Student Perceptions about Ethical Dilemmas in Business

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Business Ethics

- Consistently in the news, but often poorly covered in college curricula
- Ethical blunders = teachable moments
- In business, government, non-profits, media, sports, education and health care
Business Ethics

- The business environment is 24/7
- Impacts and implications of business decisions are known immediately, due to advances in technology and innovation
- Stakeholders will hold businesses accountable for bad decisions
- It is important that the best decisions be made
- Ethics training and awareness can help people make more ethical decisions
Reasons for Poor Ethical Decision Making

- Lack of training
- Insufficient knowledge
- Time constraints
- Lack of resources
- Peer pressure
Ways to Engage and increase Ethical Awareness

- Evaluate the code of conduct
- Current ethical events, both positive and negative outcomes
- Case studies
- Surveys
- In-class discussions and Q & A
- Vignettes
- Online chats
- Web-based research sessions
- Speakers
This Session

- Results of an undergraduate survey of business students in a small public university in the Southeast
- Ways to engage students or employees in building ethical awareness and sound decision making skills
The Survey

- Undergraduate students
- Optional
- Paper survey
- Anonymous
- Extra credit
- 15 questions – objective and subjective
Survey Results

- “always” interested in companies with unethical behavior 44% (sometimes 20%)
- Ethical scandals affect their decision to do business there 68%
- Scandals affect their decision to buy from the company (40% yes 40% sometimes)
- Even one person acting unethically indicates poor decisions at the company 28%
Survey Results

- 56% said it would take years for companies to recover from scandals
- 52% said that they might patronize the business involved in the scandal again if it promoted goodwill, did research in the area of concern and retrained employees to prevent the problem but 24% would not
- 52% said that companies should reveal all details about a corporate scandal to the public
- 44% believe the company should reveal only the details that impact the consumer
Survey Results

- 57% stated that an environmental scandal requires companies to fix the environment in addition to just fixing the scandal on paper in terms of money and profits.

- Worst kind of unethical behavior?
  - making consumers sick 56%
  - misleading consumers 20%
  - insider trading 12%
  - harming the environment 12%
Survey Results

- **Global Scandals**
  - 54% obligation to inform consumers around the world
  - 35% reporting should occur only if the situation has critical implications that would affect others

- **Best Motto for Corporate America**
  - “Always tell the truth” 61%
  - “It’s not personal, it’s business”; 23%
  - “On a need to know basis”, 12%
  - “Smoke and mirrors can make a bad situation seem better” 4%
Survey Results

- **Pay more for Goods from Ethical Company**
  - do mind paying more 37%
  - willing to pay more 33%
  - would pay more when their budget allows 30%

- **Display different Ethics around World**
  - No 36%
  - In special cases 30%
  - If that is what it takes to do business, 19%
  - Yes 15%
Survey Results - Comments

- “public apologies, giving back if possible the losses and designing a plan for improvement”
- “help to right the people that were wronged and do more for the environment”
- “prove they are working to become better”
- [bad ethics] “can truly destroy a company”
- “over time consumers will regain trust” [in a company with poor ethics]
Survey Results - Comments

- “I would rather a company be brutally honest rather than giving me or others the run around”
- “do charity work and advertise about ethics”
- “start by lowering prices and giving back to the community”
- “redesigning everything. Oh, and firing the person or persons that were involved.”
- “an apology and let consumers know how they plan to refocus”
- “new leadership and rebuild a good reputation by basically starting over”
Most students want more coverage of ethics in class

Students like faculty with personal stories about their own ethical dilemmas, or those they’ve experienced

Students like the chance to voice their opinions about ethics

Students may not want to ask or answer some questions about ethical matters in public. Online discussions or anonymous options can enhance the open discussion
Conclusions

- Many different opinions exist about business ethics, however students appreciated the discussions and learning about actual scandals.

- Incorporating ethics discussions on an ongoing basis gives people more awareness and information to make better decisions about business ethics.

- There is some difference in personal ethics versus corporate ethics.
Suggestions for Faculty

- Confer with colleagues about ethics awareness and assignments
- Use social media to add interest
- Consult ICAI for best practices
- Set goals for ethics assignments (awareness, lessons learned, clearer decision making, reporting violators, define personal view, etc.)
Suggestions for Practitioners

- Real world examples
- Videos
- Case studies
- Retreats off site
- Newsletter/website ethics column
- Training in webinar format
U Tube Videos

- http://www.youtube.com/watch?v=xMwpdOOFWpU
- http://www.youtube.com/watch?v=IoXqK6D6lbk&feature=related
- http://www.youtube.com/watch?v=Lhwhgf01Ozw&feature=related
- http://www.youtube.com/watch?v=85HgXXjyw2Q&feature=related
- http://www.youtube.com/watch?v=CUCSK1QFwts&feature=related
Thank you for your time.

- Please feel free to contact us with comments
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