

# ADDRESSING ACADEMIC DISHONESTY: THE IMPLICATIONS FOR BUSINESS SCHOOLS, PROFESSORS, AND STUDENTS

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## ABSTRACT

*There is growing concern that academic dishonesty is becoming a bigger problem due to changes in technology, making it easier for more students to cheat. Additionally, there is strong concern that while students, faculty, and administrators know academic dishonesty is occurring, they are doing little to stop it. For academic dishonesty to be addressed effectively, efforts are needed at multiple levels including the Business School, Marketing Department, individual Marketing professors, as well as by the students themselves. This paper provides a review of the literature in these areas.*

## INTRODUCTION

Many in the educational system are concerned with the problem of academic dishonesty and the rate at which it is increasing (McCabe and Trevino 1997; Park 2003; Pullin, Ortloff, Casey, and Payne 2000; Williams and Hosek 2003). The estimate of how many students cheat ranges dramatically. McCabe and Trevino (1997, p. 379) offer a range from 13 percent to as high as 95 percent and Park (2003) states it is at least 50 percent of students. In the business literature, Kidwell, Wozniak, and Laurel (2003) and Chapman, Davis, Toy, and Wright (2004) found that 75 percent of students reported cheating; this is similar to the 63 percent found by Nonis and Swift (1998). Finally, there is concern that academic dishonesty is increasing due to technology making cheating easier (Born 2003; Park 2003; Scanlon 2004).

This issue is critical for business schools as it seems to mirror the growing concerns of ethical problems in the business community (Chapman et al. 2004; Kidwell et al. 2003). Those who cheat in college are more likely to cheat on the job (Swift and Nonis 1998). Thus, there is an increased need for business schools to address academic dishonesty because what students learn as acceptable behavior in the classroom impacts their expectations of what is acceptable professionally. Furthermore, the costs for not addressing this issue are enormous (Kidwell et al. 2003; Rawwas, Al-Khatib, and Vitell 2004; Williams and Hosek 2003). In this paper, we present a comprehensive literature review regarding what is academic dishonesty and how Business Schools, professors, and students can address the problem.

## LITERATURE REVIEW

Plagiarism is typically seen as a form of fraud and intellectual theft (Isserman 2003, p. B12). Park (2003, p. 472) defines it as “literary theft, stealing (by copying) the words or ideas of someone else and passing them off as one’s own without crediting the source.” The issue is not whether one is original in his/her ideas, but that one does not give proper credit for those ideas (Isserman 2003; Taylor 2003). Per Park (2003, p. 475), plagiarism would include stealing, buying, copying, or using material from another source and passing it off as one’s own work as well as paraphrasing material without appropriate documentation. Plagiarism, though, may not be intentional, such as improper citation (Burnett 2002; Park 2003, p. 476).

Plagiarism needs to be seen within a broader context of cheating that includes other unethical practices such as cheating on tests/ assignments, falsifying data, misusing resources, taking credit for others’ work, and manipulating academic staff (Park 2003). Academic dishonesty has been defined by Lambert et al. (2003, p. 98), as behavior that breaches “the submission of work for assessment that has been produced legitimately by the student who will be awarded the grade, and which demonstrates the student’s knowledge and understanding of the context or processes being assessed.” The most common forms of academic dishonesty are copying sentences without proper citation, working on individual assignments with others, having someone check over a paper before submitting it (if that is not permitted by the instructor), and getting questions/ answers on a test from someone else (Brown 1996; Kidwell et al. 2003).

## CONTEXTUAL PROCESS TO CHEATING

McCabe and Trevino (1997) found that cheating was influenced by a number of individual (age, gender, and grade-point-average) and contextual factors (including peers, Greek membership, and perceived penalties for academic dishonesty). They found that “the most powerful influential factors were peer-related contextual factors . . . Academic dishonesty was lower when respondents perceived that their peers disapproved of such misconduct, was higher among fraternity/sorority members, and was higher when students perceived higher levels of cheating among their peers (McCabe and Trevino 1997, p. 391).”

Brown (1996) found few differences by major for academic dishonesty, while others found that business students ranked highest for self-reported levels of cheating, followed by engineering and humanities (Meade 1992; Park 2003). In a study of discarded cheat sheets, Pullen et al. (2000) found significantly more business cheat sheets compared to other disciplines. In terms of GPA, students with a lower GPA are more likely to cheat as they have more to gain and less to lose than students with a higher GPA (Straw 2002).

In terms of age and class, the literature suggests that younger, immature students cheat more than older, mature students; upperclassmen cheat less than lowerclassmen (McCabe and Trevino 1997; Park 2003; Straw 2002). Lambert et al. (2003) found that older students were more likely than younger students to view scenarios of academic dishonesty as serious offenses, while Kuther (2004) found that upperclassmen saw a bigger ethical problem with professors ignoring cheating than did freshmen. Brown (1995) found the ethics of graduate business students similar to undergraduates, despite graduate students perceiving themselves as more ethical.

In terms of gender, McCabe and Trevino (1997) found that men reported a higher level of academic dishonesty than women. Buckley, Wiese, and Harvey (1998) also found that males had a higher probability of engaging in unethical behavior. Leming (1980) found that under a low-risk condition, women cheated more than men, but that a higher risk of punishment reduced the risk of cheating only for women. Finally, Lambert et al. (2003) found that females were more likely to view scenarios of academic dishonesty as serious cheating.

In terms of extracurricular activities, students involved in activities, such as greek organizations, are more likely to cheat (McCabe and Trevino 1997; Park 2003; Straw 2002). Fraternities are environments where norms, values, and skills associated with cheating can be easily shared as they provide access to resources (e.g., old test files) that facilitate cheating (McCabe and Trevino 1997, p. 383).

Thus, there are some findings that have been replicated in the literature on who is more likely to cheat, such as

that men (McCabe and Trevino 1997; Buckley et al. 1998), those in greek social organizations (McCabe and Trevino 1997; Park 2003; Straw 2002), and those students who are younger (McCabe and Trevino 1997; Park 2003; Straw 2002) are more likely to cheat. These findings, however, are not conclusive enough so that professors can determine ahead of time who is more likely to cheat in their class; i.e., professors cannot simply assume that the younger fraternity men in the class will cheat while everyone else will not. Thus, professors need additional help in predicting and preventing cheating from occurring.

