are ethically minded.

Table 4.13 (questions 31 and 32) reveals that business leaders encourage their staff to study at business schools (61.9%). The same percentage of respondents indicate that a claim by a business school that it improves the ethical capacity of its students would be a key deciding factor if they had to choose a business school for their corporate training programme. This result suggests to business schools that a fully fledged ethics curriculum that results in ethically

minded graduates will also provide a competitive advantage in the highly competitive corporate training market.

Respondents generally believed (73.3%) that the ethical thinking skills of business school graduates are well developed (Figure 4.19). No respondents agreed strongly or disagreed strongly with the statement tested in this question. Responses to this question exhibit a negatively skewed distribution. This result seems to be contradicted by the increase in plagiarism and cheating in examinations reported by business school leaders and discussed earlier in the chapter. Furlonger (2012) also indicates that only 53% of employers associate an ethical orientation with MBA graduates.

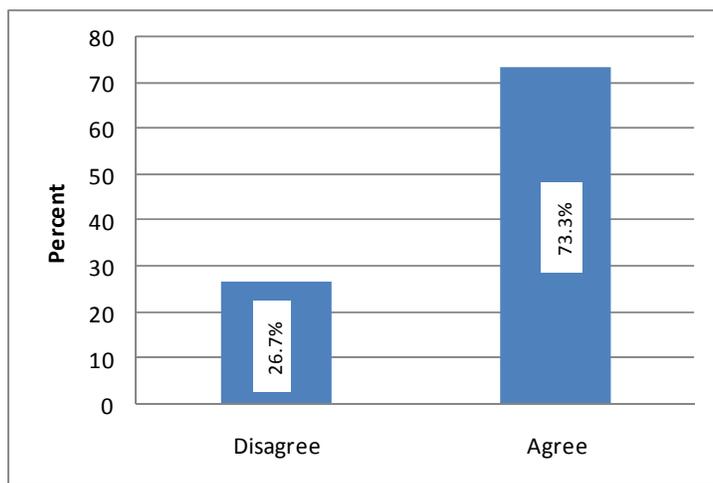


Figure 4.19 Ethical thinking skills of business school graduates in your organisation are well developed

4.3 In summary

The objective of this chapter was to present the results of this study and to test the research proposition and sub proposition against the results.

The research results suggest that there is disequilibrium between the perceptions of business school leadership and the content of their

curricula regarding the nature and extent of ethics teaching. The results further suggest that incidences of unethical conduct increased in business schools and in the business world in the period under review (2005 to 2010), that business leaders do not liaise with business schools and ethics organisations to improve ethical business practise and generally have an ad hoc approach to improving business ethics in their organisation and industry; therefore that business schools do not fulfil their role in improving ethical business practise.

These matters will be explored further in Chapter 5 where the qualitative aspects of the study will be analysed and discussed, leading to the findings of this study.

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CHAPTER 5: ANALYSIS OF RESEARCH FINDINGS

5.1 Introduction

In Chapter 4 the results yielded by the quantitative instruments as discussed in Chapter 3 were discussed and analysed. As indicated in the introduction to Chapter 4, the quantitative aspects of the research will be used to substantiate the qualitative investigations of the study.

This chapter contains a discussion and analysis of the findings yielded by the qualitative instruments. A discussion on the overall findings of the study given the previously discussed results and the findings discussed in this chapter will be presented in Chapter 6.

The analysis of the research findings focuses on the data gathered by means of the qualitative instruments discussed in detail in Chapter 3, namely:

- focus group interviews with curriculum design experts
- individual interviews with curriculum design experts
- content analysis of the MBA curricula of South African business schools and selected publications by EthicsSA and the CHE.

This chapter presents the findings of the study arrived at by means of the synthesis and analysis of the data gathered. The findings allow the researcher to further test the research proposition and sub propositions.

5.2 Analysis of research findings

As indicated in Chapters 1 and 3, the objective of the research was to answer the question posed in the title of this research study. This

question was embodied in the research proposition and sub propositions, namely:

South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations.

In order to determine the likelihood that South African business schools inculcate ethical thinking through their MBA programmes it can be expected that

- the curricula and statement of graduateness will demonstrate the relevant schools' commitment to producing ethically minded MBA graduates*
- they will liaise with business organisations to determine whether their graduates are ethically minded*

they will liaise with business ethics organisations to contribute to ethical business practise.

The proposition and sub propositions were designed to deal with the theme of this research as embodied in the title. The analysis strategy described in Chapter 3 was designed to test the research proposition and sub propositions and provided for interviews (focus groups and individual interviews) with curriculum design experts and a content analysis of MBA curricula and selected research by EthicsSA and the CHE.

The questions used to guide the interviews are presented in Annexure 3. In order to protect the anonymity of participating curriculum design experts, they are not named in citing specific responses and input in the analysis of the interviews in Section 5.2.1. Similarly, specific universities that were referred to in the interviews are not named but are rather referred to anonymously, e.g. University Y.

The content analysis of the MBA curricula and selected research by EthicsSA and the CHE are subsequently discussed in Sections 5.2.2 and 5.2.3 after stating the relevant findings. The detail of the MBA curricula is presented in Annexure 4.

5.2.1 Findings from focus group and individual interviews with curriculum design experts

Table 5.1 summarises the questions and answers under the themes that evolved from collating and grouping the responses and discussions emanating from the guiding questions in the interviews for similarities. This section subsequently presents content analyses of the interviews in line with these themes and the specific issues probed in the interviews by means of the questions, as well as the findings made as a result of the responses and discussions under each theme relating to the issues probed.

Table 5.1 Summary of the interview detail per theme

Theme 1: Current state of business ethics in curriculum design	
1a) Can we assume that ethical business leadership behaviour is a critical factor in business education?	Yes It is supposed to be. Not at the business school I have worked with. The loopholes must be closed. It currently is profit at all cost. It becomes part of community development. It is important for faculty but not for business students.
b) How has this been reflected in curriculums?	It has not been reflected in curricula. Ethical leadership module in MBA of University Z. Assumed in the Christian nature of University X in the Sudan. The teaching model of University Y and P promotes it. It is an add-on if at all, but not part of the philosophical underpin. In a very limited way.
c) Could you name the modules/courses that capture the essence of this behaviour?	Corporate Citizenship, Business Management, Economics II. Only the legal aspects are dealt with in these modules.
2a) How have you factored in corporate culture and	Not at all.

ethics in your modules/courses?	<p>Very limited. Unconsciously. Africanisation of modules and designing for previously disadvantaged students. Ethics is mentioned but not unpacked. Not in an integrated manner.</p>
b) Have you designed a module such as Corporate Culture and Ethics?	<p>As a sub-theme in Business Management Honours. Yes, Corporate culture.</p>
3) Is there any documentable evidence that ethical attitudes have been factored in the curricula that you have designed?	<p>No . It will be the objective of a signature module still to be designed for this university. There is an awareness of the UNGC principles. It is the vision of the Dean. It is an add-on module. In case studies. Only culture-specific (relational) ethics.</p>
4) Have you designed a module/course with a title such as "Principles and Practices of Ethical (or Moral) Leadership in Business" or "Factors Contributing to Ethical Differences"?	<p>No. Only as a signature module for University A in the United States. There is only cursory mention of business ethics. There is no emphasis on ethical leadership. It is rarely included. Political correctness is more important than ethical conduct.</p>
5) Why have you not crafted strategies to develop an ethical mind or a point of view into the core curricula of your institution?	<p>It has not been included in the curricula I have worked on. One tends to forget that it has to be taught. The opinion is often held that leaders are born. It is more abstract in online teaching but also more important. There are security issues. As an education consultant I cannot add content. I must only facilitate learning. There is no environmental pressure for it to be included. It is included in the legal environment only. It is not an industry requirement. We rely on the academics to see the need for it to be included. There are too many sensitivities around ethics. I have tried, but the academics resist and say that it is not their responsibility to teach ethical behaviour. I face resistance. It requires a shift in value systems.</p>
6) Do you have modules/courses on Codes of Ethical Conduct? If not, what are the reasons for exclusion?	<p>No. Only research modules which deal with policy issues such as copyright and plagiarism. It is implied in some modules. It would be the ideal to have such courses. The volume of work to be included is huge. Corporate Citizenship is an elective for the BCom.</p>

	Indirectly in theology, business management and education modules.
Theme 2: The manner in which curriculum design can contribute to building ethical capacity	
7) How far can/should curriculum design go in inculcating ethical thinking?	<p>It can do much more. It should do much more. It can go a long way. It is a very important aspect of curriculum design. It should be one of the critical cross-field outcomes. The curricula are very loaded and focus on the subject matter content. Case studies and assessments are important to achieve this. It does not form part of the training of curriculum designers. Ethical thinking is limited to theology modules. Developing ethical thinking skills must include high-powered conscientisation. Ethics training must offer problem-based solutions. It must be seen as the responsibility of the subject matter expert to develop students' ethical thinking. It is often neglected unconsciously. A platform must be created at universities to verbalise the importance of ethics in the curriculum. Curriculum designers must compromise due to academic demand. It should become part of the role and mandate of the instructional designer. It should be part of each module. Academics must become aware of the need.</p>
8) What model(s) do you propose for this inculcation process?	<p>Signature modules. Embedding ethical thinking in all modules. Students are not sensitised to ethical thinking. It is not a golden thread throughout all of their modules. Both approaches (signature modules and embedding it in all modules) can work to improve ethical conduct. The academics must know why they are including it and do so consciously. It must be discussed in detail and not only mentioned. The term 'ethics' is used too loosely and must be defined clearly in the context of the academic field. Academics must have the courage to establish a different and ethical business culture. Ethical leadership must be infused in all the topics. The model must move away from compliance to internalising ethical conduct. It must be a core module in the curriculum. A separate module doesn't work. It must be embedded in all modules. A learning system that supports deep discussion on values, the planet and the future. The model must lead to a network of ethically-minded</p>

	business people.
Theme 3: The scope of the contribution curriculum design can make to building ethics capacity	
9) Can ethical thinking be inculcated in adult learners?	<p>Yes.</p> <p>Yes, although it is a sensitive issue.</p> <p>Yes, but it is difficult.</p> <p>It is never too late.</p> <p>It is part of second life teaching.</p> <p>Acting ethically must be decoupled from race, gender and age.</p> <p>Role models have an important influence on adult learners.</p> <p>It must be embedded through the lectures as a first step.</p> <p>Ethical actions must form part of the domestic culture of students.</p> <p>The benefits of ethical behaviour must become clear.</p> <p>Learners must feel that ethical conduct is essential to succeed in life.</p> <p>It must be taught with passion.</p> <p>Our assumptions about the ethical foundations provided by our communities must be challenged.</p> <p>It is the responsibility of higher education institutions.</p> <p>The breakdown of ethics in communities places a bigger burden on higher education institutions.</p> <p>Only by changing behaviour.</p> <p>It depends on the context. The current meta-narrative is one of consumerism.</p> <p>Culture has a huge impact.</p> <p>It must be a meaningful human experience.</p> <p>Through transformative learning.</p> <p>It must be redefined and adapted with the context.</p>

It is evident from the discussions emanating from the interview questions that curriculum design experts consider ethical thinking skills to be a critical life skill for business leaders. This may have a broader impact on the communities within which they operate and live. This conclusion is confirmed by comments such as:

‘It should be one of the critical cross-field outcomes’ (question 7)

‘Developing ethical thinking skills must include high-powered conscientisation’ (question 7)

‘Ethical leadership must be infused in all the topics’ (question 8)

‘The model must move away from compliance to internalising

ethical conduct' (question 8)

'The benefits of ethical behaviour must become clear' (question 9)

'Ethical actions must form part of the domestic culture of students' (question 9)

'Learners must feel that ethical conduct is essential to succeed in life' (question 9)

'The breakdown of ethics in communities places a bigger burden on higher education institutions' (question 9)

'Culture has a huge impact' (question 9)

The discussions further seem to point to the important role of academics both as role models and as educators in impacting positively on the ethical intent and ethically-mindedness of students.

