

Developing the Personal Ethics Code: A Key Element of an Effective Business Ethics Course

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ABSTRACT

Since the early 1990's when corporate misdeeds became the norm versus the exception, the Association to Advance Collegiate Schools of Business (AACSB), along with its member schools, have struggled with the best way to produce ethical business school graduates - both at the undergraduate and graduate level. The AACSB standards specifically avoid "particular courses or treatments." Instead, the language of the AACSB states that "schools should assume great flexibility in fashioning curricula to meet their missions and to fit with the specific circumstances of particular programs," and each school is free to determine how to best integrate teaching business ethics to "meet the needs of the mission of the school and the learning goals for each degree program." (2012a, b: Ethics/Sustainability Resource Center). Introduced in the paper is a project titled "Personal Ethics Code" which serves to assist students to understand their own values systems, to achieve self-awareness about decision making, and ascertain their ethical priorities, thus, allowing them to become skilled ethical decision makers.

Keywords: business ethics; ethics education; ethics codes

INTRODUCTION

Since the early 1990's when corporate misdeeds became the norm versus the exception, the Association to Advance Collegiate Schools of Business (AACSB), along with its member schools, have struggled with the best way to produce ethical business school graduates - both at the undergraduate and graduate level. The AACSB standards specifically avoid "particular courses or treatments." Instead, the language of the AACSB states that "schools should assume great flexibility in fashioning curricula to meet their missions and to fit with the specific circumstances of particular programs," and each school is free to determine how to best integrate teaching business ethics to "meet the needs of the mission of the school and the learning goals for each degree program." (2012a, b: Ethics/Sustainability Resource Center).

Thus, the core tenets of any debate regarding business ethics education is "How best to teach it?" As shown above, AACSB allows its member schools considerable discretion, which leaves the universities with three (3) primary options:

- Option 1: Teach a stand-alone course
- Option 2: Integrate business ethics throughout the curriculum.
- Option 3: A hybrid version of Options 1 and 2.

Thus, universities are left with the decision as to how best to teach ethics to their students. As a Business Ethics professor for 6 years, I am quick to point out that I do not teach ethics. In other words, I do not teach anyone to be ethical in my classes. I do not have that capacity nor do I believe this is an isolated belief amongst ethics professors. As the majority of my classes are filled with students in their twenties, their ethical framework and values are already formed by the time they enter an undergraduate Business Ethics course.

Traditionally, classroom discussions in a business ethics course focus on decision-making and pose the question: "what is the right thing to do?" in any given scenario. The students are generally given a multitude of case studies, which poses this question or a variation thereof, and the student's attempt to address it. This question is certainly important but it positions business ethics as an intellectual debate in a vacuum and is relatively easy to answer. It is safe to say that the majority of students would respond in an ethically sound manner in a classroom debate regardless of their values, thus negating the purpose of the debate itself. No undergraduate business student sets out to become Bernie Madoff. The average student can recognize what he or she should do or should have done – ethically speaking. But this does not help the student to become more ethical nor does it, by itself, prepare them to act ethically in their future business careers.

In their 2008 book, *Advancing Business Ethics Education*, Swanson and Dahler-Larsen (2008) identified the importance of understanding one's sense of self, one's self-interests and biases, and one's relationships with others as key elements to achieving self-awareness about decision making. Case studies are good practical tools as is teaching a framework for ethical decision-making but using these tools in isolation does not advance the student from engaging in an intellectual debate to becoming an ethical decision maker. Life rarely presents itself in stark, either-or scenarios with sanitized, tightly-woven case studies. Monday morning quarterbacking of thorny ethical issues are easy and offer minimal challenge to the student.

To advance, students must understand their own value systems. Fink identified in his seminal work, *Creating Significant Learning Experiences for College Classrooms* (2003), that motivating others to understand their own value systems was as an important element in the academic learning process." In Badaracco's 4 year study of "quiet leadership" (1997), he identified that understanding one's own values is critical to prioritizing one's ethical priorities. Fundamentally, individual decision-making is tied to one's normative values (Goodchild, 1986). Recognizing individual values and how one views the world are key factors in determining moral duties (Ravenscroft & Dillard, 2008).