## PREDICTORS OF CHEATING

Students and universities tend to view academic dishonesty in very different ways. For students, it is evaluated primarily in terms of its effect on their peers, with a strong consensus that the least acceptable forms of behavior are those that hurt other students (Ashworth and Bannister 1997, p. 187). Payne and Nantz (1994) note that students saw a real difference between cheating on exams (seen as blatant cheating) and other forms of cheating, such as plagiarism (seen as not really cheating). Cheating may be more likely where students feel anonymous, not part of the academic community, and where students feel they are getting a low quality educational experience (Ashworth and Bannister 1997). Additionally, “the variables that seem to facilitate cheating include increased class size, decreased surveillance, test importance and difficulty, close seating arrangements, and grading on a curve” (Chapman et al. 2004, p. 238).

In looking at why students cheat, Williams and Hosek (2003) stress that students, even dishonest ones, are rational and that the decision to cheat is a conscious decision that the benefits of cheating outweigh the risks. Per Pullen et al. (2000, p. 616), “causal factors run the gamut from large classes, impersonal relationships with professors, competition for jobs, gaining higher GPAs in order to enter graduate school, to a culture that appears to accept cheating readily as a normal part of life.” The literature offers the following additional reasons for why students cheat: a lack of understanding of what is plagiarism (Park 2003); efficiency gain (Park 2003; Payne and Nantz 1994); time management problems (Lambert et al. 2003; Park 2003; Payne and Nantz 1994); personal values (Park 2003; Payne and Nantz 1994); defiance/lack of respect for authority (Park 2003); negative attitudes towards teacher/class (Park 2003; Payne and Nantz 1994); temptation/opportunity (Park 2003); a lack of deterrence (Park 2003; Payne and Nantz 1994); a personal crisis (Lambert et al. 2003); peer pressure (Payne and Nantz 1994), and cheating seen as having a minimal effect on others (Payne and Nantz 1994).

Thus, the literature illustrates that there are a wide range of factors that can predict cheating. While some of

these factors are under the direct control of faculty, such as students not understanding what is plagiarism and temptation/opportunity (Park 2003), the vast majority are not as they represent issues occurring within the student, such as personal values or a personal crisis (Lambert et al. 2003; Park 2003; Payne and Nantz 1994). This again illustrates the difficulty that faculty may have in determining ahead of time, who is more likely to cheat in their class.

### **IMPACTS OF ACADEMIC DISHONESTY**

McCabe and Trevino (1993) discuss the impact on academic dishonesty if students perceive that others will report cases of their academic misconduct. If students see their peers successfully get away with cheating, they are more likely to cheat (McCabe 1999; McCabe and Trevino 1993, 1997). Per Chapman et al. (2004), there is a robust false consensus effect in that students significantly overestimate the degree to which others cheat so they perceive cheating as a normative behavior and believe their own behavior is more honest than their peers. Finally, Chapman et al. (2004, p. 243) found that “students were much more likely to cheat with a friend versus an acquaintance.”

A major factor impacting whether students are actually punished for cheating is faculty support and understanding of academic integrity policies. How strong an honor code is perceived to be by the students varies as faculty may not even be aware of these policies and may be lax in enforcing them (McCabe and Trevino 1997) due to the heavy time requirements of reporting/going through a university judicial process (Auer and Krupar 2001) and concerns with court challenges of institutional disciplinary procedures (Williams and Hosek 2003). As a result, there may be inconsistent penalties and sporadic enforcement of academic policies which could impact their effectiveness (Williams and Hosek 2003). Thus, Williams and Hosek (2003) stress the need for a deterrence model to reduce academic dishonesty instead of punishment.

While the web is a resource for both students and faculty, some are concerned that students have become so used to downloading music without paying for it, that they may not see the need to reference online material (Park 2003); this generation of students may have a different idea of what is considered ‘fair use’ (Scanlon 2004). The web could be increasing the problem of plagiarism because it makes illicit cutting and pasting so easy; a quarter of college students surveyed have plagiarized from the Internet, but students perceive that significantly more students than that are doing so (Scanlon 2004, pp. 161–162). Additionally, while term paper mills have existed for years, the ease of getting papers has increased with various web sites (e.g., buypapers.com) (Born 2003; Park 2003). Per Scanlon (2004), the concern is that if students perceive that Internet cheating is commonplace, they will be more likely to engage in it.

Thus, in addressing the impact of academic dishonesty, the literature consistently illustrates the importance of peers and their perceptions (Chapman et al. 2004; McCabe and Trevino 1993; Scanlon 2004) as well as the importance of a consistent process in address academic dishonesty (McCabe and Trevino 1997; Williams and Hosek 2003). It is critical that academics understand the implications of these impacts to effectively address academic dishonesty.

### **DISCUSSION OF IMPLICATIONS**

Academic dishonesty is a major issue that administrators, professors, and students need to be concerned with and it has to be addressed on multiple levels from the Business School level, to the department level, to individual professors, as well as the students. In this discussion, we will present recommendations from the literature on how to address academic dishonesty on these different levels.

#### **BUSINESS SCHOOL LEVEL**

While a university overall needs to have consistent, enforceable academic dishonesty policies, “Colleges can no doubt begin to reduce the potential for cheating through a comprehensive approach that emphasizes academic integrity policies, the dissemination of such policies to teachers and students, instructional precautions on exams and student assignments, and adherence to reporting and disciplinary procedures” (Payne and Nantz 1994, p. 90), there is also a unique responsibility that the business school has due to the ethical concerns that exist in the business community (Kidwell et al. 2003). Buckley et al. (1998) suggests that there is even more unethical behavior in academics than business due to the fact that there are more severe sanctions in the business community than there are in the academic community. At the very least, business school administrators have a responsibility to ensure that there are sanctions for academic dishonesty and that these sanctions are enforced. While Leming (1980) found that a higher risk of punishment reduced cheating only for women, it is important to note that women are a significant and growing segment of business school enrollments (AACSB 2000). Women make up almost half of the undergraduate business school degrees awarded (AACSB 2000) and over a third of MBA degrees (AACSB 2000; Griffith 2003). Thus, even if it will not have an equal impact on all students, when academic dishonesty occurs, retribution needs to be applied in a professional, timely fashion, and cheaters need to be ostracized (Rawwas et al. 2004).