Relevant comments include:

'It currently is profit at all cost' (question 1a)

'There is no emphasis on ethical leadership' (question 4)

'One tends to forget that it has to be taught' (question 5)

'The opinion is often held that leaders are born' (question 5)

'... academics resist and say that it is not their responsibility to teach ethical behaviour' (question 5)

'It must be seen as the responsibility of the subject matter expert to develop students' ethical thinking' (question 7)

'The academics must know why they are including it and do so consciously' (question 8)

'Academics must have the courage to establish a different and ethical business culture' (question 8)

'Role models have an important influence on adult learners' (question 9)

'It must be taught with passion' (question 9)

This transformative role of academics points to an important iterative relationship between the academics that interact with the students by means of the content and the curriculum design experts that has the function of helping academics to develop their curricula. The curricula are developed by means of postmodern methodologies and andragogies that will allow academics to use the subject matter to develop the ethical thinking skills of their students.

The data gathered during the focus group interviews and the individual interviews are the consolidated views of the curriculum design experts. This is possible because the same questionnaire that was used to guide the focus group interviews was also used to guide the individual interviews.

The findings of the interviews are analysed and discussed under the three broad themes identified above, namely the current state of business ethics in curriculum design, the manner in which curriculum design can contribute to building ethical capacity, and the scope of the contribution curriculum design can make to building ethical capacity.

5.2.1.1 The current state of business ethics in curriculum design

Questions one to six in Table 5.1 address the current state of business ethics in curriculum design. Table 5.2 contains the findings relating to this theme.

Table 5.2 Findings under Theme 1: Current state of business ethics in curriculum design

- Business ethics is not part of the philosophical underpinning of business schools' curriculum design.
- Business school academics have a legalistic/compliance mindset regarding ethics.
- Business school academics have an outdated positivist approach to teaching business ethics.

- Business ethics is a politically sensitive topic and is most often ignored rather than tackled.
- There is often resistance from academics to include business ethics in curricula.

The responses to questions one to six in Table 5.1 indicate that there was consensus amongst the curriculum design experts (n=8) that ethical business leadership behaviour is a critical factor in business education. This confirms the result discussed in Chapter 3 that it is business schools' responsibility to develop the ethical reasoning skills of students.

However, the various experiences of interviewees were that in most instances ethical business leadership behaviour was not part of the philosophical underpinning of business schools' approach to curriculum design and development. This is confirmed by the results of the questionnaire to business schools which suggests an unacceptably high level of ignorance about the state of business ethics education at business schools.

There were notable exceptions (such as a module on ethical leadership at one university), but in general the curriculum design experts indicated that business ethics was completely excluded, dealt with as part of legal compliance or combined with other 'soft' issues such as corporate citizenship in the design and development of curricula (Table 5.1, questions 1b, 4). These findings contradict the response by 41.7% of the business school leaders that business ethics was integrated into each module or subject as well as the response by 36.1% that students were taught ethical reasoning skills. The increase in the number of incidences of unethical conduct reported both by the business school leaders and the business leaders appears to confirm these findings.

It is evident from responses (Table 5.1, questions 1b, 2a, 3, 5) that in instances where business ethics forms part of the curriculum design, an outdated positivist approach is followed ('it is an add-on if all', 'it is implied in some modules', it is not factored into modules 'in an integrated manner') which attempted to transmit a cluster of skills, rather than impacting on the ethical intent of students (Deshpande & Joseph, 2010; Persons, 2009), the personal code of conduct of students (Weber, 2007) or their moral imagination (Von Weltzien Hoivik, 2009). This finding creates the impression that business schools do not employ the relevant post modernist andragogies to influence the ethical mindedness of their students. This may limit the success of the efforts of business schools to instil ethical thinking in students.

The curriculum design experts indicated (Table 5.1, questions 4, 5) that the academic responsible for the curriculum took the final decision on whether to include business ethics or not. In their experience academics were generally hesitant to heed their suggestions to include ethics in the curricula. They reported (Table 5.1, questions 4, 5, 6) that since business ethics is regarded as somewhat contentious and is not an industry requirement, academics generally prefer not to integrate it across the curriculum, but would rather have it dealt with as a separate subject or module by another academic that is qualified in that field. This seems to confirm the result that although business school leaders acknowledge their responsibility to produce ethically-minded students, they have not taken up the responsibility in an integrated manner. The result further seems to confirm the observation by Freeman *et al.* (2009) that the general business school curriculum is based on an ideology that is 'deeply hostile to business ethics', as well as the research by Mulligan (1987), Brown *et al.* (2010) and Galbraith and Webb (2010) that a humanities-based component is lacking in the curricula of business schools, that business schools do

not teach students how to distinguish between what is ethical and merely profitable, and that 'millennial students' score high on economic values and low on religious values. Weber (2006) states that ethics training plays an important role in the moral maturation process. Therefore, teaching business ethics should add value both by using the appropriate methodologies and by ensuring that the content of the curricula is relevant and appropriate.

Research by the Aspen Institute (2008) found that it is important for employees to work for an ethical company and that employees are willing to sacrifice income rather than work for an unethical company and often left a job because of poor ethics by company leaders. The responses of the curriculum design experts (Table 5.1, questions 3, 5) indicated that they did not have documentable evidence that ethical attitudes had been factored into the curricula they had designed and that there were no environmental pressures from industry to have them included. This finding seems to confirm the result that there is insufficient liaison between business schools and business organisations regarding curriculum, resulting in curricula that are lacking in ethical teaching.

Although the curriculum design experts had advised on the design of numerous curricula for business schools and business faculties at universities (Table 5.1, questions 1b, 4), none of them had been given the opportunity by academics in the curriculum design process to include a module or course outlining the principles of ethical leadership or factors contributing to ethical differences in Africa. It was therefore not possible for them to identify which principles are generally included in such a module/course. This observation is confirmed by the analysis of the MBA curricula later on in this chapter. In auditing modules, for example, the curriculum design experts observe that legal compliance was strongly emphasised and a

comment was made that 'political correctness was more important than dealing with ethical differences'.

The discussion around the question whether the core curricula contribute to developing ethical leaders by engaging them to develop an ethical mindset elicited a lively debate among the curriculum design experts that touched on issues such as whether leaders were born or whether one can be developed into being a leader. There was consensus among them that none of them had been allowed the opportunity to use post modern learning theory or educational psychology to develop core curricula that would allow students to develop an ethical mindset or point of view – which Jones (2009) has shown to be very effective. The post modern learning theory of Dall'Alba (2005) challenges the academic to move from a teaching paradigm to a paradigm of facilitating learning: a change which academics generally seem loathe to make according to the curriculum design experts. This undesirable state of affairs resulted in comments such as:

'I cannot add content; I am limited to facilitating learning.'

'There is no environmental pressure on academics to include this.'

'I face resistance when I suggest that these aspects should be included.'

The curriculum design experts indicated that modules/courses on ethical conduct were (a) generally elective modules and (b) limited to theology, education and commerce qualifications, or part of an introduction to research in line with the research policy of the higher education institution or business school.

The findings summarised in Table 5.2 and discussed above therefore do not support the sub proposition that South African business schools provide a fully fledged business ethics curriculum.

5.2.1.2 The manner in which curriculum design can contribute to building ethical capacity

Questions seven and eight in Table 5.1 address the manner in which curriculum design can contribute to building ethical capacity. Table 5.3 contains the findings relating to this theme.

Table 5.3 Findings under Theme 2: The manner in which curriculum design can contribute to building ethical capacity

- Curriculum design is a key tool in building ethical capacity.
- The benefits of ethical behaviour must be emphasised in the curriculum.
- Curriculum design should emphasise the role of ethical leaders as change agents.

The responses of the curriculum design experts to questions seven and eight (Table 5.1) strongly support the notion that curriculum design plays an important role in building ethical capacity and that ethical thinking can be developed in adult learners. These experts cited adult learning theory, Dall'Alba (2005) and Berns (2010). The curriculum design experts reiterated that the topic was sensitive and often required behavioural change that may place students in conflict with their business and/or community environment – as was pointed out by Ma (2009) and Tseng *et al.* (2010) – and therefore the environment, including originating communities, needed to be challenged to build ethical capacity. The curriculum design experts said that the ethical foundations of communities may, on the other hand, also be used to reinforce the need for ethical behaviour. Important facilitating processes, they pointed out, included transformative learning, lecturers as role models, ethical thinking as a critical cross-field outcome and positive reinforcement of ethical behaviour. This aspect also speaks to one of the three pillars of the

academic endeavour, namely community engagement (the other two being teaching and research).

Confirming the research of Ma (2009), the curriculum design experts mentioned the role of ethical leaders as change agents in contexts such as corporate social responsibility, corporate performance and the status of business ethics research where ethical behaviour becomes decoupled from the paradigm of race, age and gender and becomes a meaningful human experience in and of itself. It seems as though the understanding of business school leaders regarding their responsibility to produce ethically minded students should permeate to academics at all levels of business education.

