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A model of organizational ethics education

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Abstract

**Purpose** – This paper aims to propose a model of ethics education for corporate organizations framed as an holistic approach to the problem of how to teach ethics.

**Design/methodology/approach** – As a conceptual/viewpoint piece, this paper recognizes that for ethics education to be successful, individuals and corporations must have an appreciation of their role in the society at large. In addition, there needs to be preparedness on the part of the corporation to engage in an ethical manner with the marketplace with which it interacts.

**Findings** – Ethics education should not exist in a vacuum, that is just within the organization, but it should reflect the values of the organization as they impact upon and are impacted upon by society in general.

**Research/limitations/implications** – This model is predicated on a belief that organizations must craft their ethics education program with as much care and enthusiasm as they craft their strategic plan. The employees are the organization's representatives and they need to be made as clear as one can make them as to the ethical philosophy of the company and what is expected of them. Adults have a capacity for greater reasoning and reflection on their life experiences than children and thus the concept of “andragogy” provides a more satisfactory method to fashion education programs for adults than some more traditional methods that focus on training and not education.

**Practical implications** – When considering the ethics education of its employees, corporations need to place that education in context as it relates to the organization and the wider society as a whole. It is suggested that an ethics education program needs to provide a framework for understanding the concepts of ethics and moral development. Using this framework as the basis for the education offered, the education program is then expanded into an examination of a range of ethical issues presented in a variety of ways.

**Originality/value** – This paper proposes an integrated way to approach ethics education that ensures that the antecedents of the program are considered in the context of the ethics of individuals, the society and in turn the organization, hence the holistic approach.

**Keyword(s):**

Business ethics; Education; Organizations; Teaching.
Introduction

The study of business ethics has been evolving since the latter half of the twentieth century. In the last 25 years in Australia, business ethics has risen to prominence as a distinct and high profile area of corporate concern and academic interest. The corporate activities, by some of our most recognized entrepreneurs and others, have achieved notoriety within Australia. The reasons for this continuing spate of ethical and, in many cases, legal malpractice are difficult to pinpoint with any degree of certainty. These events may well occur because of systemic problems within the corporate world: a corporate world that is no longer bounded by geopolitical frontiers (Wood and Callaghan, 2003). The recent global financial crisis is indicative of the melt down that can occur in a system that is based on malpractice and a spurning of any need for ethical behavior on the part of corporations. As Wood and Callaghan (2003, p. 211) contend:

The means of keeping score for corporate success, in and of itself, sets a climate and an environment that tempts one to flirt with danger. Invariably, the way “the wealth game” is played leads executives and others to tinker about the edges of acceptability in the misguided hope and belief that the ends may justify the means.

A consideration of one's corporate business ethics cannot be left until a major crisis arises, for a lack of preparation both philosophically and practically will leave the corporation unduly exposed. Against this backdrop, then ethics education in organizations becomes of paramount importance as to neglect it is an abrogation of one's corporate responsibility to all stakeholders.

Individuals in organizations, therefore, need exposure to an ethics education program in order to fully understand and subsume the company philosophy on ethical practices and behavior. This program should be a formal company-endorsed program that highlights to all levels of company personnel the importance in being ethical, not only for the benefit of themselves and the corporation, but also for the enhancement of the well-being of the general society.

Harrington (1991, p. 29) believes that organizations should:

[...] orient ethics training toward strategic issues [...] Thus, ethics training is really part of a larger, organized effort to integrate ethics into the culture and long-range strategic efforts of the firm.

As a corporation should inculcate ethics education into the corporation then one needs to consider how it should ensure that it gives due attention to achieving this goal. Raisner (1997, p. 1331) contends that ethics education should be undertaken, “[...] within a unifying framework, that gives the subject greater coherence and a surer footing in a curriculum dominated by problem solving goals”.