Reducing cheating, however, will also require a determined prevention effort (Allen et al. 1998). A social norm campaign may be effective (Chapman et al. 2004) to

correct the false consensus belief (i.e., that everyone is doing it) to try to change behaviors (i.e., it is not socially acceptable normative behavior). An additional issue is that students may not understand academic dishonesty and how it impacts them. To address this, Williams and Hosek (2003) offers several suggestions including, telling students what is academic dishonesty, changing the culture of acceptance of unethical behavior, increasing the probability of being caught and punished as well as increasing the penalties for academic dishonesty. At the very least, Business Schools need to ensure that they are strictly enforcing their university's academic dishonesty policy, but due to the unique ethical issues in the business community, they need to do more.

One thing that a Business School can do is to develop and publicly utilize a code of honor. An honor code has several dimensions including an agreement not to cheat, enlisting students to monitor each other and letting faculty know when cheating has occurred, and making clear the punishment for cheating (Spangenberg and Obermiller 1996, p. 97). While this code cannot conflict with what is being done on the overall university level, it can expound on it to address the additional issues and values unique to the business community. To be effective, this honor code has to be more than symbolic (Rawwas et al. 2004). For example, Park (2003, pp. 482–483) describes what is being done at Duke University's Center for Academic Integrity; this includes identifying values and behaviors to be promoted, rather than just listing behaviors to be prohibited, and requiring students (as part of becoming a Business School student) to sign a pledge that they will uphold academic integrity and not cheat or plagiarize. The signing of this academic code of honor can be public as part of a ceremony for becoming part of the Business School (Taylor 2003). Finally, students need to play an active role in the administration of this honor code such as with utilizing or forming "student groups to monitor and promote the code" (Chapman et al. 2004, p. 247).

Thus, the literature discusses a variety of ways that Business Schools can address academic dishonesty from better educating students on what is academic dishonesty (Williams and Hosek 2003), to a social norm campaign (Chapman et al. 2004), to use of a honor code (Chapman et al. 2004; Spangenberg and Miller 1996; Park 2003; Taylor 2003). At a minimum, there needs to be consistently enforced sanctions when academic dishonesty occurs (Rawwas et al. 2004). Additional research though is needed to better determine if and how these approaches work and in what situations, or for what students, would these different approaches be more effective.

#### **MARKETING DEPARTMENT LEVEL**

Given that there is some research that indicates that marketing students cheat more than other business students (Chapman et al. 2004), there is an increased level of

responsibility for marketing departments to specifically address academic dishonesty rather than leave it up to the overall college or university level to address. First, departments may need to hold workshops to address this issue (Chapman et al. 2004) so that the entire department can develop a united front and consistent behaviors/responses with addressing this issue. At a minimum, departments need to make sure that all faculty are aware of the university's policy regarding cheating (Nonis and Swift 1998).

Second, a department may need to develop marketing ethics courses/modules/cases to stress the importance of marketing ethics. Singhapakdi (2004) found that students' perception of the importance of ethics as well as of ethical problems significantly predicts their ethical intention. This suggests that to improve marketing students' ethical behavioral intentions, marketing courses need to stress the importance of marketing ethics (such as its relationship with a marketing orientation and internal marketing) and to teach students how to recognize and address ethical problems (Singhapakdi 2004). Marketing faculty must make it clear that ethical behavior is not just the moral thing to do, but that it makes good business sense as relationships are based on trust (Singhapakdi and Vitell 1994). Similarly, Rogers et al. (1993) stress the need for marketing courses to emphasize key heart traits (such as idealism, compassion, and generosity) as well as head traits. Additionally, Singhapakdi (2004) stresses the need for marketing faculty to discourage relativistic decision making among students; this can be done through teaching codes of ethics and behaviors held by professional marketing associations. Finally, Rawwas et al. (2004) stress the need for ethics education to boost idealism.

Thus, in addressing academic dishonesty on the marketing department level, the literature suggests two major approaches. The first approach involves the need for a department as a whole to better understand and have a united front against academic dishonesty (Chapman et al. 2004; Noonis and Swift 1998). The second approach addresses the need to emphasize ethics in the marketing curriculum (Rawwas et al. 2004; Singhapakdi 2004; Singhapakdi and Vitell 1994). Future research is needed to determine though if academic dishonesty occurs less frequently in marketing departments that are united in their approach to academic dishonesty and/or who emphasize ethics as part of their curriculum.

#### **MARKETING PROFESSOR LEVEL**

While professors may not be able to dictate university policy and how it is carried out, there are still many things they can do to address this problem. First, they must understand and be consistent with overall policies and they need to communicate this to the students through the syllabus and in discussing expectations at the start of the term (Burnett 2002) as well as throughout the semester (McLafferty and Foust 2004). Per Spangenberg and Ober-

Miller (1996), most professors assume that students know what is cheating and what the consequences are and therefore few faculty make this explicit in their syllabus and instructions. Per Nonis and Swift (1998), the two most effective deterrents to cheating was the professor announcing the penalties for cheating and requesting that the students not cheat. Thus, professors must increase awareness among students about what is academic dishonest behavior and why it will not be tolerated (Allen et al. 1998; Born 2003; McLafferty and Foust 2004; Swift and Noonis 1998), and follow through consistently with their policies (Chapman et al. 2004).

Second, professors can address academic ethics through how they treat students (Brown 2000). "Students agreed that professors must demonstrate respect for students, teach objectively, and grade honestly, and they should not tolerate cheating or plagiarism . . . students expect professors to act with professionalism, to employ a vast base of content knowledge, and to show concern for student welfare" (Kuther 2004, p. 153). Faculty need to build a trusting student-faculty relationship (Born 2003) in which faculty work to develop a better rapport with their students (McLafferty and Foust 2004). Students suggest that they would be less likely to cheat in a class in which they feel the professor was truly interested in their learning and treated the students with respect (Chapman et al. 2004). Finally, Scribner (2003, p. 34) stresses that students need to be taught how to synthesize ideas and facts as well as faculty need to model ethical behavior for their students. McLafferty and Foust (2004) discuss the need to teach students how to properly cite sources using a consistent style (such as APA) as the different citation styles required by various professors can confuse students (Auer and Krupar 2001).

Third, faculty need to address how they can prevent academic dishonesty from occurring in the first place through how they structure their course and assignments as prevention is preferable to policing students (McLafferty and Foust 2004). "When students are instructed appropriately and given certain types of assignments, plagiarism is minimized or rendered virtually impossible" (McLafferty and Foust 2004, p. 186). Freedman (2004, p. 548) discusses the hundreds of hours and technological support it can take professors to detect plagiarism from online sources and the impact that this reactive stance puts on the mentoring relationship faculty need to have with students; instead he proposes the focus would be better spent on prevention and promoting creativity and originality in students.