The findings summarised in Table 5.3 and discussed above do not support the sub proposition that South African business schools provide a fully fledged business ethics curriculum since the impression was that:

- curriculum design is not harnessed to ensure a fully fledged business ethics curriculum;
- the benefits of ethical behaviour is not emphasised in the curriculum;
- academics do not perceive themselves as change agents for ethical business practise.

5.2.1.3 The scope of the contribution curriculum design can make to building ethics capacity

Question nine in Table 5.1 addressed the scope of the contribution curriculum design can make to building ethical capacity. Table 5.4 contains the findings relating to this theme.

Table 5.4 Findings under Theme 3: The scope of the contribution curriculum design can make to building ethics capacity

- Postmodern curriculum design is a fundamental contributor to behavioural change.
- A systems approach to curriculum design is required to building ethics capacity.
- Integrated curriculum design will result in a network of ethically-minded graduates.

There was consensus amongst the curriculum design experts that curriculum design in general, but postmodern curriculum design in particular, was a fundamental tool in developing ethical thinking. Postmodern curriculum design requires curricula to be developed within the paradigm of the prevailing supercomplex environment. This requires self-reflexiveness of both academics and students that will allow them to continuously redefine their identity in relation to the environment, thereby turning the educational experience into a continuous and life-enhancing endeavour.

The curriculum design experts emphasised that the challenge did not lie as much in the 'why' as it does in the 'how' of curriculum design. In this regard they indicated that one loose-standing module would not suffice – even if this module were compulsory. Various methodologies should be harnessed to instil ethical mindedness in students so that it becomes part of the life-view of students and they see ethical business practise as more than legal compliance. This confirms the

research of Rossouw (1997) which pleads for 'methodological flexibility', Henle (2006) argues that ethics should be infused in the design and presentation of each course or module so that graduate students have the tools to act ethically while Jones (2009) arguing for students to be empowered with moral reasoning skills.

As the curriculum design experts asserted, in response to question eight (Table 5.1), academics should be clear on the reasons they wish to build their students' ethical capacity since this will determine how they include it in their curricula. In following a systems approach to curriculum design the involvement of a wide range of stakeholders in the design process enriches the curricula, which in turn allows for the building of ethical capacity. It suggests that if building ethical capacity of students is an integral part of the learning system of the business school, students will be sensitised to ethical thinking and the necessity for ethical thinking will be evident as a golden thread throughout all lectures for all modules. This will result in the internalisation of ethical thinking, rather than actions focused merely on compliance.

It seems therefore that lecturers should go beyond merely mentioning ethical behaviour (as indicated by 50% of respondents to the business school questionnaire) to discussing problem-based solutions and discussing these in detail, relating them to the current and future self and the human and physical environment to influence the ethical intent of students (Persons, 2009; Deshpande & Joseph, 2010). The opinion was expressed that such an integrated approach to curriculum design would contribute to the establishment of a network of ethically minded graduates that would continue to broaden until it reached a tipping point in business and society.

The findings summarised in Table 5.4 and discussed above do not support the sub proposition that South African business schools

provide a fully fledged business ethics curriculum since they indicate that:

- postmodern curriculum design is not used to ensure a fully fledged business ethics curriculum;
- curriculum design is an individual effort rather than the result of an inclusive and integrated process.

5.2.2 Findings from a study of the MBA curricula of South African business schools relating to business ethics modules

Appendix 4 contains a summary of the prevalence of business ethics modules in the 21 MBA curricula offered by South African business schools. These curricula are in the public domain on the websites of the respective business schools.

A content analysis of the MBA curricula of South African business schools reveals the following:

- Eight MBA programmes (38%) have a compulsory ethics/business ethics module, namely (1) Ethics, Sustainability & Governance, (2) Corporate Citizenship and Normative Management: Balancing Economic Imperatives with Social Value, (3) Business Ethics, (4) Principles of Sustainability, (5) Corporate Governance and Ethics, (6) Business Law and Ethics, (7) Business Ethics and Corporate Governance, (8) Leadership, Governance and Ethics.
- One of the eight compulsory ethics/business ethics modules is not combined with a field such as law or governance.
- Seven of the eight compulsory ethics/business ethics modules combine ethics/business ethics with a field such as law or governance (Ethics, Sustainability & Governance;

Corporate Citizenship and Normative Management: Balancing Economic Imperatives with Social Value; Principles of Sustainability; Corporate Governance and Ethics; Business Law and Ethics; Business Ethics and Corporate Governance; Leadership, Governance and Ethics).

- Four MBA programmes (19%) have an elective ethics / business ethics module, namely (1) Business Ethics and Corporate Governance, (2) Business Ethics, (3) Business and Professional Ethics, (4) The Moral Leader.
- One of the elective ethics/business ethics modules is not combined with a field such as law or governance.
- In three of the four elective modules ethics/business ethics is combined with a field such as law or governance (Business Ethics and Corporate Governance, Business and Professional Ethics, The Moral Leader);
- Nine MBA programmes (42.8%) have neither a compulsory nor an elective business ethics module, namely the GIBS Entrepreneurship MBA, the Henley Business School MBA, the University of KwaZulu-Natal Graduate School of Business MBA, the North-West University Graduate School of Business and Government Leadership MBA, the Turfloop Graduate School of Leadership MBA, the Tshwane University of Technology Business School MBA, the University of Cape Town Graduate School of Business MBA, the Unisa Graduate School of Business Leadership MBA and the University of Stellenbosch Business School MBA.

The content analysis of the MBA curricula of South African business schools suggests that the earlier finding that business ethics was not part of the philosophical underpinning of the curriculum development of business schools was indeed correct. It further confirms the finding that business schools either excluded business ethics teaching or diluted it by combining it with fields such as corporate citizenship.

These findings contradict two responses by business school leaders, namely the 42.3% of respondents who indicated that there was a compulsory business ethics module in all of their qualifications and the 73.1% of respondents who indicated that the business ethics module was compulsory. It can be argued that business school leaders have a much more optimistic view of the prevalence of business ethics modules than what is confirmed by the content of the curricula – the self-affirming tendency identified by Treviño *et al.* (2008). It indicates that business schools have not made the curriculum changes suggested by Mulligan (1987), Porter and McKibbin (1988) and Broderick (Henle, 2006) to equip students with the social skills suggested by Brown *et al.* (2010), but continue to overemphasise bottom-line issues (Cavico and Mujtaba, 2009). The ability to solve ethical dilemmas only appears thirteenth on the list of skills MBA graduates acquired in preparation for business life (Furlonger, 2012).

It is evident that ethics as an imperative is at a low scale in the curricula of business schools – betraying a lack of understanding of the importance of the role of ethical thinking skills in the modern business environment. It can therefore be argued that the findings discussed above do not support either the sub proposition that the curricula and statement of graduateness of South African business schools show their clear commitment to producing ethically minded MBA graduates, or the sub proposition that South African business schools provide a fully fledged business ethics curriculum.

5.2.3 Findings from selected research published by EthicsSA and the CHE

As set out in more detail in Chapter 2, the aim of the research project undertaken in 2007 by EthicsSA was 'to review the state of ethics (values) education and training in universities and schools' in order to determine whether 'ethics and integrity training and education are incorporated' in the curricula of schools and universities (Ethics Institute of South Africa, 2007). The current study is, however, a more focused study of business schools and their capacity in ethics education.

A content analysis of the findings of the EthicsSA research reveals that ethics modules in business schools are generally a semester long and are weighted at between two and three per cent of the requirements of the degree as a whole. The findings of the focus group interviews with curriculum design experts and the analysis of the MBA curricula of South African universities suggest that the inadequacy of ethics teaching has not been addressed. Business ethics modules only occur in twelve out of 21 curricula and where they do occur, they are either elective modules or combined with a field such as law or governance. This finding suggests that there has been no deepened understanding of the importance of business ethics teaching in business studies since the findings of the research were published in 2007.

The EthicsSA study found that ethics should reach all disciplines and should be integrated better into the teaching of those disciplines. The respondents to the questionnaire to business school leaders reported that the most popular means of achieving this objective is by lecturers pointing out and discussing the ethical pitfalls of the industry (50%) and by integrating business ethics into each module (41.7%). Although it can be concluded that South African business schools have made

progress in this regard, it appears as though the integration of ethics into curricula remains rather unstructured and dependent on the goodwill of lecturers to focus on ethics matters.

These findings do not support either the sub proposition that the curricula and statement of gradueness of South African business schools show their clear commitment to producing ethically minded MBA graduates, or the sub proposition that South African business schools provide a fully fledged business ethics curriculum.

The analytical report on the national state of the provision of the MBA (Council on Higher Education, 2004) after the reaccreditation of MBA qualifications at South African higher education institutions by the HEQC raises a concern that attempts to improve enrolment figures have led to a 'thinning of the curriculum content' (Council on Higher Education, 2004). According to the report, this 'thinning' does not take cognisance of the increased focus internationally on teaching soft management skills, including business ethics.

It is evident from the previously stated findings of this study that seven out of the eight compulsory ethics modules combine business ethics with another discipline and that nine MBA programmes have neither a compulsory nor an elective business ethics module. It is further evident that business ethics has not become one of the cornerstones of business education as recommended by the CHE report (Council on Higher Education, 2004). A comparison of the findings of the CHE report and the findings of this report is summarised in Table 5.5. It is evident from Table 5.5 that although the number of MBA curricula has increased by nearly one-third (from 16 to 21), there is only one more compulsory module that has a business ethics component. The percentage of compulsory modules dedicated to business ethics has decreased from 18.8% in 2003 to 4.8% in 2011. It can therefore be concluded that the focus on business ethics teaching has deteriorated

significantly since 2003 and that the CHE recommendation regarding the importance of including business ethics in MBA curricula has not been implemented. This confirms the responses of the curriculum design experts that business schools have in general not ensured the necessary focus on business ethics that is strongly emphasised in the reaccreditation report.

Table 5.5 Comparison of CHE findings and the findings of this research

	Number of MBA curricula evaluated	Number of compulsory modules containing a business ethics component	Number of dedicated compulsory business ethics modules
2003 CHE evaluation	16	7	3
2011 research evaluation	21	8	1

Fifteen point two per cent of business school respondents had less than three years' experience in business education and would not have been part of the 2003 MBA reaccreditation. However, the unwillingness or inability of business schools to infuse ethical behaviour in students (Henle, 2006) and to comply with CHE directives seems evident from the fact that 43.2% of the highest level of managers in business schools did not know whether the business ethics module in their curricula was compulsory.