This paper proposes a model of corporate ethics education (Appendix 1) that is based upon an holistic approach to the problem of how to teach ethics. It recognizes that for ethics education to be successful, individuals and corporations must have an appreciation of their role in the society at large. In addition, there needs to be preparedness on the part of the corporation to engage in an ethical manner with the marketplace with which it interacts. Once the impact of these external factors is realised, then one can focus on the ethics education of the employees,
part of which involves placing that education in context as it relates to the organization and the wider society as a whole (Sims and Felton, 2006).

**A model of organizational ethics education**

The model has evolved from the belief that any attempt to ensure ethical decision-making within organizations requires ethics education programs to be delivered in a variety of ways. Such programs need to first, encapsulate adult learning principles; second provide a variety of stakeholder perspectives and third explain the underlying philosophical beliefs that underpin ethical decision-making.

The model begins with an examination of the ethical considerations of the individual and the organization operating within a social framework. It then moves on to address ethical considerations/issues inherent in the particular organization/industry in which it operates. Moving from the macro to a micro view, the model considers the ethical decision-making of employees, from an informed perspective. The model then addresses how the organization communicates the ethos of the organization to all employees. In order to achieve this goal, it is suggested in the model that employees should engage with a range of learning experiences. A debriefing for all of these activities should link back to and reflect the ethical ethos that the organization is attempting to instill into the organizational culture of the corporation (Appendix 1, Figure A1).

**The individual and the organization – the social context**

An examination of any management text book from 20 years ago would reveal that there was little reference made to ethical behavior either by individuals or organizations. As members of society have become more vocal about what was happening around them, we have seen a greater focus placed on the behavior of individuals and organizations (Svensson and Wood, 2008). We have become a more critical and demanding society and with this change has come greater expectations of the behavior of organizations and people who work within these organizations. Business is seen as an “essential part of the social fabric” (Thomas *et al.*, 2004, p. 56). Its true purpose should be for corporations, “to make society better off; and to create societal wealth, not just create wealth for shareholders” (Cohan, 2002, p. 291).

To date, however, there has been a lag between what is expected of organizations and individuals in terms of ethical standards and social responsibility and what many have delivered. It is no longer acceptable to dump waste wherever it is convenient (Collier, 2000). It is no longer acceptable to go overseas and exploit local workers at a cost to their health and their well-being (Cragg, 2000). Society's expectations of business have clearly changed (Sims and Felton, 2006) and it is the responsibility of all organizations not just to monitor these changes, but to respond to them in a proactive (rather than reactive) way, to ensure that they have the support of their stakeholders (Svensson and Wood, 2004).

**Industry/organization specific ethical issues**

Business is a partnership between the society, its citizens, and corporations. We all benefit if all parties recognize that we thrive individually on the success of the whole, hence, organizations need to consider their relationships with all parties as one of a partnership focus and not one of adversarial combat. Our business system, which is becoming more globally intertwined every day, needs to be a continually evolving one, whereby we strive to make a
better and more encompassing system that respects the views and perspective of all participants equally (Wood, 2002; Wines, 2008). This realization can often involve the consideration of the values of various stakeholders and may result in an optimal, rather than an ideal outcome (Sims and Felton, 2006). Organizations, however, must recognize this need for them to be ethical in the marketplace. They must have a genuine desire to be ethical: a desire that is borne out of ideals based on altruism and not those predicated on the sole perspective of monetary gain by being exclusively focused on profit seeking behaviors.

**Ethical decision-making by employees**

Companies cannot just wish to be ethical. In order to be acting ethically, corporations and their managers must look at establishing and maintaining an ethical culture (Sims, 1991). This task is not an easy one, for in trying to establish an ethical culture, previous morés of accepted behavior and company practice may often be challenged (Cohan, 2002). Maintaining an ethical culture does not happen by company decree alone. It must be interwoven into all aspects of the company's activities (Wines, 2008). The critical factor is that time and resources must be devoted to this ideal in order to give it the best possible chance of success. This new or modified culture is one that must start with a focus on the employees and shareholders of the organization, for they are the ones who must embrace the direction that is intended by the senior management of organizations. The board and the CEO may decree such behavior, regulators may demand it and stakeholders expect it, but it is the employees at all levels of the organization who must embrace the ethos and enact it for these expectations to be given life and to grow within the organization.