So how does a business ethics course attempt to bring about recognition of one's own values, biases, and their ethical priorities without bringing the Professor's own values into the mix? In an attempt to address this particular problem in a stand-alone Business Ethics course, the method by which undergraduate business ethics students accomplish this is through a semester long project entitled the "Personal Ethics Code." This project is an adaptation of several assignments presented by Hartman in *Decision Making for Personal Integrity and Professional Responsibilities* (2008) and Howard and Korver's *Ethics for the Real World* (2008). The project takes place over a 15-week semester and involves eight (8) separate steps. Each step is clearly defined and the students use earlier steps to build on and respond to later steps. Briefly, the steps are divided as follows:

- Step 1 – Understanding your Ethical Lens
- Step 2 – Goals & Traits
- Step 3 – Norms & Beliefs
- Step 4 – Personal Audit
- Step 5 – Personal Values & Exceptions
- Step 6 - Writing your own Obituary
- Step 7 – Connect & Reflect
- Step 8 – Writing your own Personal Ethics Code

By working through each step in a confidential, non-threatening manner, students are able to focus on their value systems while being challenged to examine their stated values against their everyday life, their career goals, and their life aspirations. Each step is explained in detail below.

DRAFTING THE PERSONAL ETHICS CODE

The course where the project takes place is Business Ethics, which is a required part of the Core Business Curriculum for undergraduate business majors at the university where I teach. The setting is a public, liberal-arts university of ~6,000 students. Less than 3% of the students who take the course are non-business majors or minors. As a 2000 level course with no pre-requisites, the students range from freshman to 5th year seniors. The average age of the student is twenty (20) years. The Project is assigned in both face-to-face as well as online courses. Each class has approximately forty (40) students. To date, 1500+ students have completed the Project. At semester's end, students are provided a course evaluation where they are asked to evaluate the course as a whole and the Project in more detail.

At the beginning of the semester, the Professor introduces the project through a power point style presentation discussing the need for ethical business leaders and how one's ethical framework is formed and evolves throughout a person's lifetime. The students review various influences on ethical values. First they are shown value systems from religious perspectives (e.g. Ten Commandments, The Quran, The Talmud, Buddhism precepts, and Hinduism). Secondly, they are shown everyday influences from the rich and famous (as positive or negative examples). Lastly, they are shown influences from a University's perspective including their own University's Code which they all

signed and committed to as Freshman along with those of other Universities including military service academies' Honor Codes regarding lying, cheating, and stealing. A brief overview of each step in the Project is discussed.

Between that introduction until the first step is completed, the students are asked to review the documentary *Enron: The Smartest Guys in the Room*. The students complete a Critical Analysis as a written assignment and a class discussion follows. This documentary, for anyone not familiar with it, presents major ethical lapses for a much-admired publicly-traded U.S. company until its bankruptcy in 2001. The students are also provided a digital copy of Enron's 64-page Code of Ethics signed by the CEO, Kenneth Lay, in July 2000 committing Enron and its employees to "conducting the business affairs of the companies in accordance with all applicable laws and in an honest and moral manner." (Enron's Code of Ethics, 2000). The documentary and the Code of Ethics brings the students face to face with failed leadership, governance, and oversight all the while observing how Enron employees at every level engaged in these ethical lapses seemingly without question. This documentary sets the stage for the Personal Ethics Code and for the rest of the semester's work. Following this, the students begin the process of completing the eight (8) Steps. The process for grading is provided later in the paper.

Step One: Understanding your Ethical Lens

Step One titled "Understanding Your Ethical Lens" is a critical analysis of a personality style inventory. Asking the students to take a personality inventory online that are readily available and are free can accomplish this task. After completing this step, the students are asked to analyze their results. In my classes, the students engage in online ethics simulations purchased through the Ethics Game© website as part of the work they do in the course. One aspect of these simulations is a 36-question exercise titled the Ethical Lens Inventory©, which is similar to a personality inventory but gears itself towards responding to ethical dilemmas.

According to the Ethics Game website, the Ethical Lens Inventory is explained to students as follows:

[W]hy, when so many say they are ethical, do we have so many problems? Is the problem due to human nature—no one can claim to be ethical and there is no hope? Or is there a more basic problem, one of definition? What do we mean by ethics? And exactly how do we determine what actions are—or are not—ethical? The Ethical Lens Inventory (ELI) is a tool to help you answer questions and to help you become more aware about your own values. As you understand what values are important to you, you will discover your preferred approach to solving ethical dilemmas. The ELI will identify your natural ethical home. You will also be given strategies to help you become more ethically mature.

(Baird, 2014, para. 1).

The Inventory results require the student to look at their own ethical lens, their strengths, weaknesses, biases, and potential triggers for unethical behavior. They look at this individually, in a scatter plot per class section, and also through an activity (face-to-face and online) where the students put their results on the board or in an online discussion forum identifying their primary lens, their age, gender, and major. Through this activity we examine how ~forty (40) people could look at the same 36 questions and come up with different results. We examine trends in age, gender, and major. The first inklings of awareness of how people, very similar to themselves, can look at the same issue at the same time and come up with different results, even people who might be their friend or classmate, starts to enter into their consciousness.