It can be argued that the 24.3% of respondents that had been with their current business school for more than ten years would have had to participate in the implementation of the proposals emanating from the reaccreditation of MBAs. This includes ensuring that the focus of the curricula of their business school was redesigned to reflect the focus on business ethics as emphasised in the reaccreditation report. The current situation as revealed by the analysis of the MBA curricula indicates that this redesign has not taken place.

These findings do not support either the sub proposition that the curricula and statement of gradueness of South African business schools show their clear commitment to producing ethically minded MBA graduates, or the sub proposition that South African business schools provide a fully fledged business ethics curriculum.

5.3 In summary

The objective of this chapter was to present the findings of this study and to test the research proposition and sub propositions against them.

As the findings unfolded in the chapter, the research proposition and sub propositions were tested against them. In all instances it was found that the findings do not support the research proposition and sub propositions.

The findings indicate that academics prefer to use outdated pedagogies that severely limit the success of their endeavours. The findings further indicate that the state of ethics in the curricula of business schools has deteriorated since the reaccreditation of MBAs in 2003. This deterioration has occurred despite a strong call for the improvement of the ethics component of curricula in the CHE report and subsequent research that further emphasises the importance of ethics in business curricula.

The conclusions emanating from the results discussed in Chapter 4, as well as the findings discussed in this chapter, will be discussed in Chapter 6. This discussion will be followed by specific recommendations and possibilities for further research.

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CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

Ehrlich (2005: 70) states:

'To add to the stock of human understanding business ethics should teach something other than basic business judgement. It should teach something other than law'

As indicated in Chapter 1, ethics has been studied since the time of Aristotle and Plato. It is similarly indicated that business schools were established to develop the field of business management and that communities expect business leaders to ply their trade in a manner that is considered ethical. However, scandals involving unethical business behaviour continue to make headlines in South Africa and around the world.

It is evident from the literature discussed in Chapter 2 that business schools play a significant role in shaping the cognitive realities of business leaders. However this Chapter reveals a gap in the scholarly literature on the likelihood that South African business schools are building and strengthening business ethics as a critical skill for its MBA graduates. The environment within our young democracy behoves South African business schools to cultivate and foster attitudes and behaviours that will impact positively on business practise in public and private business enterprises, to the point of students being 'indoctrinated that ethical behaviour is the rule' (Deshpande & Joseph, 2010: 108).

In their model that describes and defines leadership behaviour, Spangenberg and Theron (2005) maintain that specific leadership behaviours are required to build an appropriate ethical climate and

culture leading to ethical behaviour in an organisation. These are the behaviours that go beyond the hard skills generally taught by business schools and practised by business executives. They include affective learning, which influences the attitudes and values that inform the process of taking business decisions.

South African business schools operate in a multicultural environment. The belief is often held that in order to escape the pitfalls of such an environment a value-neutral education should be provided. Castiglia and Nunez (2010) stress that there is no such thing as a value-neutral education. Business school lecturers face challenges in instilling ethical thinking in their students that are common to a multicultural environment, including:

- a difficulty in defining ethics;
- students with varying and even conflicting value systems;
- lecturers with varying and even conflicting value systems;
- lecturers not confident of their ability teach ethics as it is not their area of specialisation;
- the lack of a clear-cut framework for ethical discussions in lectures.

These challenges are real but a business school that chooses not to address issues of ethics and ethical business practise in their curriculum gives an equally important message to their students – intentionally or unintentionally – that ethical behaviour is not important in a business environment (Castiglia & Nunez, 2010).

The research problem directing this research was consequently whether business schools in South Africa are likely to render graduates that are sufficiently ethically minded to improve ethical

practise in the business world. This research seeks to identify the underlying reasons why South African business schools, although good at business education, have not developed business ethics education in a manner that is likely to lead to the demise of or even a decrease in business scandals and the abuse of private and public funds in South Africa. Possible causes investigated are curriculum practices, disinterest, inability, lack of involvement with business leaders and business ethics organisations.

Chapter 3 describes the qualitative and quantitative data collection instruments that were harnessed to determine whether South African business schools have established an environment within which the ethical awareness and intent of their MBA students have been allowed to mature to a level where their graduates will be able to contribute to ethical business practise. The limitations of this study pointed out in Chapter 3 are:

- Business ethics and business ethics education are sensitive topics. Probing these issues by means of the questions in the questionnaires may have caused discomfort in respondents which may have led to a low response rate on some questions, e.g. the prevalence of business ethics in curricula and the inclusion of business ethics in strategic and operational planning.
- Research on business ethics in curricula and the impact on ethical business practise is sparse.
- The questionnaire categories are not refined / clearly defined since it is a new field of research.

The objective of Chapters 4 and 5 was to present a synthesis and analysis of the results and findings of the surveys conducted with the leadership of South African business schools and selected business

leaders, the study of the MBA curricula of South African business schools, selected research by EthicsSA and the CHE and the interviews with curriculum design experts. The research proposition and sub propositions were tested against the results and findings.

Despite the limitations referred to above, the detailed analysis of the results and findings does not support the research proposition, namely:

South African business schools are likely to inculcate ethical thinking in their MBA students and thereby contribute to ethical business practise in South African business organisations.

In every instance it was further concluded that the results and findings do not support any of the stated sub propositions:

In order to determine the likelihood that South African business schools inculcate ethical thinking through their MBA programmes it can be expected that

- *the curricula and statement of gradueness will demonstrate the relevant school's commitment to producing ethically minded MBA graduates.*
- *they will liaise with business organisations to determine whether their graduates are ethically minded.*
- *they will liaise with business ethics organisations to contribute to ethical business practise.*

In the modern international business environment, which demands responsible, sustainable and environmentally friendly business ventures and enterprises, the focus of business leaders should undeniably be more than mere profit-making at all cost. This is of

particular importance to a developing and multicultural economy such as South Africa.

Infusing ethical decision-making and actions in all aspects of the business enterprise leads to a changed mindset of value creation where over and above the shareholders, the immediate and broader community and the natural environment profit from the operations of the business enterprise.

6.2 Conclusions drawn from the research

The responses to the questionnaire to business school leaders reveal that these leaders acknowledged that it is the responsibility of business schools to produce ethically minded graduates. However, business schools have generally not developed and implemented the appropriate curricula to discharge this responsibility. It should be pointed out that neither of the top two business schools in South Africa in terms of the 2011/2012 eduniversal rankings (eduniversal, 2012) – one of which is in the top 60 business schools internationally for 2012 as ranked by the Financial Times (Furlonger, 2012) – has either an elective or compulsory business ethics module in their MBA curriculum. The other business schools in the top ten of the eduniversal rankings for South Africa fare much better, with 5 having a compulsory business ethics module and 2 having an elective module. The remaining business school in the top 10 also does not have a business ethics module.

The business schools of 90.9% of the respondents liaised directly with industry. However, only 35.3% of participating business organisations liaised with business schools. 81.8% of business school respondents indicated that the needs of industry influenced their curriculum fairly extensively. This was confirmed by only 52.9% of business leaders.

Given the profile of the business leaders that participated in the study, business schools should be asking themselves if they are liaising with the appropriate business organisations on matters appropriate for inculcating ethical thinking and producing ethically minded graduates.

The research results and findings clearly point to a disequilibrium between the perceptions of business school leadership and the content of their curricula regarding the nature and extent of ethics teaching. Although 80.8% of respondents reported that business ethics was a specific outcome of the modules offered by their business school, only 36.1% stated that their students were taught ethical reasoning skills. The information gathered from studying the curricula and the CHE accreditation report shows that there are only a small number of compulsory ethics modules in MBA curricula, but 73.1% of business school leaders were under the impression that the business ethics module was compulsory. This may be an indication that business school leaders are ignorant of the actual content of their MBA curricula – a conclusion supported by the curriculum design experts that embedding ethical thinking is not part of the philosophical underpinning of business schools' curriculum development approach.

Given the results and findings of the study as discussed in Chapters 4 and 5 and tested against the research proposition and sub propositions, this study therefore concludes that:

- Business ethics has not been factored as an integral part of the learning system of South African business schools and is generally not a fundamental outcome of business education at these business schools. This is the case even with business schools that are regarded highly by employers (Furlonger, 2012), those that are consistently ranked highly in international evaluations of business schools, for example the eduniversal

rankings and some of those that are signatories to the PRME (Principles for Responsible Management Education).

- Business ethics capacity building at South African business schools does not meet the 2003 recommendations of the CHE or the 2007 recommendations of EthicsSA. Only 53% of South African employers associate 'ethical orientation' with MBA graduates (Furlonger, 2012).
- Business ethics and business ethics education is not a serious consideration for the leadership of South African business schools and as a result business school graduates are not ethically well-grounded to contribute to ethical business practise. Business ethics was not listed as one of the twelve most valued subjects by students in the Financial Mail research (Furlonger, 2012). Business ethics education is not a requirement for international accreditation or in the ranking of business schools by financial journals. According to AMBA (Association for MBAs) the latter continue to focus on matters such as post-MBA salaries, student satisfaction levels, career opportunities and the return on investment the qualification gives a student.
- Liaison between business schools, business organisations and professional bodies is lacking and does not lead to integrated business education that meets the needs of business leaders and produces ethically-minded graduates that belong to professional bodies that continue to shape them ethically and professionally.
- The liaison between business schools, business organisations and ethics organisations is lacking and does not lead to improved ethics teaching that will contribute to ethical business

practise and the development of an integrated ethical business culture.

- The mere existence of a code of ethics is not sufficient for a business organisation to ensure ethical business operations.

These conclusions are discussed in detail below under the appropriate headings.

6.2.1 Current state of ethics and ethics teaching at South African business schools

'There is substantial literature that indicates undergraduate business students cheat more than other undergraduate majors' (Brown *et al.*, 2010: 203).

These authors raise a critical question when asking how this type of behaviour becomes engendered at a psychological level in these students and determines their behaviour once they embark on a business career. It is not evident from this or other research that South African business schools have reached a point where they have drawn the proverbial line in the sand to discern the ethical from the merely profitable. Although plagiarism is cited as the biggest problem area in students' unethical conduct, with incidences on the increase, and business school managers report a marked increase in incidences of unethical conduct by professionals in their industry, the causal relationship between these increases in unethical conduct and a curriculum that is lacking in meaningful ethics education seems not to have been noticed by business schools. If it has been noticed, business schools have by and large shrugged off their responsibility to stem the tide of unethical business practise.