The literature offers many tips for how faculty can prevent academic dishonesty. In terms of papers/projects, Born (2003) stresses the need for faculty to be proactive such as by treating a paper as a process not a product (i.e., break a project up into several steps with drafts submitted along the way (McLafferty and Foust 2004; Scribner 2003; Swift et al. 1998; Williams and Hosek 2003) and

assigning activities in groups. Additionally, Williams and Hosek (2003) recommend making paper/project topics more specific so that they cannot easily be purchased. Swift, Denton, and Nonis (1998) recommend discussing the ethics of term paper purchasing, advising students that professors monitor term paper mill sites, and inform students that these papers are often poor quality. Marketing faculty may also need to get an in-class writing sample the first day to compare it to other work later in the semester (Auer and Krupar 2001; Swift et al. 1998).

Additionally, assignments need to be more creative so students are able to express themselves in more meaningful ways and cannot take a "cut and paste" approach to completing the assignment (Cummings 2003; Scribner 2003); likewise faculty may want to have a narrow focus to their topics and be very specific in terms of format (Swift et al. 1998). Scribner (2003, p. 32) lists practices that are most likely to enable students to plagiarize: assignments that don't keep up with advances in the field, utilizing the same assignment repeatedly, making unrealistic assignments, failing to teach the skills needed to successfully complete the assignment, not taking the time to check students' sources, and accepting papers with incomplete citations. Finally, Pfeffer (2003, p. 60) recommends that faculty need to stress to students that work shouldn't just be performed in order to get something (such as a grade), but serve as a reflection of their skills and character. It is not enough for professors to scrawl a grade on a paper without giving students the time, attention, and feedback so that they learn something and why that is important (Howard 2002).

In terms of tests, Born (2003) recommends designing questions that require discussion rather than memorization, assigning different questions to different students, giving more frequent tests/quizzes, not allowing make-up tests (one way this can be addressed is through having a comprehensive final that can be used to replace a missing test grade), and updating the test materials faculty use. Chapman et al. (2004) stress the concern that web-based tests may be encouraging students to cheat and suggests that to address this, faculty need strict time limits, post answers only after everyone has completed the test, and use a large database of questions in which each student gets a unique test selected. For detecting cheating on multiple-choice exams, Thompson (1994) describes a procedure utilizing a spreadsheet program that compares results for pairs of adjacently seated students.

If prevention tactics are not enough, there are things professors can do to detect academic dishonesty once it has occurred. With technology, it is easier for faculty to determine if their students have plagiarized (Park 2003) as now educators have access to the same information that students do (Swift et al. 1998). McLafferty and Foust (2004, p. 187) note that there are three tools that can be used to investigate Internet copying: search engines (by inserting a unique phrase from the paper), plagiarism web

sites (such as the fee-based subscription of Turnitin.com that compares submitted papers with online sources and papers in their database) (Anonymous 2003) and Plagiserve, and software that checks for identical wording between specific sources (such as to determine if students are recycling papers within a course from semester to semester). Additional web sites and software are described by Auer and Krupar (2001) and Swift et al. (1998).

Some signs that indicate whether a student has used the Internet to plagiarize or obtain a paper include advanced jargon, hard-to-obtain materials listed in the bibliography or invalid hyperlinks, unusually high or low quality compared to the student's previous writing, the writing quality is inconsistent within the paper, unusual formatting, unverified quotations, and the paper does not fit well with the topic assigned (Anonymous 2003, p. 45; McLafferty and Foust 2004).

Thus, to address academic dishonesty, the literature has a significant number of articles with a variety of suggestions for faculty. Overall, professors need to understand and communicate academic dishonesty policies (Allen et al. 1998; Burnett 2002; McLafferty and Foust 2004; Noonis and Swift 1998; Spangenberg and Obermiller 1996; Swift and Noonis 1998), structure their class assignments to discourage academic dishonesty (such as with the use of new, creative and/or specific topics each term and treating papers as a process not a product) (Born 2003; Cummings 2003; Freedman 2004; McLafferty and Foust 2004; Scribner 2003; Swift et al. 1998; Williams and Hosek 2003), develop respectful and mentoring relationships with students (Born 2003; Brown 2000; Chapman et al. 2004; Kuther 2004; McLafferty and Foust 2004), and finally monitor students and their work to ensure that cheating did not occur (McLafferty and Foust 2004; Swift et al. 1998; Thompson 1994). While it may be difficult for an individual faculty member to measure if any of these ideas decrease cheating or the desire to cheat, the literature needs to continue to offer best practices in teaching to enhance the classroom experience and discourage academic dishonesty.

### STUDENT LEVEL

As suggested by McCabe and Trevino (1997, p. 393), "the context created by an academic institution can have a powerful impact on academic dishonesty"; an educational institution needs to create a culture where students disapprove of cheating and it is seen as the exception rather than the norm. To make this happen, an academic code cannot be pushed on the students (McCabe and Trevino 1997); rather the students must take an active role in developing it (McCabe and Makowski 2001). McCabe and Makowski (2001, pp. 17, 19) suggest that "when

students are asked to take responsibility for upholding academic integrity on their campus, they rise to the challenge." This suggests that students need to have a greater level of responsibility for academic honesty on their campus through the use of honor codes, a strong and active involvement in the judicial process on campus, and more collaboration with faculty in addressing academic dishonesty issues (McCabe and Makowski 2001, pp. 20–21). Additionally, universities must work more closely with the greek system and other student organizations to increase their emphasis on academics and decrease their support for cheating (McCabe and Trevino 1997).

Thus, future research is needed to measure and determine if the levels of academic dishonesty are lower at universities that take a more student-centered approach as described above to address academic dishonesty compared to universities that take a more top-down, administrator, approach to academic dishonesty.

### CONCLUSION

Faculty are a key component in preventing and dealing with academic dishonesty (Allen et al. 1998; Burnett 2002). It is the faculty who set the tone and expectations in the classroom, who create the exams and assignments, who monitor the work product of their students, and who are responsible for mentoring their students. The best tool against plagiarism is prevention and for faculty, prevention is a preferable to policing students. Thus, while faculty now have additional technological tools to determine academic dishonesty (Freedman 2004), many in the literature feel that upfront communication with students and proactive tactics to prevent problems may be more effective (Born 2003; McLafferty and Foust 2004).