To complete the Step, each student submits their individual responses to the questions below prior to the group exercise and discussion. They are asked to answer the same questions presented to them during the Group Activity. The questions are presented below:

1. Do you believe that the Ethical Lens Inventory provides a good depiction of who you are?
2. Did you agree or disagree on the strengths it showed for you? Explain.
3. Did you agree or disagree on the weaknesses of your Preferred Lens? Explain.
4. What is the one item noted in your Preferred Lens that surprised you the most? Provide details.

So the exercise not only brings awareness that given a simple set of questions, multiple ethical perspectives emerge, but also asks them to critically look at what their results mean to them personally. No one lens is considered superior

with each having its own strengths, weaknesses, biases, and potential triggers for unethical behaviour. This is the only step that the students share publicly with other students.

Step 2: Goals & Traits

Step 2 is done after Step 1 is completed. There are usually 10-14 days between each Step's due date. A student may not skip a step and proceed through the process. The project holds little value if steps are skipped as they are meant to build on each other and to force the student to examine their values from a multitude of perspectives and challenges. If a student submits a step after they have skipped one, they are required to complete the skipped step in order to receive a grade for the new step.

Step 2 asks them to identify five (5) things they want to accomplish by the time they retire. It also asks them to identify three (3) traits that will help them accomplish these goals and three (3) traits that might hinder their accomplishments. They are required to explain why they have identified these particular traits and why they believe they will have a positive or negative impact on their goals. This step begins the process of identifying how values and beliefs might impact them long term. This is a difficult process for someone in his or her twenties who rarely considers the long-term implications of their decisions. In this step, they are faced with their recent ethical lens results, which may aid them in identifying the traits that might assist and those that might hinder the accomplishment of their goals, or it may challenge them to acknowledge traits that they otherwise might not have considered. Even though the Professor is the only one who reviews these Steps, the students regularly report that they are keenly aware of how one response in an earlier step might contradict a following step. The process of developing one's ethical awareness and insight begins.

Step 3: Norms & Beliefs

Step 3 examines the student's perspectives on what he or she believes is absolutely right and absolutely wrong by asking them to list three (3) acts that are always right and three (3) that are always wrong and explain their answers. Students often identify this as their hardest step ... at least until Step 6. Some students go very deep into this process identifying such items as abortion and eloquently explaining their rationale. Others cannot identify such an act and identify something much simpler such as "being kind to the elderly." The comments often received from students discuss that every time they came up with something, they would come up with an exception. Exceptions are what they are asked to examine in Step 5. This step starts them down the path of less black and white concrete thinking and more gray area thinking, which tends to be where ethical issues present themselves.

Step 4: Personal Audit

Step 4 asks them to do a simple task – write down everything they do between 7 am and 10:30 pm in a single, 24-hour period, in 30-minute increments, and submit. They are told that this step will be used in a later step. Again, some students go into great detail letting me know about their every moment while others keep it simple.

Student #1 Sample 7:30 am Entry: *"Woke up and got ready for class."*

Student #2 Sample 7:30 am Entry: *"Woke up, let dog out, brought Pop Tart to bed, fell back asleep cuddling said Pop Tart."*

Step 5: Personal Values & Exceptions

Step 5 is a much more involved step with two parts. This step forces the student to specifically identify the basis of their value systems and ethical priorities. Part 1 requires the student to identify, from a list of ~500 values, the ten (10) most important to them and rank them 1 to 10, and to identify the ten (10) least important to them. The set of values can be provided from any source. I have developed my list based on several sources including but not limited to Pavlina's *List of Values* and ThreadsCulture.com. Students report that once they see the list, they feel overwhelmed but feel confident of their two (2) lists once they are done. Two-thirds of students indicate that selecting and ranking the most important values was much harder than selecting the least important values. This step becomes more personal once students reach Step 7.

Part 2 asks them to review three (3) universal beliefs (shown below) and to identify any exceptions they might have. Some exceptions are provided and they are asked to list any additional exceptions they generate themselves. The three (3) universal beliefs are provided below:

- I will not harm.
- I will not deceive/lie.
- I will not steal.