South African business schools have an increasingly important role to play in stemming the tide on unethical business conduct on the

continent. As business studies at American and British business schools are becoming increasingly unaffordable for students from Africa and other developing countries, students are turning to South Africa for their business education. Highly sought-after international rankings appear to merely chain South African business schools to an ideological path determined by US business schools that, according to Freeman *et al.* (2009) and Wines (2008), continues to be deeply hostile to business ethics. Criteria for these rankings seem to be largely iterative amongst the different organisations with accreditation with fellow organisations, membership of associations and participation in rankings earning the lion's share of points for business schools. The composition of curricula and the prevalence of business ethics in curricula are not considered at all. Hence, the two highest ranked South African business schools in the most recent international ranking (eduniversal, 2012) do not have any business ethics module in their MBA curricula. Both these business schools are 'communicating participants' to the PRME (principles for responsible management education) developed under the auspices of the UNGC (United Nations Global Compact). The seven South African business schools that are participants to the PRME will have their work cut out in implementing the anti-corruption guidelines for MBA curriculum change published by the PRME in July 2012. If they wish to comply with these guidelines they will no longer be able to couch business ethics education as part of topics such as social engagement or report that they have met their responsibility in this regard because the university they are associated with offers a masters' degree in workplace ethics. It can be argued that international accrediting and ranking organisations will also have to consider these guidelines in their endeavours if they want their rankings to remain relevant.

Given the reported resistance of business students to ethics modules and the negative feedback they give in surveys on those modules, it is

evident that the approach to ethics teaching in business schools does not lead to ethically minded graduates. Overwhelmingly business schools acknowledge that they do not teach their students ethical reasoning skills. The Aspen Institute (2008) found that nearly 60% of students were not confident that their studies prepared them to manage value conflicts in the work environment. The comments of the curriculum design experts identify the possible reason for this inability to embed ethical thinking in business school students as the outdated curriculum design models that business schools use. Business ethics in curricula needs to be redesigned in line with postmodern learning theory bearing in mind the unique nature of 'millennial students' (Galbraith & Webb, 2010) and adult learning theory. Business organisations have in many instances identified this gap and reportedly teach these skills in their in-house training programmes. They assert that given the opportunity, they would ask business schools to do the same.

The 2003 reaccreditation of MBAs at South African universities revealed that seven of the sixteen MBA courses evaluated (43.75%) had a compulsory ethics module and four (25%) had an elective ethics module. Five MBA courses (31.25%) did not have an ethics module in the curriculum. The MBA curricula studied as part of this research reveal that at the time of the research 38% of curricula included a compulsory ethics module, 19% had an elective ethics module in the curriculum and 42.85% of the remaining curricula did not include a compulsory or an elective ethics module. This amounts to a decrease of 5.8% in the number of compulsory ethics modules and 6% in the number of elective ethics modules. These figures led the researcher to conclude that business schools in South Africa have generally not made it their business to develop the ethical capacity of their students. This conclusion is borne out by the steady increase in the number of

incidences of unethical conduct reported both by business school and business leaders.

It can be further concluded from the decrease in the number of both compulsory and elective ethics modules since the 2003 reaccreditation of MBAs by the CHE and the increase in the number of curricula that do not have an elective nor a compulsory ethics module that South African business schools have in fact lost ground rather than gained momentum in the fight against unethical business practise by including ethics in their MBA curricula to develop the ethical thinking skills of their students.

The management of the business schools, which ultimately take responsibility for the curricula, generally have a very low ethics awareness profile (Table 4.2), are generally career academics and exhibit a compliance approach to business ethics. This is evidenced by their responses to a number of questions in the questionnaire, such as indicating that they only sign the code of ethics of their business school or the professional body they belong to if such signing is compulsory. This leads to the conclusion that business schools should embark on initiatives to improve the ethical awareness of their respective leaderships. Given the importance attached to international accreditation by both business schools' management and potential students, it can be argued that the lack of focus on business ethics teaching by such organisations for purposes of accreditation has exacerbated the non-availability of business ethics.

It is of particular importance to note that none of the respondents to the questionnaire sent to business school leaders felt that teaching business ethics was *not* the responsibility of a business school. However, it can be concluded that ethics teaching has not permeated the fibre of most business schools and does not form part of the ethos of these schools. In fact, most business schools do not know what

kind of student they aim to produce and as a result have not developed a statement of gradueness.

Business ethics may be taught by a small number of business schools, and even taught well by some, but it is far from being lived by all business schools.

Despite the varied reported attempts of business schools to teach business ethics, including a business ethics module, integrating it in modules and covering it in response to students' questions, it can be concluded that business schools are not successful in embedding ethical thinking in their students and graduates. Neither business schools nor business organisations evaluate the impact of the efforts they undertake. Students, and adult students in particular, often regard their studies as an annoying interlude they have to get through in order to advance to a better-paying position. Therefore, unethical conduct such as plagiarism, cheating in examinations and lying will continue to increase unless business schools radically change their attitude towards business ethics and their approach to teaching it.

6.2.2 Current state of ethics in South African business organisations

In terms of King III (Institute of Directors in Southern Africa, 2009) the objective of managing the integrity of an organisation is to build a corporate culture, both formal and informal, that can be regarded as ethical. The informal culture includes norms, mentoring and language use. The formal culture includes an ethics risk and opportunity profile (that is, ethics forms part of strategic planning), developing a code of ethics, integrating ethical standards (that is, ethics forms part of operational planning) and reporting publicly on the company's ethics performance. Preuss (2010) takes this further by referring to a 'lattice-work of codes' within business organisations and between such

organisations and professional organisations and ethics organisations that will strengthen inter- and intra-organisational ethical business practise. The findings show that there is little evidence of this all-important web of ethics within and among business organisations, professional organisations and ethics organisations.

According to the work history of the respondents from the business organisations, they came from the same 'school' as the managers of the business schools. They too had generally been in management positions for more than ten years. Their response to ethics matters was, however, less compliance oriented. The vast majority of the business leaders signed the code of ethics of their professional body voluntarily. Although less than a third of the business leaders liaised directly with business schools, the majority of them were under the impression that their needs influenced or informed the curricula of business schools.

Business leaders also regarded business schools as having a very important role in improving the ethical capacity of future business leaders. Such leaders felt that a business school that purported to improve the ethical capacity of its students would have a competitive advantage when a business school was chosen for a corporate training programme.

Although business leaders seem more committed to developing and signing a workplace or professional code of ethics voluntarily, this commitment to business ethics does not extend into taking business ethics into their actual business operation's strategic and operational planning. Only one-fifth of respondents considered matters of ethics in their operational planning and a slightly higher number considered business ethics in their strategic planning. It can be concluded that these business leaders are the product of a business education that did not go beyond the rational cost-benefit analysis and they are

conscious or unconscious victims of 'ethical fading' (Bazerman & Tenbrunsel, 2011: 59) which 'takes ethics out of consideration and even increases unconscious unethical behaviour'. They are also at risk of 'motivated blindness' (ibid) – overlooking the unethical behaviour of others when it is in your interest to remain ignorant.

This conclusion is borne out by the trend observed in business leaders' perceptions about ethical conduct in their environment. Although the majority of respondents stated that business in general was lacking in ethical conduct, a much smaller number were of the opinion that their specific industry was lacking in ethical conduct and hardly any respondents felt that their organisation or management team was lacking in ethical conduct. It is simply easier to point fingers at the unidentified 'others' for the increase in unethical conduct and to turn a blind eye to these issues when it is closer to home. It could also be argued – as has been done by politicians in the popular press – that the perception of a lack of ethical conduct in private and public enterprise is a misguided one. However, the number of incidences of unethical conduct cited by respondents leads to the conclusion that there is a steady increase in incidences of unethical conduct in South African businesses.

6.2.3 Current state of liaison among South African business schools, business organisations, professional organisations and ethics organisations

Although business school leaders maintain that the liaison between business schools and industry is fairly strong and that the needs of industry informs and influences the curriculum, issues of ethics teaching are not generally discussed as part of the liaison between business schools and industry. It can be concluded that business schools do not liaise with a sufficient number of the appropriate

players in industry in a manner that will improve ethical business practise.

Only a small number of organisations and business leaders surveyed, liaised with business schools or business ethics organisations. Business leaders that participated generally do not belong to professional organisations. The survey targeted the top ten managers and management teams for 2010 identified by the independent research of the CRF. It can be concluded that the liaison between business organisations, professional organisations and ethics organisations is severely lacking and that this can be a contributing factor to the increase in the number of incidences of unethical conduct in the period under review.

Given the abovementioned profile of the business organisations and business leaders in the survey, the small number of these business organisations and leaders that liaised with business schools leads the researcher to conclude that business schools do not target the appropriate business organisations and leaders when they seek liaison with industry. According to research by Zahra *et al.* (2011), Hammond and Moser (2009) and Hughes *et al.* (2011) it is of great importance for business schools to liaise with the appropriate business organisations and leaders.

Considering the above, the main conclusion of this research is that South African business schools in general are not likely to render graduates that are sufficiently ethically minded to contribute to ethical business practise in South African business organisations. This state of affairs is caused by a combination of outdated curriculum practices, a lack of commitment to ethical thinking and ethical awareness at managerial level in South African business schools and a lack of involvement with business leaders and business ethics organisations.

6.3 Recommendations

The analysis of the results and findings of the research and the subsequent conclusions identified and elaborated on above allows the researcher to make a number of recommendations that will enable South African business schools to develop MBA programmes that are likely to produce ethically minded graduates that contribute to ethical business practise in South African business organisations. The recommendations are grouped and discussed under three broad headings, namely:

- Recommendations on the teaching of business ethics at South African business schools.
- Recommendations on practising business ethics in South African businesses.
- Establishing a triadic relationship between South African business schools, ethics organisations and businesses.