**Communicating the ethos of the organization through ethics education**

As a result of individual differences between employees, organizations cannot assume that employees will all act in accordance with the company's ethical policies. Without the support of the organization in the critical areas of education and the protection of employee rights, there is little likelihood that organizations will be able to foster the desired ethical behavior that is required (Wood, 2002). Organizations cannot expect employee adherence to the ethical principles inherent within the organization, if they do not examine their current practices and consider ways that may improve the facilitation of their objectives in respect to business ethics. Not to do so devalues the positive impacts that such a program may have for the organization, its staff and other stakeholders (Adams et al., 2001; James, 2000; Wotruba et al., 2001).

**Ethics education**

Individuals learn in a variety of ways. For ethics education to be successful employees must be exposed to a number of different, but complementary methods for studying ethics (Maclagan, 2003; Wines, 2008). We contend that in order to encapsulate adult learning principles (Andragogy: Appendix 2) that recognize the fact that individuals learn in diverse ways, and also needing to take cultural and gender issues into consideration, the organization and indeed the individual would best be served by being presented with a range of learning approaches that incorporate moral or ethical dilemmas, role plays and discussions. As Sims and Felton (2006, p. 302) identify, “responsible ethical business practices are not the result of a one-time inoculation”.

**Moral or ethical dilemmas**
Any pedagogical process intended to develop a practical understanding of character or virtue should include a critical process through which individuals can understand and appreciate their own character traits and biases, the traits and biases of others, and the relationship between individual ethical orientation and performance within rule-bound organizations (May, 1980). Research has shown that interventions using ethical dilemmas can stimulate moral reasoning, ethical sensitivity and even ethical behavior (Loe and Weeks, 2000; Sims, 2002; Lowry, 2003; Weber and Glyptis, 2000; Wines, 2008), hence, the first stage of any ethics education program is to provide the participants with a framework to enable them to develop and understand their personal ethical perspectives. Any attempt to implement a mechanical decision-making process for resolving ethical issues is illusionary (Brady, 1999).

The capacity for an individual to demonstrate principled moral reasoning can and must be developed by means of a focused, systematic and long-term education effort (Penn and Collier, 1985). Such an approach may in fact require minimal effort for some if the cognitive ability already exists or in other cases, it will be necessary to build the mental schema which can be activated later (Smith and Queller, 2000).

The aim of any ethics education program should not, therefore, be moral conversion, but rather about developing the process of ethical analysis (Maclagan, 1994, 2003). This task is done by raising awareness and providing employees with concepts, theories and skills to enable them to engage in moral reasoning and ethical decision-making from an informed basis. This proposition is further enhanced when such teaching is integrated with specific situations that employees may face in their careers (Sims, 2002; McDonald, 2004; Felton and Sims, 2005). What one should hope for is:

[…] the cultivation of critical awareness of both the moral problems presented in business and the means of applying some moral principles and reasoning in order to achieve clarity, the avoidance of logical fallacies, an understanding of moral concepts and critical examination of arguments (Morgan 1996, p. 52).

Once individuals come to appreciate these factors, this realization then enhances their ability to process multiple norms and consequences in order to come up with an appropriate ethical judgement.

Role plays and experiential learning

Researchers, such as Trevino (1992), Brown (1994) and Thorne Le Clair and Ferrell (2000), suggest the use of participation and role plays as being ideal for ethics and moral education. Often, it is the minor every day issues that employees encounter which can cause the most difficulties for them in making ethical decisions, therefore, the aim of a role play should be to draw upon the employees' exposure to commonly encountered every day events and use those identified events in order to raise one's moral consciousness (Weber and Gillespie, 1998).