They have the choice to check that they take no exception to the basic tenet (e.g., I will not lie.); or they can choose exceptions that are provided by placing a check mark next to the exception; or they can type in their own. A sample from one student's Part 1 section (Student #3) is shown below:

Lying/Deception

Lying and deceiving are wrong except for:

- Telling lies to save someone's feelings.*
- Telling lies to avoid embarrassment
- Telling lies to avoid punishment
- Telling lies to get ahead
- Inflating qualifications on a resume
- Exaggerating benefits/Hiding deficiencies to a customer
- Telling lies in negotiations
- Telling "white" lies*
- Telling lies to liars
- Telling lies to children*

Write your own exceptions: *"I only take exception to telling lies to children for those things that are either harmless like Santa Claus and the Tooth Fairy or to not hurt them when I don't have to like not telling them the truth about why their parents are fighting. In high school, I did a lot of babysitting and kids would ask me really personal things about their family all the time. Even if I knew the truth, I usually never told them."*

Step 6: Writing Your Own Obituary

Step 6 asks the students to write their own obituary. Although a morbid subject for most, students are encouraged to use a search engine for examples or look at the obituaries of famous people. This Step is asking them to go from Step 2 identifying what they want to accomplish by retirement to what they want their legacy to be and how do they want to be remembered at the end of their life. Their responses range from the simple to the fantastical. The simple ones show where they married their high school sweetheart, returned to their hometown, and lived the life their parents did – the only difference being the names and dates. The fantastical tends to evince superpowers or marriage to a famous person or something equally far-fetched. If it shows an accomplishment, like curing cancer, then during the grading process the student is challenged how they will accomplish it, if their current path is not working towards that goal.

This is the only step where some students refuse to participate or do so with considerable reservations. If a student expresses a reason, before the due date, as to why they are not comfortable writing their own obituary, they are provided a set of questions to answer instead. In five years, only six (6) students have refused to write their own obituary, but more than one-hundred (both males and females) have expressed their reservations when submitting this step or through the course evaluation.

Step 7: Connect & Reflect

Step 7 asks the students to reflect on the prior six (6) steps. They examine Step 4 to see if the values and the exceptions identified in Step 5 are shown in how they lived their day. They are asked, "Are they living out the values they claim are the most important to them?" They are asked to look at their day in the context of Steps 2 and 6. Is what they are doing now working toward their retirement goals or the legacy they hope to leave? For some, this is a wake-up call. For others it is merely a reminder that who they say they are and who they say they want to be are not currently reflected in their daily lives.

This step allows the students to understand their "own values systems" in a way that case studies and sterile class discussions can never accomplish. It gives them a unique insight in a safe environment to not only evaluate the discrepancies but also to revel in the congruences. The majority of students (~68%) indicate in their responses that they are not satisfied with the results. Students are asked in the same step to explain any discrepancies and how might they be addressed or whether they think they should be addressed. A discrepancy is defined for them as a mismatch between how they spent their day (Step 4), their stated values and exceptions (Step 5), retirement goals (Step 2), and their legacy (Step 6).

Step 8: Writing Your Own Personal Ethics Code

Step 8 is the final step where the students actually write their own Personal Ethics Code. They are asked to examine each prior step to develop their Code. They are provided samples from prior students. They are provided my Personal Ethics Code developed during a high school assignment and also one I use currently. This demonstrates to them that their Ethical Code may and often will evolve over time. The assignment asks them to develop a minimum of ten (10) statements with an example being, “I will not lie except to children.” It is explained to them in the context of Enron’s 64-page Code of Ethics that longer is not necessarily better for businesses or for individuals and that shorter, simpler Codes are more realistic and more manageable.

The students are warned against a Code filled with positive statements such as “ I will cure world hunger.” It is explained to them that this is a never-ending job that knows no bounds. They are warned against prudential statements like “I will respect others.” It is right to “respect others” but the standard itself provides ambiguous guidance. They are encouraged to make their Code practical and to test it for reciprocity (e.g., Would I want other people applying the same rule to me?) and universality (e.g. Would I want everyone to follow this?).

Some students approach this step as they do all assignments, “What is the minimum I can do to get the grade I want?” The majority, averaging ~77% in the past 5 years, appear to take the assignment seriously. This is demonstrated by the Codes they submit and their comments regarding the assignment in Course Evaluations and Reflections.

In Howard and Korver’s book, *Ethics for the Real World*, the authors state:

With an ethical code in hand, we prime ourselves for dealing with difficult daily challenges. Without a code, we find it too easy to overlook, sweep aside, put behind us, and “let go” of ethical mistakes. With a code we have a tool to act more quickly and without remorse. Our code helps us to remain true to ourselves as we face life’s most predictable challenges.

(Howard, Korver, 2008, p. 96).