6.3.1 Recommendations on the teaching of business ethics at South African business schools

Business schools should create a discomfort and uncertainty in their students about their competence in ethical reasoning and follow an explicit and integrated approach to establishing ethical attitudes and behaviours in their students. Unless students experience a cognitive disequilibrium (Conry & Nelson, 1989) by becoming aware of the fact that their moral reasoning is inadequate, they will not embark on a journey of discovery to find new ways of thinking about and resolving ethical issues. Business schools should have a stated objective that *'if integrity is not a value they possessed upon entering the institution, they most certainly will possess it upon their graduation'* (Bush,

Gutermuth & West, 2009: 35). This journey of discovery allows students (and lecturers) to grow and mature their ethical reasoning skills. Business schools should stimulate that process by:

- Setting the tone right from the top. One seat on the board of each business school should be reserved for a business ethicist nominated by an ethics organisation.
- Setting an example of ethical mindedness. Business school managers and staff should be required to belong to and actively participate in a professional organisation as well as an ethics organisation. This includes signing the code of ethics of the professional organisation and including it in lecture materials as detailed in another recommendation below.
- Developing and pronouncing the values and ethics espoused by the business school. Such a framework, informed by accepted standards of ethical behaviour, will establish the ethic of the business school and will guide the development of the various codes of conduct (for staff and students), the curricula and discussions on ethical issues. The values espoused by the business school become the framework within which ethical dilemmas are discussed. It implies that lecturers should themselves reflect and have discourse on these values and ethics to ensure that they can act as a conduit for the interpretation and implementation.
- Developing a code of ethics/conduct for students based on the values and ethics of the business school. Common law dictates that anyone who wants to bind another party to the content of a document and wants to hold such party accountable (i.e. influence that party's behaviour) to comply with the letter and spirit of such document will require that party to sign such

document. In signing this code students agree to respect the values and ethics of the business school as the basis for their conduct as students of the business school and in discussions on matters of ethics among themselves and in their lectures.

- Developing a code of ethics/conduct for staff based on the values and ethics of the business school. In signing this code, staff members agree to respect the values and ethics of the business school as the basis of their conduct as employees of the business school, in discussions on matters of ethics in their lectures and in all matters pertaining to their interaction with students in general and amongst themselves. Castiglia and Nunez (2010) caution that ethics programmes often fail because they are not accepted by the staff of a business school.

Business ethics education has furthermore reached a tipping point with the recent publication of the toolkit for MBA curriculum change (United Nations, 2012). This document establishes a best practice baseline for the implementation of the following recommendations:

- Including specific compulsory ethics modules in the curriculum. These modules must create a discomfort and uncertainty in students about their ethical reasoning competence and stimulate and increase the rate of students' moral reasoning development. Students should have no doubt that ethics matters greatly in business decisions and that ethical decision-making underpins acting in the interest of shareholders and other stakeholders. Completion of this module should leave students feeling empowered and encouraged to engage in moral reflection as they have been equipped with ethical thinking skills.

Waples *et al.* (2009) suggests that a cognitive approach should be followed to ethics education. This approach focuses specifically on the strategies that can be applied to situations to resolve ethical dilemmas. This process is also referred to as the steps in moral decision-making (Wines, 2008). The content of ethics modules should address all three levels of decision-making, namely the individual, the organisational and the societal/community level (Wines, 2008).

- Identifying ethics as a specific outcome of all modules. To ensure that the integration of business ethics does not result in it 'evaporating' (Rossouw, 1997), growth in and development of ethical reasoning skills must be more than an incidental and unplanned by-product of the general curriculum of a module. Lecturers should plan specific interventions to make students aware of the inadequacy of their moral reasoning skills relating to specific issues they will face in the workplace. Ethical dilemmas specific to the subject matter should be raised and discussed during lectures. Brown *et al.* (2010: 207) propose that '*(t)he pedagogical experience must be infused with examples, exercises, and opportunities to develop personality traits that are conducive to ethical behaviour*'.

Bush *et al.*, (2009: 34) argue that '*the context of ethics education at the undergraduate level is at least as important as the content*'. Waples *et al.* (2008) further emphasise the importance of creating and validating discipline-specific ethical decision-making measures, and Shurden, Santandreu and Shurden (2010: 122) found that '*ethical perception improves as a result of emphasising ethics in business classes*' and the interaction between students and lecturers.

Lecturers are to become self-reflexive agents of ethical business practise. Students should become comfortable with a self-reflexiveness that results in a continued discomfort that their business decisions and actions may not be as ethical as they could be.

- Including an ethical component in assignments and examinations. Lecturers should evaluate the ethical thinking and development of students in completing assignments and examinations. In case studies and other essay-type assignment questions this can be done by requiring students to include a specific section on the ethical aspects considered in preparing the assignment or examination and/or by penalising students for proposing unethical solutions or conclusions in assignments and examinations.

Evaluation criteria are presented to students up front and students will be aware of the value placed on ethical solutions to the problems posed in assignment questions. A rubric can also be developed by the business school to evaluate the ethical learning that students display in the assignments and examinations they submit.

- Initiating and participating in interdisciplinary research with the researchers from ethics organisations and business leaders to improve triadic liaison in general and specifically impact positively on normative ethics, ethics education and ethical business practise.
- Developing a statement of graduateness that mirrors the values and ethics of the business school and reflects the school's intent to produce graduates that will have the qualities required to improve and uphold ethical business practise. This means

that the business school's statement of gradueness should link the values and ethics of the business school to its graduates, thereby indicating to future employers what they can expect when employing someone that has graduated from that business school.

The measures discussed above are not mutually exclusive and should not be seen as a menu of items to choose from. Only if all of these measures are implemented will it collectively establish the ethical paradigm of the business school which will inform and guide the world view and activities of academics and students of the business school. The effectiveness of the measures must be evaluated regularly and the necessary adjustments must be made to improve the effectiveness of the programme. According to Schmidt (2011), the need to assess the extent to which education goals have been achieved may require business schools to assess the moral development of their students, for example by means of the Defining Issues Test (DIT or DIT2). In the South African context the DIT can be administered as a capstone assignment in the final year of an MBA. It must be borne in mind that valid criticisms have been levelled against the DIT (e.g. that it has an 'inherent liberal bias'; that it overstates moral reasoning ability) and that the DIT has not been adapted to and tested in the South African environment.

6.3.2 Recommendations on practising business ethics in South African businesses

- Based on the previously discussed conclusion that the mere existence of a code of ethics is not sufficient for a business organisation to ensure ethical business operations, it is recommended that through training, development and awareness campaigns the hearts and minds of managers and employees at all levels be developed to a level of social and emotional

intelligence and moral competence that will allow them to be ethical employees and human beings. Business organisations should insist on their managers and employees in general being – or becoming – ethically competent.

- It is clear from the research of Shurden *et al.* (2010) that instructors (lecturers or academics in the South African context) have an impact on the ethical values that students bring into the business world as employees after graduating. It is therefore recommended that the relationship between business organisations and business schools be much closer so that business organisations can advise business schools of the types of skills they require from graduates they employ. This will clearly include ethical thinking skills and a definite perception of what constitutes unethical behaviour in all aspects of the business environment. Future business leaders will then be able to clearly and consciously consider the ethical implications of their planning activities and business decisions. It is further recommended that business organisations become actively involved in business ethics organisations to ensure that effective and efficient triadic relationships are established to create a critical mass of ethically minded business organisations.
- It is recommended that South African business organisations and decision-makers be more aware of the five barriers to an ethical organisation identified by Bazerman and Tenbrunsel (2011) which are discussed in detail in Chapter 2 and specifically include ethical matters in their strategic and operational planning and staff development to overcome or mitigate these barriers.

This research has revealed that business leaders are culpable of at least two of these barriers, namely motivated blindness and ill-conceived goals. Prominent examples that indicate that South

African businesses are not immune to the pitfalls of these barriers are the crisis that faced the clothing manufacturing industry from the closure of factories as a result of cheap imports from countries with questionable labour practices, the exploitation of workers by labour brokers, and the Cuba/South Africa medical student exchange programme which allows South Africans to study medicine in Cuba. However, the language of tuition in Cuba is Spanish – a language which is uncommon to South Africa and Africa as a whole. This means that often already disadvantaged students are even more disadvantaged when embarking on medical studies in a language they have never before encountered in their life. On returning to South Africa, which is compulsory, they have to relearn in their final year of medical study here most of what they had been taught in the preceding six years' study to be able to practise medicine in South Africa.

- It is recommended that South African business organisations critically evaluate activities that they sponsor. In this way they will confirm their level of ethical awareness in general and specifically their intolerance for unethical behaviour.

There are examples of activities in South Africa where business organisations have held the moral high ground, for example the withdrawal of all major sponsors from Cricket SA after the bonus scandal relating to South Africa hosting the Indian Premier League (IPL) in 2009 and the subsequent perceptions of mismanagement by the cricket authority leading to the dismissal of its CEO. South Africa has also resisted establishing free trade zones, which are common to many developing countries and are generally hotbeds of labour abuse. Government departments have acted swiftly to close down alleged sweat-shops when these have been reported.

- It is recommended that South African business organisations take cognisance in transforming their organisations and formulating their staff development programmes that ethical business behaviour cannot be forced by enacting laws and putting in place compulsory compliance programmes.

Ethical behaviour has to be internalised and business leaders contribute to that process by considering the ethical implications of each business decision they make and by insisting that these thought patterns be established where they acquire their business thinking skills – in business schools. Bazerman and Tenbrunsel (2011) state that the increase in unethical business behaviour in America points to the fact that developing a code of ethics, legal and compliance programmes and establishing ethics watchdogs have not ensured more ethical business operations in that country. A closer and more focused relationship between business organisations and business schools is therefore critical to ensure ethical business practise in South Africa.

6.3.3 Establishing a triadic relationship among South African business schools, ethics organisations and businesses

- It is recommended that business ethics organisations improve their relevance to and relationships with business organisations and business schools as a critical component of improving ethical business practice. The lack of liaison between South African business ethics organisations and business schools, the individual managers of business schools, business organisations and their individual managers is evident from the research.

Freeman *et al.* (2009) emphasise that as much as business schools need to upscale their interaction with business

organisations in the 'Age of Madoff'², business ethicists need to broaden their role in order to remain relevant in the modern economy. It is recommended that business ethicists, and therefore South African ethics organisations, achieve this by:

- Assisting business schools in focusing in their curricula on the conceptual and behavioural competence required for ethical decision-making, including the capacity to anticipate the effects of decisions and the 'potential moral hazards' of decisions taken. This implies a direct involvement of ethics organisations in the curriculum processes of business schools.
- Remaining engaged with real issues raised by business leaders, professional organisations and business schools in educating the business leaders of the future as ethically minded and socially aware individuals rather than continuing the fight for survival in the social sciences.
- Understanding the systematic nature of the functioning of businesses and therefore of ethics in the business environment. Only business ethicists have the knowledge to empower students and business lecturers with the ability to identify and minimise systemic risks.