For academic dishonesty is to be addressed effectively however, a multidimensional approach is needed in which faculty have the support and help of their College, in which their Department is united to prevent academic dishonesty and promote ethical behavior, and in which the students are part of an overall culture that discourages academic dishonesty. Future research is needed though to better understand and determine what techniques and approaches work to discourage academic dishonesty and for what kind of students and situations are they most effective. As academic dishonesty is too important an issue to ignore, especially for business schools, continued discussion and research on this topic is needed. This paper hopes to stimulate this discussion and research by reviewing the literature on what is academic dishonesty, what can influence and predict cheating, the impact of academic dishonesty, and what the literature suggests can be done to address academic dishonesty.

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# MARKETING A DEPARTMENT: ONE CHAIR'S EXPERIENCE IN CURRICULUM REVISION

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## ABSTRACT

*As every Marketing professional comes to know, Marketing concepts are easy to understand but difficult to practice. It is only through the practice of disciplined marketing that any given organization can realize the benefits of its marketing capabilities, yet there seems to be persisting difficulty in putting marketing principles into practice due in part to continuing confusion about the scope of marketing operations among practitioners and also due to a lack of commitment, talent, skills, and/or resources. The department chair, as a leader and manager of an academic department, is by no means exempt from the necessity of practicing disciplined marketing. This paper presents the learning experience that the author encountered as she set out to practice marketing in managing the duties of a department chair in a mid-sized state university. The purposes of this paper are twofold: to reinforce the important role of marketing and to encourage fellow academic department chairs to enhance their own effectiveness by putting customer value-driven marketing into practice.*

## INTRODUCTION

The importance of marketing in the management of academic institutions has long been recognized (Kotler and Fox 1995) and is evident as many universities are making conscious efforts to improve their marketing practice by creating a marketing department and/or by hiring marketing specialists. However, neither the existence of a department nor the knowledge of its personnel guarantees the institution's marketing effectiveness. It is only through the practice of disciplined marketing that any given organization can realize the benefits of its marketing capabilities. As such, a marketing department chair – an individual deeply involved in marketing education and presumably highly knowledgeable about marketing – is uniquely qualified and well positioned to put marketing concepts into practice.

In pursuit of effective marketing management in any context, it is necessary for the manager to take a critical look at the marketing management process and evaluate it from the perspective of the customers. Likewise, this paper takes up the perspective of an academic department's customers – the students and their prospective employers. The purpose of this paper is to share how the core marketing principle of customer-orientation guided a novice department chair through the process of developing a market-based curriculum and an infrastructure for continuous learning and improvement.

## BACKGROUND

Upon appointment, the author, who had neither prior knowledge nor experience in chairing a department, learned about her duties and responsibilities from university manuals and orientation programs. The first few months of on-

the-job training left the new chair overwhelmed with the amount of time spent on routine tasks such as handling complaints and fixing problems, rather than doing work that felt more productive and rewarding. Out of a desire to infuse the position with more purposeful work, and guided by marketing principles, the new chair embarked on a mission to advance the interests of the department's constituents – students, faculty, and potential employers of students – through marketing education.

A study of leading marketing educators indicated that the discipline of marketing must increase its relevancy and value to students and their prospective employers (Smart, Kelly, and Conant 1999), implying that students and prospective employers are both customers of a marketing program. Rather than casting students and employers into separate groups, the process point of view considers both students and their future employers as members in the business education consumption chain and as customers of a business program. This new perspective served as the foundation upon which the new chair determined that the job of the department was to satisfy its immediate customers (the students), who in turn needed to satisfy their customers (prospective employers) upon graduation.

The author was convinced that one of the most important responsibilities in her new position was to market graduating students to potential employers. As the marketability of graduates increased, she believed the demand for the department's services would increase, resulting in greater enrollment, which was often a pressing practical issue and criterion for the performance of a department as well as of the university. As marketing theory suggested, the department would be able to accomplish its goal by satisfying the primary need of the students – improved marketability.

## **The Beginning of the Quest**

While visiting career and job fairs in the community to promote graduating students of her college's marketing program to prospective employers, the chair experienced a growing uncertainty about her graduates' fitness to meet the demands of the employers. The chair soon realized that she had been trying to sell when she should have been marketing her students. She had engaged in promoting the graduates based on insufficient information about what they were capable of doing upon graduation, which caused a lack of confidence in effectively demonstrating to employers why they should hire the department program's students.

The chair had unconsciously made the most common mistake in marketing practice. Presupposing the department's offerings were fine-tuned to the unmet needs and wants of customers, she had ventured out without validating her assumption that the department's curriculum and delivery of services sufficiently prepared students for the expectations of their potential employers. By facing the challenge to return to the proverbial drawing board, the chair was able to set clear goals that re-oriented her to follow the due process of creating value for the graduates, which was to increase their marketability.

In order to satisfy students' need for optimal preparedness, the chair determined that the curriculum must better address the requirements of their potential employers. Therefore, it was vital to understand, verify, and reflect the needs of employers in training the students. In other words, the department needed to incorporate outside-in planning in its approach to developing and managing a market-based curriculum. The following section presents steps taken in developing a market-based marketing curriculum.

### **DEVELOPMENT OF MARKET-BASED CURRICULUM**

#### **Understanding Employers' Requirements**

The early promotional experiences guided the new chair to identify a list of critical factors which would ultimately help the department improve its curriculum offering and subsequently enhance the marketability of its graduates. Information needed to be gathered about career opportunities in the community, the requirements of community employers as they relate to new hires in marketing, the program graduates' preparedness for the local job market, and the fitness of the curriculum to the demands of the potential employers.

By and large the chair's marketing department, like many others, had been informed about widely accepted criteria of importance in business programs (AACSB 1995) but it became apparent that the department did not

have sufficient information about employers in the local community. The presumption of the university was that the department's curriculum reflected the general requirements of marketing jobs such as communication, problem solving, team building, interpersonal, and organization skills. However, the program's fitness to the community employers' needs had never been checked against the local market reality.

In an effort to understand employers' requirements for marketing jobs, the department conducted a study of marketing careers in the university's immediate service area in the Fall quarter of 1998 (Lee and Ardoin 1998). The specificity of the study area was due to the fact that ninety percent of the graduates remain in the area according to the college's exit survey of the graduates. The exploratory study involved content analysis of marketing position requirements and qualifications of selected companies of various sizes. Marketing job announcements were collected and analyzed in terms of job titles, responsibilities, and required skills for the advertised position. In addition, salary levels were analyzed for marketing positions in the region.