GRADING

The Personal Ethics Code is graded and counts for 15% of their overall grade. Each Step is graded separately. Based on the time for completion and complexity of the assignment, points are divided amongst the steps as follows:

Step	Title	Points
1	Understanding your Ethical Lens	25
2	Goals & Traits	25
3	Norms & Beliefs	25
4	Personal Audit	50
5	Values & Exceptions	50
6	Writing Your Own Obituary	50
7	Connect & Reflect	25
8	Writing your own Personal Ethics Code	100
	TOTAL	350

As each step is highly subjective, students are not graded on content per se which means they are not graded on what they reveal in each step. Each step, except for Step 4¹ is evaluated in the following manner:

- Completion of requested tasks 40%
- Spelling, grammar, punctuation, usage, mechanics 10%
- Detail and level of analysis 50%

¹ Step 4 is evaluated by the first two items only.

In the “detail and level of analysis” the intent is to determine if the student is actually attempting to address the task given or just doing the minimum. Although this is also subjective, the tasks are asking the students to perform according to Bloom’s Revised Taxonomy at the level of evaluate and analyze not at the understanding level. (Revised Bloom’s Taxonomy, 2001). For example, the difference between a student that explains why an item is absolutely wrong in Step 3 and one who is just doing the minimum is evident as shown below.

Student #4 Sample Entry (Step 3): *“I believe that using a computer for personal reasons during work is always wrong because you are being paid to do the work of your employer not your personal stuff. It’s the same as stealing from your employer.”*

Student #5 Sample Entry (Step 3): *“The reason I think this is absolutely wrong is because people get pissed if you do it.”*

ADDITIONAL SUPPORTING ASSIGNMENTS

During the course of the semester, students are also introduced to an Ethical Decision Making framework and are shown how to apply this framework to multiple ethical dilemmas. These exercises are performed first in a large group and then in small group and individual settings and takes what the students are learning about their own value systems and ethical awareness to determine their ethical priorities. In grading these exercises and also in the debriefings following, students demonstrate that they are keenly aware of their own ethical lens perspective, that others may not share their perspective, and of how to ascertain their ethical priorities while making key business decisions. Their responses in the assignments and comments following often include information drawn from the steps completed in their Personal Ethics Code.

SUMMARY

The Personal Ethics Code project can be accomplished alongside other traditional course activities like simulations, ethical decision making exercises as described above, and discussion of case studies. The development of the Personal Ethics Code, however, provides something much greater than the traditional Business Ethics course assignments.

In the voluntary Course Evaluations, students are asked the following questions:

1. Check the activity or exercise in which you gained the most knowledge relevant to the Course (out of 10 activities/exercises listed).
2. Describe the activity/exercise and/or part of the course that you believe best prepares you for the real world and explain why.

In the past five (5) years, 1310 students completed the Personal Ethics Code (PEC) project and completed their Course Evaluations out of 1500+ who have taken the course. The following represents the results for the above two (2) questions.²

Question #	# of Respondents out of 1310	% Selected the PEC
1	1035	79%
2	878	67%

Provided below are samples of students’ responses to Question #2. These represent the general consensus towards the course and the Personal Ethics Code.

Student #6 Response to Q#2: *“College is full of courses that have no relevance to the real world even in my major courses. Even though I did not look forward to this course, the PEC made it all worthwhile and helped prepare me to make good decisions even the hard ones.”*

² Responses were only calculated from students that completed all eight (8) Steps and the Course Evaluation.

Student #7 Response to Q#2: “*Business Ethics was the course that forced me to really look at who I am, what I stand for, and practice good decision-making. It’s the most practical course offered at GC and I will always think back to my PEC when I’m faced with ethical decisions.*”

Student #8 Response to Q#2: “*The PEC has been the most valuable work I have done in college. Every student even non-business majors should be required to do a PEC and take Business Ethics.*”

Student #9 Response to Q#2: “*I took Business Ethics online and thought it would be super easy and also useless in the real world. I was totally wrong. This course changed my whole way of thinking. From the Enron movie to the PEC, I was constantly challenged to look at my values, apply them in real world situations, and then analyze what I did afterwards. It was an amazing experience. This is what I was told college would be like. Finally, I had a course that really showed me. I have never given any college assignment to my parents. I gave them a copy of my PEC.*”

As shown in the evaluation results and the sample responses provided, it is clear that the Personal Ethics Code provides the students with a recognition and awareness of their values, biases, and ethical priorities in the context of a Business Ethics course because they are not just engaged in isolated intellectual exercises. It also provides them with a practical tool to use throughout their life “to be an ethical decision maker.” And is this not what we are trying to accomplish in our Business Ethics courses?

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