² The Madoff investment scandal broke in December 2008 when former NASDAQ chairman Bernard Madoff admitted that the wealth management arm of his business was an elaborate Ponzi scheme. He founded the Wall Street firm Bernard L. Madoff Investment Securities LLC in 1960, and was its chairman until his arrest. Alerted by his sons, federal authorities arrested Madoff on 11 December 2008. On 12 March 2009, Madoff pled guilty to 11 federal crimes and admitted to operating what has been the largest Ponzi scheme in history. On 29 June 2009, he was sentenced to 150 years in prison with restitution of \$170 billion. According to the original federal charges, Madoff said that his firm had 'liabilities of approximately US\$50 billion'. Prosecutors estimated the size of the fraud to be \$64.8 billion, based on the amounts in the accounts of Madoff's 4 800 clients as of 30 November 2008. (Wikipedia).

- Championing an integrated approach (enterprise approach) to ethics teaching at business schools that will allow ethics to become engrained at the deep level of core values in the business school. This implies not only that ethicists form part of the board and faculty at business schools, but also that faculty is empowered by ethicists to be functionally conversant with ethics. By implication ethicists will be involved in developing the statement of graduateness, values and ethics of the business school, its codes of ethics/conduct and other processes discussed above.
- It is recommended that business ethics organisations exercise their normative and formative role and function in their triadic relationship with business schools and business organisations. Once this has been achieved, the unnecessary and counterproductive barriers between these entities (both visible and invisible) will be pierced, creating a mutually beneficial flow of skills and information. This process will enrich and improve the individual and collective operations of all parties, and will benefit students, the South African economy and by implication the South African nation as a whole.

6.4 Possibilities for further research

The results and findings of this research could be complemented and supplemented by research projects on the following matters:

6.4.1 *Determining the cost of unethical activities to South African business organisations*

South African business organisations are spending increasing amounts of money in compliance efforts and on mitigating the impact of unethical behaviour.

An independent research project could identify what the money has been spent on, including in-house and university courses, and gauge the effectiveness of this expenditure in curbing unethical behaviour. This research would determine the indirect cost of unethical behaviour to business organisations both nationally and internationally, for example the cost of an increasing reluctance of foreign investors and business organisations to invest in South Africa as a result of perceptions of high levels of unethical behaviour.

6.4.2 *Determining the cost of unethical activities to South African public organisations*

South Africa continues to be dogged by public unrest as a result of poor service delivery. Year after year municipal authorities receive qualified audits and fail to spend money allocated to them for critical infrastructure and other development.

An independent research project could evaluate the educational background of municipal officers in underperforming municipalities and determine the human and financial costs resulting from the unethical activities that lead to incidents of public unrest, for example death and injuries, policing costs, rebuilding of buildings that have been burnt down, insurance costs, restoring roads on which burning barricades have been erected, etc.

6.4.3 *Determining the tolerance level for unethical activities in South African business organisations*

How far have South African business organisations gone down the ‘Slippery Slope’ (Bazerman & Tenbrunsel, 2011) of an increasing inability to recognise unethical behaviour as such because ethical standards have gradually been eroded? These authors point out that once business leaders start accepting minor infractions, they are likely to accept increasingly major infractions as long as each violation is only incrementally more serious than the preceding one.

An independent research project could determine whether there has been a change in business behaviour in South Africa over time relating to the acceptance of minor infractions and whether that has resulted in an increase in higher level or more serious infractions.

6.4.4 *Evaluating the appropriateness of methodologies used for teaching business ethics*

An independent research project could determine the extent to which the methods used by business schools to prepare students for the ethical issues they are likely to face in the business environment are evaluated and comply with postmodern learning theory.

This could lead to the development of a defining issues test for the South African higher education environment. Such a test would assist business schools in introducing a uniform capstone assignment to assess the moral development of their MBA students, and, by implication, the success of their endeavours to assist their students in acquiring the attitudes and values that will predispose them to act ethically.

6.5 In conclusion

The employers of the graduates of South African business schools expect these business schools to produce graduates – MBA graduates in particular – that are capable of making good business decisions. Students graduating from business schools should have developed a world view supporting a heightened sense of what constitutes a good business decision and that it includes a clear distinction between ethical and unethical behaviour and conduct. Moreover, they should have the confidence to conduct their professional life in accordance with these beliefs.

A business school that does not introduce ethics into the curriculum in a manner that leaves students as confident in these matters as they are in all other aspects of their business education does its students a disservice and provides them with an incomplete business education.

As stated before, various studies (Wines, 2007; Castiglia & Nunez, 2010; Schmidt, 2011) show that the level of ethical intent is the lowest among business students. South African business schools should be clear and unambiguous about their reason for teaching business ethics. Only if the business schools have the courage to state this reason up front and build the reputation of their business school around it will they be able to challenge the current narrow focus on profit maximisation as the basis of business schools' curricula.

The prevailing question resulting from the waves of economic crises that continue to rock the developed world is whether these crises are the clarion call for the end of an economic system based on greed and profit at all cost which has a disregard for the short- and long-term consequences of these business practices – a system clearly not based on an ethical approach to business. It speaks to the age-old notion that the whole is more than the sum of the parts; ethical

business practise creates value (both monetary and non-monetary) that none of the stakeholders can create on their own.

Business schools that build their curricula around a conviction that ethical thinking is at the core of business education will be able to redevelop their curricula in close collaboration with business, professional and ethics organisations in order to inculcate ethical thinking in their students, who are the current and future business leaders of South Africa. A business school's ability to infuse ethical thinking and reasoning skills in their MBA graduates will be an important competitive advantage in the highly competitive market for MBA students in South Africa.

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Annexure 1

Covering letter and questionnaire distributed to the management teams of all South African business schools



Dear Respondent

My name is Thelma Louw. I am a candidate for the doctoral degree in Business Leadership at the Unisa School of Business Leadership. The focus of my study is on Business Ethics. The importance of ethics in society, and of business ethics in the economic environment, is undeniable. Business schools play a vital role in shaping the thinking of current and future business leaders. Their potential contribution to ethical business practice is therefore equally undeniable.

To what extent do business schools meet the expectations of businesses, organisations and public institutions in producing ethically minded graduates? What opportunities do businesses have to communicate these expectations to business schools? What is the role of ethics organisations in this triad?

You can access the questionnaire electronically by clicking on this link: <http://surveys.unisa.ac.za/index.php?sid=42524&lang=en> It should not take you more than a few minutes to complete the questionnaire, which will enable me to make concrete proposals towards improving ethical business practice in South Africa. Your submission will be anonymous and it will not be used for any purpose other than this study. The information you provide will be treated as strictly confidential.

I thank you in advance for completing and submitting the questionnaire and I sincerely appreciate your willingness to assist me in my research, thereby contributing to improving ethical business teaching and practice.

Yours sincerely

Thelma Louw

A handwritten signature in black ink, appearing to read "Louw", written in a cursive style.

QUESTIONNAIRE: BUSINESS SCHOOL MANAGEMENT TEAM

A. Professional info

1. What is your highest qualification?

First degree	
Honours degree	
Masters degree	
Doctorate	
Post-doctoral	

1(a) Other (please specify)

2. How many years have you been involved in business education?

Less than 3 years	
3-5 years	
6-10 years	
11-15 years	
More than 15 years	

3. How many years have you been with the business school you are currently with?

Less than 3 years	
3-5 years	
6-10 years	
11-15 years	
More than 15 years	

4. Have you ever worked in your industry?

Yes	
No	

5. If yes, for how many years?

Less than 3 years	
3-5 years	
6-10 years	
11-15 years	
More than 15 years	

6. Do you belong to a professional body?

Yes	
No	

7. Does that body have a code of ethics?

Yes	
No	
Don't know	

8. Did you sign the code of ethics of the professional body?

Yes	
No	

8(a). If no, please provide reasons.

9. Are you familiar with the content of the code of ethics of the professional body?

Yes	
No	

B. Business ethics

10. Does your business school have a code of ethics?

Yes	
No	
Don't know	

11. If yes, did you sign the business school's code of ethics?

Yes	
No	

11(a). If no, please provide reasons

12. Are you familiar with the content of the business school's code of ethics?

Yes	
No	

13. How often are business ethics issues discussed at management level in your business school?

Never	Hardly ever	Sometimes	Regularly	At every management meeting

14. How did your business school give effect to the outcomes and the recommendations of the 2003 reaccreditation of MBAs?

15. Do students at your business school sign a code of honour, code of conduct, code of ethics on / after registering?

Yes	
No	
Don't know	

16. Does your business school include a business ethics module in its qualifications?

Yes, in all	
Only in some	
Don't know	

17. Where there is a business ethics module, is it compulsory?

Yes	
No	
Don't know	

18. Is business ethics a specific outcome in the modules offered by your business school?

Yes	
No	
Don't know	

19. How are your business school's students prepared for the ethics issues they will face in the business environment? Please tick all the methods used.

It is discussed in each lecture	
It is integrated in each module/subject	
It is covered in response to students' questions	
Students are taught ethical reasoning skills	
Lecturers point out and discuss the ethical pitfalls of the industry	
Teaching ethics is not the business school's responsibility	

19(a) Other (please specify)

20. Does your business school have a statement of graduateness?

Yes	
No	
Don't know	

21. Does the statement of graduateness refer to ethical conduct in any way?

Yes	
No	
Don't know	

22. How do you as an individual liaise with business ethics organisations such as EthicSA or BEN-Africa?

Directly	
Indirectly	
Not at all	

22(a) Please provide detail of the nature of the direct and / or indirect liaison

23. How does your business school liaise with business ethics organisations such as EthicSA or BEN-Africa?

Directly	
Indirectly	
Not at all	
Unsure	

23(a) Please provide detail of the nature of the direct and / or indirect liaison

24. What types of ethical transgressions by students have your business school had to deal with? Please tick all the applicable items.

Theft	
Plagiarism	
Falsifying sick notes	
Cheating in examinations	
Lying	

24(a) Other (please specify)

25. How often did this occur?

	2005	2006	2007	2008	2009	2010
Theft						
Plagiarism						
Falsifying sick notes						
Cheating in examinations						
Lying						

25(a) Other (please specify)

C. Industry liaison

26. How does your business school liaise with industry?

Directly	
Indirectly	
Not at all	

27. To what extent do the needs of industry inform / influence your curriculum?

Not at all	Slightly	Fairly extensively	The industry needs determine the curriculum

28. Has your business school received requests from industry to improve the ethical thinking skills of students?

Yes	
No	
Don't know	

29. If yes, how has your business school responded to these requests? Please tick all the relevant items.

It has been identified it as an outcome for each module	
Ethical dilemmas are discussed in class	
Students are taught ethical reasoning skills	
Lecturers point out the ethical pitfalls common to industry	
Teaching ethics is not the responsibility of business schools	

29(a) Other (please specify)

30. If no, what hampers your business school's attempts to respond to these requests? Please tick all the relevant items.