While most of the findings confirmed the previous assumption of employers' expectations of marketing graduates, such as the possession of strong communication, interpersonal, and team building skills, the study findings also indicated a few new key areas that needed to be incorporated into the department curriculum. These items included analytical and research skills, strategic and integrative skills, negotiation skills, an international/global perspective, and leadership skills. Based on this new, data-based understanding of the market requirements, a revised list of required skills sets was developed by the chair.

The study of marketing career announcements identified the set of skills employers reportedly required. However, it did not explore the unmet needs of marketing practitioners in the industry. The discovery of these previously unknown needs and wants of employers was particularly important in addressing the new and growing interest in E-commerce marketing in 1998. During the dot-com proliferation between 1998 and 2000, the industry looked to academia for guidance on how to perform in an E-commerce environment. Unfortunately, the department did not have courses or instructors who were ready to meet that new demand, thus the fast-paced, technology-driven industry practice was a step ahead of the university's instructional preparedness. In order to regain ground and proactively identify potentially new content areas and training, it was necessary to learn more about the academic interests of practitioners regarding traditional and E-commerce marketing and link those interests with course content and delivery. Specifically, the chair desired to know the difference between the traditional marketing and E-marketing as perceived by practitioners, the desired

areas of improvement as perceived by practitioner, and their educational needs and interests in traditional and E-commerce marketing.

The chair participated in seminars, including some offered by the Direct Marketing Association, that addressed emerging interests of marketing practitioners. Participants from a wide range of industries learned how to benefit from E-marketing, use the media and technology to improve their marketing, understand and analyze customer behavior, design web pages and interactive communication programs such as email marketing, and understand the impact of the new development on their current practice.

Many practitioners perceived a gap between marketing theory and technology-induced marketing practice. More often than not, they discovered, the industry was driven by the technology-oriented view rather than the market-oriented view. These seminars revealed a new set of concerns about specific areas in marketing training and also provided insight into how to shape the content of a revised marketing curriculum and introduce E-marketing curriculum.

Eventually, all marketing curriculum would need to address the revised list of skills in the process of delivering customer value through the new technology. That is, a new marketing curriculum needed to incorporate the desired technical skill sets of database analysis and application of information gained from analysis using the technology of E-marketing. The curriculum may require a set of hands-on courses to teach and learn about both front- and back-end responsibilities and operations in addition to integrating strategic/theoretical content. This understanding, coupled with the department colleagues' advice and support, gave directional guidance and confidence to the chair in spearheading the development of a new program in E-Commerce Marketing and courses, as well as revising the existing marketing curriculum.

### **Putting it All Together: Curriculum Development**

After identifying the skills employers were seeking from prospective employees, the next task for the chair was to determine how to go about developing and implementing a market-based marketing curriculum. The interaction with industry practitioners put into perspective how universally-desired skill sets ought to be incorporated into a department's marketing curriculum, suggesting that in order to function effectively in marketing jobs, students needed to be prepared with information skills, process skills, and integration skills. The information about the employers' needs was shared with the department faculty, who supported the idea of curriculum revision and improvement, following the due process of the curriculum development established by the university. The revised curriculum was proposed to the college's curriculum committee in Fall 1999 and became effective

in Fall 2000 and the new option program in E-commerce marketing was proposed in Fall 2000 and took effect in Spring 2002. The Department has engaged periodic minor revisions since its full revision in Fall 2000.

The department's revised curriculum requires all students to learn how to enhance their problem-solving skills through the use of market information and to manage the process of integrating their knowledge and skills in marketing decision-making. Students are required to engage in projects that allow them to apply marketing principles and utilize statistics and computer software programs, and strengthen their teamwork skills, data communication and presentation skills. These elements have been reflected in the content and delivery of all required and elective marketing courses.

The department's curriculum was modified to reflect the new understanding of employers' requirements and needs by developing a number of new courses and new option programs incorporating the topical interests of the industry practitioners and career opportunities in the local community. As a result, the chair was better able to promote her program's students to potential employers and she also gained credibility in marketing her department's program to prospective students.

### **Preliminary Outcomes and Progress**

One of the most visible outcomes of the process was the updated curriculum. As previously mentioned, new course options were introduced in Sales and in E-Commerce Marketing Management. Furthermore, the requirement for the Marketing Management Option was modified to include courses in marketing research and integrated marketing management. The department developed and introduced a series of new courses including E-Commerce Marketing, Business-to-Business Marketing, Product Management, Web Marketing, Customer Relationship Marketing, Environmental Marketing, and Negotiation. The process also led to the revision of existing courses such as Marketing Principles, Marketing Research, Database Marketing, and Integrated Marketing Management in terms of objectives, standards, contents, and exercises in order to teach the desired skill sets. The curriculum revision also resulted in deletion of courses such as Industrial Marketing, Marketing in Non-Profit Organizations, and Import/Export Marketing.

After the implementation of the marketing department's updated course offerings, the college-wide annual exit survey of graduating seniors indicated that students' perception of the value of marketing courses improved, showing a consistent increase in the number of positive comments from the year 2002 to 2004 (The HIRE Center Report 2003, 2004, 2005). In fact, graduates hailed marketing courses as the best value course among all the courses in their college career three times more in 2004 than in 2002. Moreover, new graduates' perception of the

importance of the marketing discipline improved from 75 percent of respondents reporting that marketing was important in 2002 to 81 percent, in 2004. The rise in the perceived importance of marketing was an encouraging development given the generally negative attitudes many students elsewhere held toward marketing as a business practice as well as a career choice (Ferrell and Gonzales 2004). Most importantly, the positive reviews and rankings indicated that the department had well satisfied its primary customer. Table 1 provides enrollment statistics from 1998 to 2004.

As shown in the Table, the department experienced a steady growth in enrollment since the implementation of the revised curriculum in Fall of 2000 with an exception of 2003. The drop in the 2003 enrollment was due to the reduced number of sections resulting from the state's budget crisis that year. Despite the drop, the department enrollment growth rates from 2000 to 2004 actually exceeded those of the college's business program. The chair attributes the enrollment growth to improvement in students' learning experiences resulting from the updated curriculum and instructional effectiveness in delivery as indicated in the annual exit survey of graduating seniors.

The success of the graduates would be the ultimate evidence of the department's educational effectiveness. There has been encouraging anecdotal evidence suggesting that the departments' students have been trained properly to meet the needs of the employers. The department has seen an increase in the number of requests for interns, class projects, and job recruits. The department has received notes from graduates sharing their recent promotions and thanking the faculty for their education. Employers have also contacted the department to share

their positive experiences with the graduates and to request the department's cooperation in future recruiting efforts. Project sponsors from the community have offered voluntary feedback complimenting the quality of work that the students produced for them. The list goes on. Affirming as they are, however, these instances do not preclude the need for a more systematic collection of the program's effectiveness as evidenced in the graduates' success.

