

## **“ETHICS AND VALUES TOWARDS MANAGEMENT EDUCATION QUALITY: A GLOBAL SCENARIO”**

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### **Abstract**

*Global competition, emergence of consulting business and Internet based transactions are changing the product offerings in management education. The trends of evolution of management education indicate that knowledge creation is becoming more students based. This will usher in a variety of changes, including, paradoxically, a trend towards closer interaction among industry, students and faculty.*

*The challenge is to ensure high quality management education that could financially sustain itself, but at the same time capable of generating a pool of leaders who could emerge as the real global business leaders. As manufacturing, research and services are getting relocated, executives need to develop a global outlook and business schools have to reorient rapidly to meet this global business challenge. This paper outlined the basic ethics and values to improve the quality of management education as management education is an extraordinary model of a liberal education. It is steeped in intellectual traditions drawn from theories and concepts representing a wide range of social sciences including economics, sociology, psychology, mathematics, and statistics.*

**Keywords:** Management, Education, Quality, Value and Ethics.

### **Value of Management Education**

Why do the best youth study management? There is a huge demand for managers not only in business enterprises but also in non-profit and non-governmental organizations. But it is questionable as to whether the demand is for what they have been taught. Prospective employers benefit from the fact that these young people have the semantics of business. The content is not as important. The learning from daily interactions with other bright young people, not faculty or the courses taught is the student's most valuable gain. Employers do not get ready-made managers because they have studied management for two years. Employers have to spend years in training them to become useful. But many of the institutions attract good students and that saves the employers the time and money they would otherwise have spent in searching. It is not surprising that there is a trend everywhere in the world including India for employers to seek out other good postgraduate students (in commerce, economics, social work, engineering, etc) instead of recruiting only MBAs (or equivalents), as they have tended to do for thirty years.

### **The Value Proposition for Management Education**

Over the course of the last hundred years, business has transformed the world. It has been a driving force in shaping society and the catalyst behind extraordinary economic growth and opportunity. Effective management of business has spurred the creation of jobs, the generation of wealth, and access to opportunity for an increasingly diverse population. Management education has produced leaders capable of creating effective organizations that are the core of these profound, global achievements. Successful students

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of management education acquire the knowledge and skills that enhance and enrich their lives and enable them to make meaningful contributions to their organizations. In turn, organizations that are successful in meeting their goals and fulfilling their purposes become enormous assets to societies, fostering greater productivity and a more desirable quality of life.

The value of management education to individuals, organizations, and society is almost incalculable. A Report from an AACSB (The Association to Advance Collegiate Schools of Business is a not-for-profit corporation of educational institutions, corporations, and other organizations devoted to the promotion and improvement of higher education in business administration and management. Founded in 1916, AACSB International established the first set of accreditation standards for business schools in 1919. Through nearly eight decades, it has been the world leader in establishing and maintaining business school accreditation standards).

Individuals who pursue management education are typically passionate about the opportunity to “make things happen.” They are convinced that their participation in management will create lifelong rewards including:

- Development of a portfolio of personal skills that will strengthen their abilities to communicate, solve problems, make decisions, and lead organizations.
- Professional competence within an individual management discipline, the capacity for integrating and applying knowledge from other disciplines, and a strategic perspective on the management of organizations.
- Adaptability that comes from the acquisition of knowledge and skills that readily transfer to different work environments and to other dimensions of productive lives.
- Creation of personal wealth, self-sufficiency, and a sense of well-being.
- Ability to assist others through philanthropic donations of the personal wealth created by successful enterprise.

### ***Ethics in Management Education***

The<sup>9</sup> Ethics Education in business is not only a challenge for companies but also an opportunity to strengthen management education. At issue is no less than the future of the free market system, which depends on honest and open enterprise to survive and flourish. All of us in management education need to ponder more deeply and creatively on how to advance the awareness, reasoning skills, and core principles of ethical behavior that will help to guide business leaders as they deal with a changing legal and compliance environment. Four broad themes that inform ethics education are: **a.** The Responsibility of Business in Society, **b.** Ethical Decision-Making, **c.** Ethical Leadership, **d.** Corporate Governance. While many other topics could have been included, these four areas are widely viewed as cornerstones of a comprehensive and viable ethics education curriculum in business schools.