Too much work to cover in the curriculum	
Limited teaching time	
Business lecturers are not ethicists	
Teaching ethics is not the responsibility of business schools	

30(a) Other (please specify)

31. Are you aware of incidences of unethical conduct in your industry in recent years?

Yes	
No	
Don't know	

31(a) If yes, how many incidences of unethical conduct are you aware of in your industry in recent years?

Year	Number of incidents
2005	
2006	
2007	
2008	
2009	
2010	

Annexure 2

Covering letter and questionnaire distributed to South Africa's top ten management teams as identified by the Corporate Research Foundation (CRF Institute, 2011)



Dear Respondent

My name is Thelma Louw. I am a candidate for the doctoral degree in Business Leadership at the Unisa School of Business Leadership. The focus of my study is on Business Ethics. The importance of ethics in society, and of business ethics in the economic environment, is undeniable. Business schools play a vital role in shaping the thinking of current and future business leaders. Their potential contribution to ethical business practice is therefore equally undeniable.

To what extent do business schools meet the expectations of businesses, organisations and public institutions in producing ethically minded graduates? What opportunities do businesses have to communicate these expectations to business schools? What is the role of ethics organisations in this triad?

You can access the questionnaire electronically by clicking on this link:

<http://surveys.unisa.ac.za/index.php?sid=24297&lang=en> It should not take you more than a few minutes to complete the questionnaire, which will enable me to make concrete proposals towards improving ethical business practice in South Africa. Your submission will be anonymous and it will not be used for any purpose other than this study. The information you provide will be treated as strictly confidential.

I thank you in advance for completing and submitting the questionnaire and I sincerely appreciate your willingness to assist me in my research, thereby contributing to improving ethical business teaching and practice.

Yours sincerely

A handwritten signature in black ink, appearing to read "Louw", written in a cursive style.

QUESTIONNAIRE: BUSINESS LEADERS

A. Biographical information

1. Indicate the type of business the company you work for is involved in

Financial	
Technology	
Service	
Mining	
Medical	
Professional	

- 1(a) Other (please specify)

2. When was the company you work for established?

Before 1970	
1971-1989	
1990-2010	

3. Where does the company you work for operate?

Only in South Africa	
In the SADC region	
In Africa	
Internationally	

B. Professional information

4. What is your highest qualification?

Matric	
First degree	
Honours degree	
Masters degree	
Doctorate	

4(a) Other (please specify)

5. How many years have you been in your current position?

Less than 3 years	
3-5 years	
6-10 years	
11-15 years	
More than 15 years	

6. How many years have you been in a management position?

Less than 3 years	
3-5 years	
6-10 years	
11-15 years	
More than 15 years	

7. Do you belong to a professional body?

Yes	
No	

8. Does the professional body you belong to have a code of ethics?

Yes	
No	
Don't know	

9. Have you signed the code of ethics of the professional body?

Yes	
No	

9(a) If no, please provide reasons

10. How familiar are you with the content of the code of ethics of the professional body?

Not familiar at all	Slightly familiar	Fairly familiar	Very familiar

11. Have you ever lectured to students in your field of expertise?

Full time	
Part time	
I have never lectured	

C. Liaison with business schools

12. Does your company liaise with business schools?

Directly	
Indirectly	
Not at all	

12(a) Please provide detail of the nature of the liaison

13. Do you liaise with business schools as an individual?

Directly	
Indirectly	
Not at all	

13(a) Please provide detail of the nature of the liaison

14. Taking yourself as an example, to what extent do the needs of business leaders inform / influence the curriculum taught by business schools?

Not at all	Slightly	Fairly extensively	The needs of business leaders determine the curriculum

15. Do you encourage your staff to study at business schools?

Yes	
No	

16. Have you requested business schools to improve the ethical capacity of their students?

Yes	
No	

17. Would you request business schools to improve the ethical capacity of their students if you had the opportunity to do so?

Yes	
No	
Uncertain	

18. If you had to choose a business school for your corporate training programme, will a claim by a business school that it improves the ethical capacity of students be a key deciding factor in making the choice?

Yes	
No	
Uncertain	

D. Business ethics

19. How strongly do you agree that the ethical thinking skills of business school graduates that you have employed / work with are well-developed?

Strongly disagree	Disagree	Agree	Strongly agree

20. Does your organisation have a corporate training programme?

Yes	
No	
Don't know	

If 'no' go directly to question 23

21. Is the training programme

Compulsory	
Not compulsory	
Don't know	

22. Does the training programme include training on ethical thinking skills and business ethics?

Yes	
No	
Don't know	

23. Which of the following does your organisation have? Please tick all relevant items.

Code of ethics	
Code of conduct	
Code of honour	

24. Do your staff sign this code / these codes?

Yes	
No	

25. How is staff assisted to internalise this code / these codes? Please tick all relevant items.

Workshops	
Awareness campaign	
Dedicated marketing drive	
Consultation	
Disciplinary action	

25(a) Other (please specify)

26. Do you include business ethics in your strategic planning?

Yes	
No	

26(a) If yes, please provide details.

27. Do you include business ethics in your operational planning?

Yes	
No	

27(a) If yes, please provide details.

28. How does your company liaise with the following business ethics organisations?

	Directly	Indirectly	Not at all
EthicSA			
BEN-Africa			

28(a) Please provide detail of the nature of the direct and/or indirect liaison

29. How do you as an individual liaise with the following business ethics organisations?

	Directly	Indirectly	Not at all
EthicSA			
BEN-Africa			

29(a) Please provide detail of the nature of the direct and/or indirect liaison

30. Business in general is lacking in ethical conduct.

Strongly disagree	Disagree	Agree	Strongly agree

31. My industry is lacking in ethical conduct.

Strongly disagree	Disagree	Agree	Strongly agree

32. My organisation is lacking in ethical conduct.

Strongly disagree	Disagree	Agree	Strongly agree

33. My management team is lacking in ethical conduct.

Strongly disagree	Disagree	Agree	Strongly agree

34. Are you aware of incidences of unethical conduct in your industry in recent years?

Yes	
No	
Don't know	

34(a) If yes, how many incidences of unethical conduct are you aware of in your industry in recent years?

Year	Number of incidents
2005	
2006	
2007	
2008	
2009	
2010	

35. Are you aware of incidences of unethical conduct in your company in recent years?

Yes	
No	
Don't know	

35(a) If yes, how many incidences of unethical conduct are you aware of in your company in recent years?

Year	Number of incidents
2005	
2006	
2007	
2008	
2009	
2010	

36. Are you aware of incidences of unethical conduct in your management team in recent years?

Yes	
No	
Don't know	

36(a) If yes, how many incidences of unethical conduct are you aware of in your management team in recent years?

Year	Number of incidents
2005	
2006	
2007	
2008	
2009	
2010	

Annexure 3

GUIDING QUESTIONS FOR INTERVIEWS WITH CURRICULUM DESIGN EXPERTS

1. Can we assume that ethical business leadership behaviour is a critical factor in business education?
How has this been reflected in curricula?
Could you name the modules/courses that capture the essence of this behaviour?
What about other universities?
2. How have you factored in corporate culture and ethics in your modules/courses?
Have any of you designed a module such as Corporate Culture and Ethics?
3. According to an ethics study in the USA a majority of fulltime workers say it is critical to work for an ethical company; more than 1 in 3 workers left a job because of poor ethics by company leaders; 82% of workers would be willing to receive less pay to work for an ethical company; and only 11% of workers claim not to be affected by "unethical behaviour".
4. Has anyone designed a module/course with a title such as "Principles and Practices of Ethical (or Moral) Leadership in Business"?
If so, which FIVE principles have been included?
5. What about modules/courses such as Factors Contributing to Ethical Differences?
If you have designed such modules which critical ethical differences have you included?
Why have you included them?
6. Educational psychologists believe that for a leader to stay ethical, he/she must develop an ethical mind or a point of view that helps the individual aspire to good work that matters in their colleagues, companies and society in general.
If such a view is important have any of you crafted it into the core

curricula in your institution?
If not, why?

7. Do the programmes you have assisted academics to develop have modules/courses on Codes of Ethical Conduct?
If not what are the reasons for exclusion?
8. Can ethical thinking be inculcated in adult learners?
9. How far can/should curriculum design go in inculcating ethical thinking?
10. What model(s) do you propose for this inculcation process?

Annexure 4
Business ethics modules in the MBA curricula of South African business schools

<i>Business school</i>	<i>Programmes</i>	<i>Compulsory ethics module</i>	<i>Elective ethics module</i>	<i>Title of the ethics module</i>
Gordon Institute of Business Science, University of Pretoria	MBA Entrepreneurship MBA	No	Yes	The moral leader
			No	
Henley Business School	MBA	No	No	
Graduate School of Business, University of KwaZulu-Natal	MBA	No	No	
Management College of Southern Africa	MBA		Yes	Business and professional ethics

Business school	Programmes	Compulsory ethics module	Elective ethics module	Title of the ethics module
Milpark Business School	MBA	Yes		Leadership, Governance and Ethics
Nelson Mandela Metropolitan University Business School	MBA		Yes	Business Ethics
North-West University Graduate School of Business and Government Leadership (Mafikeng campus)	MBA	No	No	

Business school	Programmes	Compulsory ethics module	Elective ethics module	Title of the ethics module
Potchefstroom Business School	MBA	Yes		Business Law and Ethics
Regenesys Business School	MBA	Yes		Business Ethics and Corporate Governance
Regent Business School	MBA		Yes	Business Ethics and Corporate Governance
Rhodes Investec Business School	MBA	Yes		Principles of sustainability
UFS Business School	MBA	Yes		Corporate Governance and Ethics
Turfloop Graduate School of Leadership	MBA	No	No	

<i>Business school</i>	<i>Programmes</i>	<i>Compulsory ethics module</i>	<i>Elective ethics module</i>	<i>Title of the ethics module</i>
Tshwane University of Technology Business School	MBA	No	No	
University of Cape Town Graduate School of Business	MBA Executive MBA	No Yes	No	Corporate citizenship and normative management: balancing economic imperatives with social value
Unisa Graduate School of Business Leadership	MBL MBA	Yes No	No	Business ethics

<i>Business school</i>	<i>Programmes</i>	<i>Compulsory ethics module</i>	<i>Elective ethics module</i>	<i>Title of the ethics module</i>
University of Stellenbosch Business School	MBA	No	No	
Wits Business School	MBA	Yes		Ethics, Sustainability & Governance