One of the difficulties in teaching ethics in organizations is being able to determine, to measure or even to predict actual behavior in real ethical situations (Weber and Gillespie, 1998). There is, however, evidence to suggest that an experiential approach to ethical decision-making increases both sensitivity to ethical issues and self-awareness of ethical issues (Pettifor et al., 2002). Ferris (1996) discusses the need to present a “blizzard of moral dilemmas”. The aim of this method is to virtually overload students with situations likely to produce ethical problems. Ferris (1996) contends that the objective of such an approach is to
have the students recognize the need for a framework or “moral anchor” that they can use in order to develop a consistent and rational response to whatever situation presents itself to them. Brock et al. (2008) support the view that providing a myriad of real world problems followed by some metacognitive reasoning strategies to make sense of these problems, provide students with practice in how to deal with such situations. In so doing, it also provides the necessary tools to apply to ethical situations that they may encounter in the future.

Employee discussion and reflection

Galbraith and Jones (1975) and Beyer (1976) developed models for teaching the skills of moral discussion. Despite Beyer's belief that moral dilemmas should be as simple as possible, in reality, dilemmas in real life are seldom simple. Most of these models focused on teaching children about morals and so the belief that scenarios should be kept simple seems logical, however, it is our contention that you can take these early models and develop them for use with adults. In this case, there needs to be a balance between dilemmas that are too complicated and can confuse, and situations that do not challenge or sufficiently interest the participants. Relevance to the real world situations of the participants is a key, for without relevance there will not be genuine engagement occurring and learning will not be maximized.

One way of hopefully avoiding this scenario is to sequence the dilemmas. In sequencing dilemmas the same story and characters are used but the original situation is changed to provoke disagreement about what the main characters should do (Fraenkel, 1977). The notion of sequencing dilemmas has some merit as one might be used to build on the previous one and in this way you can “move” individuals through different stages of development, as espoused by Kohlberg (1971). Using this process one hopes to develop an individual's cognitive moral ability:

One reason why a lot of people do not develop morally is because better alternatives have not occurred to them. They frequently continue to react in conventional ways because they perceive they have no other way of reacting (Fraenkel, 1977, p. 80).

A word of warning, however, to those responsible for conducting the ethics “education” session, facilitators of adult learning cannot simply function as resource people or technicians of learning. Facilitators need to prompt individuals to consider alternatives. They need to get their students to scrutinize their values and behavior and the process should be one that is not so personally threatening as to be a block to learning. There is no point in a facilitator rigorously examining group members' beliefs and values, if that process is so anxiety producing that individuals, in an attempt to protect their self-esteem, choose to leave the room, or withdraw from the discussion (Brookfield, 1986). This same facilitator also has the difficult task of keeping his/her values and beliefs in check and not letting this influence the learning process: not an easy task, but one that must be achieved. Facilitators are there to lead the discussion and to ensure that each participant establishes their own reality in each given situation. Leading should not be directing, but guiding to a self-awareness that training cannot attain, but education can.

What we are proposing is a framework for organizations to consider in educating their employees that at the same time offers all employees the opportunity to reflect on recent examples or incidents and how they were handled, as well as discussing evolving issues both
internal to the organization and external to it. The issue of ongoing reflection is a critical element of this process. Reflection on experience has shown to be able to connect to theoretical understanding (Maclagan, 1994; Brock et al., 2008). As Brady (1999, p. 311) says, “any dreams of a mechanical decision procedure resolving issues is illusory. It is unlikely that a technique can be found to replace human thoughtfulness.”

Snow and Bloom (1996) examined the value of scenarios as a means for studying the ethics of character in both the classroom and in the workplace and came up with a survey instrument to measure ethical decision-making. Their aim was to develop self-reflection. They identified certain consistencies in ethical decision-making styles. Once an individual has taken the survey and assessed his or her own stylistic preference, the ground for discussion and debate about what drives these tendencies is set. Students identify their own ethical positions and contrast them to those of others in the group and also reflect on their individual positions in relation to professional, organizational, industrial, and societal norms.