#### **Continuous Learning Through Close Partnership with the Business Community: Development of Curriculum Advisory Board**

In a recent study of marketing principles students, students indicated that marketing jobs meant sales, advertising, or some other promotional activity-related responsibilities (Ferrell and Gonzales 2004). While such positions do represent a sizable portion of marketing careers, the chair learned there is also a growing need for marketing analysts who possess technical, information, and process skills, especially in the university's service area. Companies demand individuals with good formal and informal listening skills which translate to research and analytical skills, and perhaps most importantly, creative problem solving skills. By focusing on students and their potential employers in the community the department has been able to ascertain which skills are of the greatest value, and the resulting curriculum benefits everyone.

The ever-changing job environment requires a continuous quest for ways for the department's program to remain relevant and engage in continuous curriculum revision. It is imperative to work in close partnership with

**TABLE 1  
FALL QUARTER ENROLLMENTS 1998–2004**

<b>Year</b>	<b>Department Enrollment</b>	<b>% Increase*</b>	<b>College Enrollment</b>	<b>% Increase</b>
1998	786	-3.90%	7692	2.57%
1999	760	-3.30%	7737	0.59%
2000	896	17.90%	8671	12.00%
2001	1049	17.07%	9235	6.50%
2002	1145	9.15%	9711	5.25%
2003	1106	-3.40%	9128	-6.00%
2004	1344	21.52%	8828	-3.29%

\*% Increase compared to the previous year

Source: CBE Student Service Center

practitioners in the community in monitoring the pertinent changes occurring both inside and outside the university's walls. Through working with these community partners, the department can continuously learn and gain insights into curriculum improvement.

This interest in building a system of community partnership prompted the chair to form a Department Advisory Board consisting of marketing professionals from various sectors in the service area. Although the importance of an Advisory Council was widely recognized (Andrus 2001; AACSB 2002), the most compelling reason for its creation was that the chair saw it as the natural next step in connecting several important links in the education process. It is unfortunately all too common to find that a department perceives a need for an advisory board, only to fall short of developing and maintaining one over time due to the absence of commitment and a lack of resources (Andrus 2001).

Without a mandate or resources, the development of an advisory board was entirely left up to the department chair. It took strong motivation and clear goals for the chair to engage in the process of developing the advisory board, pointing to the potential benefits of the community partnership as the main selling point to both the university and the prospective board members. One benefit of the advisory council was that it could enable the department to keep abreast of what employers want from new hires, thus empowering the program to keep its graduates marketable and desirable. Secondly, the relationship between the department and the community offers an invaluable avenue for student internships and other mentoring services. Thirdly, the department and the program's graduates become more visible in the community through partnership, which enhances the reputation of the university. Last but not least, the department faculty gains insight into research collaboration opportunities that can further foster the university's contribution to the community.

In forming the advisory council, the chair drew up a list of companies that reflected a range of industries in the community. A contact list of experienced individuals was generated from leads provided by department colleagues and friends of the university. The primary role of the advisory board members was curriculum advising. As such, the board members had to be professionally qualified in terms of education and experiences, as well as have a commitment to the mutual interest of supporting the students. Only the individuals with the desired qualification – prominent marketing professionals with a degree in business, preferably an MBA – were contacted for a personal interview. A questionnaire was prepared to gauge the interests of prospective board members as well as glean information about how they assess qualifications of marketing job candidates. Appendix I presents the sample interview questionnaire and Appendix II, a summary of the board members' responses.

To the surprise of the chair, the responses were extremely positive. At the end of the interview, an invitation was extended to serve on the Department Advisory Board and all of the ten contacted interviewees agreed to serve on the board. The initial development of the board was challenging yet possible even in absence of supporting resources. With effective marketing of the board's value, well-suited candidates were eager to come on board. The next step of continuous management of the board, however, would require not only commitment, but financial resources to enable the department to maintain the valuable infrastructure of continuous learning and improvement. The department is currently in the process of preparing a proposal for resource support to the college, alumni, and friends of the department.

### **What Next? The Cycle of Innovation**

The chair's interactions with the prospective board members reinforced the importance of community connection in improving the department's program. The members have further suggested practical concerns that the department could address to differentiate their graduates from others. For example, there were ongoing concerns about global, cross-cultural/diversity issues in the work environment. The board members indicated that business programs – marketing in particular – should address this issue in the curriculum by adding multicultural communication and negotiation skill building components to the curriculum. They felt that students need to be better prepared to function effectively in a diverse work environment full of conflict and cultural differences.

They also indicated that students need to be technologically fluent in their career field and that it is important for educators to incorporate the up-to-date technological development in the delivery of the learning experience. Students must be able to conduct on-line research, be familiar with database analysis software and process, and to show evidence of their experience in data-to-information process competency.

Furthermore, companies place more and more importance on innovation, entrepreneurialism, and creativity in their search for marketing talent. There seems to be a call for training business students with entrepreneurship courses, inserting exercises that facilitate creative thinking, and giving them an opportunity to be innovative during their college careers. Students must be aware of ethically challenging situations and given opportunities to make decisions based on guided business principles. They also need to learn about leadership and to be given opportunities to build leadership capacities.

While this list of "21<sup>st</sup> century" skills comes as little surprise to most educators, the challenge lies in the department's ability to translate them into marketing career-related training and make adjustments to the curriculum designed to offer integrated educational experiences. These

adjustments may deal with issues such as how and where to inject the changing workplace requirements in the curriculum, the role of an internship in the program, the emphasis on students' participation in professional student organizations or community services, timely introduction of new technology in the classroom, the need for requiring an integrative database analysis course, the need for and the role of entrepreneurship course/training in the program, and the need to enhance community connection in the classroom. Other marketing educators have also reported the importance of some of the aforementioned concerns including continuous revision of curriculum (Kelly 2005) and teaching methods (Athaide 2005), supporting extracurricular activities (Barr and McNeilly 2002; Schibrowsky, Peltier, and Boyt 2002), and improving internship opportunities (Gault, Redington, and Schlager 2002; Doria, Rozanski, and Cohen 2003). How best to improve and augment the department's educational service remains a challenge due to the limited resources of students as well as the institution. These are some of the areas that the department needs to consider in its efforts for continuous improvement in our service to students.