#### ***a. Responsibility of Business In Society***

In addition to providing a return to owners, business is charged with other straightforward tasks acting lawfully, producing safe products and services at costs

commensurate with quality, paying taxes, creating opportunities for wealth creation through jobs and investments, commercializing new technologies, and minimizing negative social and environmental impacts. Unless management attends to all its responsibilities, achieving fair returns to shareholders will not be possible. There is more to the story of business, however. Business and society are mutually interdependent. Society depends on business for wealth creation while business depends on society for an environment wherein it can meet its obligation to create that wealth.

It is essential for business in general and management education students in particular to understand the symbiotic relationship between business and society, especially in terms of the moral dimensions of the power placed in the hands of owners and managers. The actions of business leaders affect not only themselves, but customers, employees, investors, suppliers, governments, citizens, and communities. Moreover, abuse of dependency by corporations undermines trust in business and in the markets needed to ensure commercial success. A society where those holding power are neither moral nor accountable creates a state where the strong do what they will and the weak what they must. In short, the power of business must be exercised so that it does not punish or exploit those who are dependent on its largesse or vulnerable to its demands. By defining the purpose of a business in terms of its social context, the various broader impacts on different constituencies, quality of life, regional economy, security, safety, or environment can be better understood and measured in the near and longer terms. Indeed, many firms are beginning to expand the transparency of their social reporting and efforts are now being directed to developing benchmark data and standardized approaches to social reporting.

Business schools are addressing these societal responsibilities in myriad ways. In many instances, traditional, functional-area MBA courses are overlaid with courses that explore the relationships between businesses, managerial decision-making, and leadership in the context of the societies wherein the businesses exist. Students frequently confront and analyze complex dilemmas in global, social, political, ecological, and ethical contexts in business. Special centers and programs that encourage responsible leadership are offered in many schools. Students often participate in projects that involve them in the realities and vagaries of real business environments. These exercises help them to understand how business decisions affect groups, organizations, and societies. By developing a perspective on the shared or common good, these programs challenge leaders to balance the impact of decisions and actions on themselves, their organizations, and societies.

### ***Ethical Leadership***

Business schools should help students to see the criticality of ethical leadership to effective and successful management. Significantly, findings from cognitive moral development research verify that most working adults are at the conventional level of cognitive moral development. That is, they look outside themselves, primarily to peers and leaders, for guidance in ethical dilemma situations. The messages leaders send and the contexts they create are potentially the greatest motivating force behind ethical conduct in business organizations. To be considered ethical leaders, executives must be both "moral persons" and "moral managers." As noted in the literature, executives become moral persons by expanding their awareness to include multiple stakeholder interests and by

developing and applying their own ethical decision-making skills to organizational decisions in ways that are transparent to their followers.

Executives become moral managers by recognizing and accepting their responsibility for acting as ethical role models. They must also “manage ethics” by communicating about ethics and values on a regular basis and by holding organization members accountable for ethical conduct. Most students will not be executives early in their careers; but they need to understand that, even as supervisors, they will play a key ethical role in the organization by influencing the daily conduct of their direct reports. Supervisors demonstrate ethical leadership through being open, fair, trustworthy, and caring with employees; by communicating about ethics and values; by role modeling ethical conduct; by focusing on means as well as ends in reward systems; and by disciplining unethical conduct when it occurs. Within business education, interaction with executives can communicate to students the realities of the current business environment and the ethical expectations of real businesses.