The issue of ongoing reflection is a critical element in the educational process. Reflection on experience has been shown to be able to connect to theoretical understanding (Maclagan, 1994) and thus individuals can benefit from follow up programs that revisit the theory and examine their experiences since the education sessions were held. The ability to be aware of oneself and the differing “values beliefs and attitudes of others require self-reflection, self-disclosure and active interaction with others.” (Sims and Felton, 2006, p. 304). These sessions will be the opportunity to discuss and reflect on various ethical dilemmas that individuals have encountered and to reflect on the decision-making process and outcomes.

From an organizational point of view this is perhaps the most critical stage. There needs to be regular and on-going opportunities for individuals to reflect on recent examples or incidents; how they were handled; as well as the opportunity to discuss evolving issues both internal and external to the organization (Ritter, 2006). In addition, current organizational practices and policies need to be reviewed to ensure that they not only meet the evolving needs of the organization, but also to consider how these might compare to what other organizations in either the same or different industries are doing.

Participants in the education program will consider what has changed (either within the organization or society) to make this practice now either good or bad. What are the implications for this reflection for the policies and the procedures within the organization? How does this impact on their current code of ethics? How can they implement this practice? What sort of education does the rest of the organization require in relation to this matter?

These sessions will be the opportunity to discuss and reflect on various ethical dilemmas that individuals have encountered and to reflect on the decision-making process and outcomes. For this process to be of value to the organization, it needs to be non-critical in order to encourage open participation. Any situations of note should be codified anonymously for future uses within the organization's ethics program.

**Maintenance and review**

All organizations must conduct maintenance and review of this education process as not to do so leaves them exposed to changes in the marketplace and amongst their own staff. This education is not a once off format, but should be an ongoing reconnection with reality both within the marketplace and the organization. Environmental scanning should be used to
ensure that the organization keeps abreast of changes in the marketplace and as such implements such changes as are detected into their company's ethics education program. It should also be remembered that maintenance and review give employees the chance to grow and develop in this area over time. As stated earlier, one inoculation is not enough (Sims and Felton, 2006). An organization must constantly revisit its ethical ethos and build upon its values as it strives to grow with the society and for the society of which it is a part.

Implications

This model is predicated on a belief that organizations must craft their ethics education program with as much care and enthusiasm as they craft their strategic plan. A strategic plan drives the corporation's foray into the marketplace, but it is the values and actions of the organization's employees by which it will be judged. One needs to arm one's employees with a set of ethics tools to engage with the marketplace on a day to day basis, for it is inevitably the service interactions of the individual employees and their day to day judgments on behalf of the organization that either will make or break the organization. The employees are the organization's representatives and they need to have it made as clear as possible to them what the ethical philosophy of the company is and what is expected of them.

The term “pedagogy” is constantly used in the field of education without the acknowledgement that pedagogy is the education of children and that much of the research in this area of ethics education has come from the studies of the moral development of children. This paper recommends that we seek to recognize that adults are not the same as children and a better way forward needs to be adopted. We suggest the philosophy of Knowles (1950) that acknowledges as a starting point that adults learn in a myriad of ways that are different to children. Adults have a capacity for greater reasoning and reflection on their life experiences than children and thus his concept of “andragogy” provides a more satisfactory method to fashion education programs for adults than some more traditional methods that focus on training and not education.

We are concerned that organizations and individuals can cast the need to improve the ethical performance and understanding of their employees as if it is a training exercise, rather than acknowledge the complexity of the task at hand. Training, by its very nature, assumes that the task can be readily learnt and at the same levels by all. One can train people to do a formulaic task or a repetitive task, but ethics does not fit easily into this genre. The development of one's ethical awareness of oneself and the facilitation of the growth of one's ethical perspectives is not a formulaic exercise; it is a task that requires constant revisiting and thoughtful consideration over time.

