Chapter 34
Teaching Business Ethics Post GFC:
A Corporate Social Responsibility of Universities

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ABSTRACT

Following the recent downfall of several high ranking executives, not only in the business world, but also in governments, attention is directed to the teaching of ethics in business schools. More specifically, attention is drawn to these schools' purposes, values, methods, research, partnerships and dialogues in terms of their responsibilities regarding management education. In the current academic environment, business ethics are recognized as an important element in curriculum, but these topics have not yet become fully and successfully embedded in the mainstream business education. Consequently, business schools worldwide are adapting their curricula, research, teaching methodologies and institutional strategies to become better aligned with new challenges and opportunities. However, there is a need for research that will provide theoretical underpinnings for such changes to curricula in terms of pedagogy and content. This chapter examines a method of teaching business ethics. The results of this research were conducted on undergraduate students in their final year study.

INTRODUCTION AND BACKGROUND

The global ramifications of the 2008 Global Financial Crisis (GFC) are extraordinary. Undeniably, the 21st century has become infamous for failure of governance, but what needs to be done to elevate these ramifications? Weitzner and Peridis (2011) posit that investigations into the 2008 GFC have concluded that failures of corporate governance in many financial institutions, financial services firms, credit rat-

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ing agencies, and government-sponsored entities, were a key cause of the crisis. Weitzner and Darroch (2010) offer a practical framework for managers to approach ethical problems at the heart of many failures. They believe that most of the practising managers are all too aware of issues of corporate responsibility and ethics, but do not receive sufficient guidance on how to discuss or explore the issues, let alone resolve them. Weitzner and Peridis (2011) go on to argue that faith displayed in public policy lulled many sophisticated players in the financial sector who should have known better. Unfortunately, managers have dropped their guard and that resulted in a lapse in the critical scrutiny of recent financial innovations despite earlier governance and ethical failures and the subsequent collapse of companies at the vanguard of financial product innovations.

Though, and as Scott (2014) posits the financial crises are not a new marvel, but they have grown more common, and the financial flows involved have become loftier and more explosive in the past twenty years as indicated by Eichengreen, Andrew and Wypolosz (1995). Scott (2014) states this passé corresponds generally with the era of "economic opening" in emerging markets, a time when most of the Latin American countries, the former Soviet republics, and several Asian countries theatrically reduced their barriers against foreign company undertakings such as imports, foreign direct investment, and foreign portfolio investment. Scott concludes, although, financial crisis origin can encompass a variation of elements, this assignment has focused on three countries and their journey through a corrosive period that have written history. However, and following the 2007-2009 GFC calls for investigation at more than one level have been initiated, especially into business schools, policy makers and accreditation agencies such as The Association to Advance Collegiate Schools of Business (AACSB International) and The European Quality Improvement System (EQUIS) to name a few. As Benson (2004) argues, business education has become a big affair over the last century, and these schools need to respond to market demands and change their way of doing business in its commercial and professional manner.

In an attempt to find solutions to the problems facing business schools, Swanson, Piper, Fort, Gentile, Shreve, Hartman and Margolis (2007) propose solutions for these schools that might move them forward to become an integral part of the recovery. They suggest an outline business schools may adopt, which highlights the need to teach students narratives from the real world, and incorporate ethics in business and business in ethics. Indeed, Sawnson et al., (2007) do not envisage accreditation as one way of solving the problem, but rather the teaching of business ethics in these business schools as a major issue that needs to be considered to solve such problems. In this respect, Lowrie and Willmott (2009) note that the mission-linked approach, underpinned by peer-review, has been good for AACSB International's growth but has, they suggest, been restrictive and unhealthy for business education that does not fit its seemingly flexible and accommodating mould. Further, Lowrie and Willmott (2009) elaborate on this contending that the attention is directed to the educationally unhealthy consequences of an established regional mode of accreditation becoming an international benchmark for business education consumption. At the heart of the AACSB International's mission-linked approach is an evacuation of core content from business education. The change to a mission-linked architecture was originally motivated; it is argued, primarily by expansionist, rather than pedagogical, considerations.

In response to these issues, as well as feedback from students, the business ethics curriculum at Curtin University's Business School has been reviewed. This review was accomplished prior to the school's endeavours for AACSB International's accreditation, which are currently still undergoing the process. This review aimed at the development and facilitation of units at the undergraduate level that aims to equip students to have an understanding of different ethical perspectives to assist them generate their own perception when faced with challenging, demanding, and uncertain and ever-changing business