Another way students learn about ethical behaviors is through the ethical culture they observe in their respective business schools. Students cannot be expected to internalize the importance of ethics and values unless business schools demonstrate such commitment within their own organizations. This means that business school deans need to think of themselves as ethical leaders who communicate regularly about ethics and values; who model ethical conduct; and who hold community members faculty, staff, and students accountable for their actions. Academic policies and systems should clearly be an integral, living part of the school’s culture, and not simply a stack of documents in the file drawer.

### ***Ethical Decision-Making***

Business schools typically teach multiple frameworks for improving students’ ethical decision-making skills. Students are encouraged to consider multiple stakeholders and to assess and evaluate using different lenses and enlarged perspectives.

Traditionally, ethical decision-making frameworks have included consequentiality, deontological, and virtue ethics approaches. The consequentiality approach requires students to analyze a decision in terms of the harms and benefits to multiple stakeholders and to arrive at a decision that produces the greatest good for the greatest number. A deontological approach raises issues related to duties, rights, and justice considerations and teaches students to use moral standards, principles, and rules as a guide to making the best ethical decision. Virtue ethics focuses on the character or integrity of the moral actor and looks to moral communities, such as professional communities, to help identify ethical issues and guide ethical action. In some environments, new frameworks with new names combine these precepts in different ways. Regardless of the terminology or particular features, the central purpose behind understanding and applying these frameworks lies in giving students the tools they need to identify and think through ethical issues. Above all, they learn what questions should be asked of themselves and others and what factors need to be considered in their decision-making.

Resolving ethical issues requires reflection on underlying values. An important part of the values clarification process involves prioritizing one's values and being prepared to deal with values conflicts that might occur, for example, when success and security clash with justice or honesty. In recent years ethics education has advanced a number of exercises aimed at helping students to clarify their personal values. One approach requires students to identify five or six values that they would choose to guide behavior in an ideal society or business. Research indicates that people around the world tend to identify a similar set of values, suggesting that people from different cultures generally agree that honesty, fairness, and respect for human life, for example, are important. Ironically, a missing piece in most ethics education in the field of business is the development of "moral courage," which is particularly important in organizational contexts. Learning how to name and locate the problem, analyze and map the power structure and politics that influence the problem, build allies and mentors, and apply effective persuasion skills can equip students with the skills they need to put their values to work in the corporate world.

### **Corporate Governance**

Although ethics education is vital, it is unrealistic to expect that it can, with a single stroke, negate the likelihood of management wrongdoing. Situational pressures often occur many years after graduation, when classroom discussions or a course in ethics are far from the consciousness of the stressed manager. Knowing the principles and practices of sound, responsible corporate governance can also be an important deterrent to unethical behavior. Moreover, understanding the complex interdependencies between corporate governance and other institutions, such as stock exchanges and regulatory bodies, can be an important factor in managing risk and reputation.

In recent years, several schools have established centers for corporate governance. While governance concepts and practices may be mentioned in management education degree programs, few business schools have designed curricula that include each element, establish learning goals, and measure outcomes. Nonetheless, it is difficult to refute the premise that students who understand the principles and practices of corporate governance are much more likely to emerge as effective leaders. Management degree programs should not only offer students ethics education, but also solid background in corporate governance. Appropriate topics may include:

- The role and responsibilities of the governing board of directors.
- The role and responsibilities of the audit committee.
- An understanding of internal controls, the role and responsibilities of management, and critical monitoring activities such as internal auditing.
- Elements of an effective code of conduct.
- Components of an effective corporate compliance program.
- The role and responsibilities of independent public accountants, counsel, and regulatory bodies.

These topics are applicable to any organization, including nonprofits or governmental agencies. With prudent corporate governance, any business entity seems much less vulnerable to corruption. Bringing governance into the classroom helps to

prepare students for the realities of the business world and arms them with powerful insights for operating within business environments.

## **CONCLUSIONS:**

World is shrinking day by day with advancement of technology and education but that does not mean that values and ethics should be forgotten. This paper provide the elements which are effective for each individual getting management education for understanding the role and responsibilities towards quality of management education.

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