The other problem with a conceptualization of this process as training is that training in essence conjures in the mind a development of a specific skill in a specific time period. Once the training has been done and the skill set mastered then the person, therefore, is a competent practitioner and the temptation is to assume that they are “trained” and ready to go and that this training will stand them in good stead into the future. Education on the other hand is a more ongoing process. We are always learning and the mantra of the day is lifelong learning. Education demands a constant revisiting of concepts and ideas so that the individual and the organization can continually grow as they face new, yet often unforeseen challenges in the marketplace. Education should involve a set of principles that can be applied in a variety of difficult choice situations faced by the organization and the employees that act as a basis for reflection, consideration and, one hopes, a well considered thought process in order to reach a
Conclusion

When an organization chooses to go down the path of embracing ethical standards and beliefs, it is incumbent upon that organization to create environments that support ethical behavior and to inculcate within the organization policies, procedures and structures that support such action (Wood, 2002). This discussion is designed to propose, through an integrated ethics education program, a way to achieve this goal of supporting staff that have to implement the ethical ethos of the organization into their every day activities.

A diverse set of educational methods has been suggested to assist in the education process: a process that is predicated upon an acknowledgement that individuals learn through different medium. In the case of ethics education, it is not about one correct way to assess a situation, but the ideal is to arm employees with a range of applicable strategies that can be used to assist them in their dealings on behalf of the organization.

To further this idea, future researchers in this area should seek out best practice. This search would include, but not be limited to, surveying organizations in depth about their ethics education processes; looking to develop case studies of successful organizations that have embraced these methods of ethics education; and above all else to seek the views of employees from best practice organizations as to how they have personally benefited from such education and how they have seen their organizations benefit from the use of such philosophies.

Ethics education is not a simple matter of training. By not acknowledging that it is an ongoing process that must move as societal values move and change and as society's expectations of business increase, one will devalue the process for both employees and the organization. Philosophies based on a mindset of ethics education force one to face the reality that organizations and societal ethics evolve over time (Svensson and Wood, 2008) and one must be constantly focused on this evolution and equip one's employees in a meaningful and ongoing way in order to handle the situations that they will invariably face in the marketplace.
**Figure A1** A model of organizational ethics education

**References**


**Appendix 1**

Table I

**Appendix 2**


*Adults should acquire a mature understanding of themselves.* They should understand their needs, motivations, interests, capacities, and goals. They should be able to look at themselves objectively and maturely. They should accept themselves and respect themselves for what they are, while striving earnestly to become better.

*Adults should develop an attitude of acceptance, love, and respect toward others.* This is the attitude on which all human relations depend. Adults must learn to distinguish between people and ideas, and to challenge ideas without threatening people. Ideally, this attitude will go beyond acceptance, love, and respect, to empathy and the sincere desire to help others.

*Adults should develop a dynamic attitude toward life.* They should accept the fact of change and should think of themselves as always changing. They should acquire the habit of looking at every experience as an opportunity to learn and should become skilful in learning from it.
Adults should learn to react to the causes, not the symptoms, of behavior. Solutions to problems lie in their causes, not in their symptoms. We have learned to apply this lesson in the physical world, but have yet to learn to apply it in human relations.

Adults should acquire the skills necessary to achieve the potentials of their personalities. Every person has capacities that, if realized, will contribute to the well-being of himself and of society. To achieve these potentials requires skills of many kinds – vocational, social, recreational, civic, artistic, and the like. It should be a goal of education to give each individual those skills necessary for him to make full use of his capacities.

Adults should understand the essential values in the capital of human experience. They should be familiar with the heritage of knowledge, the great ideas, the great traditions, of the world in which they live. They should understand and respect the values that bind men together.

Adults should understand their society and should be skilful in directing social change. In a democracy the people participate in making decisions that affect the entire social order. It is imperative, therefore, that every factory worker, every salesman, every politician, every housewife, know enough about government, economics, international affairs, and other aspects of the social order to be able to take part in them intelligently.

The society of our age, as Robert Maynard Hutchins warns us, cannot wait for the next generation to solve its problems. Time is running out too fast. Our fate rests with the intelligence, skill, and good will of those who are now the citizen-rulers. The instrument by which their abilities as citizen-rulers can be improved is adult education. This is our problem. This is our challenge.

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