## CONCLUSION

This paper presented the learning experience of a marketing department chair in her quest to increase the marketability of her department's graduates. The chair initially set out simply to promote the department's graduates to the community employers, only to discover a need to revisit the curriculum process. Following the path of the outside-in curriculum planning process not only provided an invaluable learning opportunity for the chair to put into

practice the very skills of marketing that she taught in class, but more importantly, the development of a market-based curriculum and system for continuous learning and improvement continues to be of tremendous benefit to the program and its graduates.

In retrospect, the most critical element in the change process was the department's commitment to create and maintain a relevant marketing curriculum. It should be recognized that the marketing department chair benefitted from the already existing marketing experience and guidance of department colleagues who understood the importance of the customer-focused approach to the curriculum development process. As a result of the cooperation and support, improved curriculum could be put into place that enhances marketability of the department program's graduates, which ultimately benefits the department by increasing enrollment, improving instructional effectiveness, and enhancing the credibility and visibility of the department in the community.

At the end of a seven-year journey as marketing department chair, the author finds that the core marketing principle, customer value-focused marketing, proves to offer a natural course of action that enables a department as a whole to move several steps closer to fulfilling its mission of advancing the interests of the department's constituents through marketing education. It is the author's intent to share the early experiences of trial and error and to offer a witness to the value of the marketing discipline as a guiding principle and process in serving the department's constituents. Academic institutions of all units and sizes can benefit from marketing as they put the principles into practice.

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## APPENDIX I ADVISORY BOARD MEMBER QUESTIONNAIRE

When you hire Marketing people, what do you look for?

How do you spot the qualifications? Say for example, how do you identify the desired qualifications mentioned above (e.g., team work, communication skills, problem solving skills, creativity, etc.).

How critical are the candidates’ qualifications in term of their primary field of study in higher education, e.g., Marketing . . . In other words, does formal training in Marketing make any difference?

What advice would you give to faculty who design business/marketing curriculum?

What advice would you give to students of Marketing? (e.g., do you look for meaningful extra-curricular activities? If so, which?).

- ◆ How best can students prepare for careers in Marketing?
- ◆ What does it take to succeed in a Marketing career?

What kind of courses, if any, do you think should be included in:

- ◆ Business Programs
- ◆ Marketing Programs

Do you have different expectations from an MBA with a Marketing concentration and a BS with a Marketing concentration?

What advice would you give to educators? What can we do to better serve the needs of the business community?

Your interest in future partnership with the Department:

- ◆ Advisory Board\_\_\_\_\_
- ◆ Guest Speaker\_\_\_\_\_ Topics in:\_\_\_\_\_
- ◆ Other: Please Specify

**APPENDIX II**  
**SUMMARY OF THE ADVISORY BOARD MEMBER INTERVIEWS**

**What Employers Look for in their New Marketing Hires:**

- ◆ Attitudes/Personal Qualities: High energy, Creativity, Intelligence, Enthusiasm.
- ◆ Strong communication skills – writing, verbal, presentation, cross-cultural.
- ◆ Analytical & Problem solving skills.
- ◆ Teamwork.
- ◆ Cross-cultural training, International exposure and a second language.
- ◆ Experiences.

**How Employers Evaluate the Candidate's Qualification:**

- ◆ Ask deep, pointed questions looking for specific information.
- ◆ Ask for project experiences – the applicant's role and major contribution.
- ◆ Problem solving exercises – “how would you handle this situation?”
- ◆ Team projects – problems encountered and how they were solved.
- ◆ Group interview to see candidate in a group dynamic situation.
- ◆ Examples of previous work – Review work samples for quality and depth.
- ◆ Experience – companies, colleagues, and mentors that they have worked within the past. Reference checks.

**Perceived Importance of Formal Training in Marketing:**

- ◆ Formal training is required for specialized and mid-level positions. For entry-level positions, a marketing background is suitable for field marketing jobs.
- ◆ Formal training is a big plus but not always necessary.
- ◆ Formal training essential but practical training also critical-a balanced individual in marketing or other related areas. A plus but not enough. The ability to apply educational background to actual marketing problems and decisions is important.
- ◆ Other organizational experiences and leadership capacity helpful.

**Advice to Faculty Who Design Business/Marketing Curriculum:**

- ◆ Stay connected with the business community. Reach out to the real world. Get real life experiences.
- ◆ Talk to people hiring business graduates. Fast change requires a different set of expectations in hiring. It is important not only in building the curriculum but also the delivery of materials in the classroom.
- ◆ Need to teach theory and practice in balance. Cases, scenarios, live business examples that reflect the day-to-day workplace decision-making.
- ◆ Marketing & strategy is a key component of curriculum – Marketing strategy (similar to R&D) is one of the few business functions that cannot be outsourced. More focus on the external competitive environment and outward customer-facing business processes and job roles.
- ◆ Hands-on problem-solving exercises.

**Advice to Students of Marketing:**

- ◆ Get experiences. Try to get summer jobs in sales and marketing.
- ◆ Get meaningful extra-curricular experiences that demonstrate leadership potential. Extra curricular activities show drive, leadership, and a desire to be the best.
- ◆ Find a way to demonstrate that they are energetic, bright, willing to work hard and good communicators.
- ◆ Build ability to apply the knowledge and to harness the art and science of marketing.

**How to Prepare for Careers in Marketing:**

- ◆ Be open and flexible. Be able to learn and grow as you go.
- ◆ Polish their writing & presentation skills – master the art of “sound bites” and “elevator pitches.” Become a PowerPoint “guru.”
- ◆ Practice how to “boil down” large volumes of complex information into simple messages that ask “so what?”
- ◆ Internships and work experience. Retail experience or direct experience working with customers to develop their listening skills.
- ◆ Try to apply their knowledge to work projects outside of the academic institution.
- ◆ Should be able to show that they are able to market themselves.

**Key Factors for Success in a Marketing Career:**

- ◆ Openness and flexibility, Ability to learn and grow, drive, high energy, ambition. High standards of excellence.
- ◆ Excellent communication skills.
- ◆ Ability to identify and sell good ideas.
- ◆ Teamwork and collaboration.
- ◆ Be informed, competitive, have faith in co-workers, bring value at every level.

**Required Courses/Exercises for Business Program:**

- ◆ Work study – interns.
- ◆ Creative problem solving – Train to think out of the box.
- ◆ Hands on analysis and reporting on business problems and solutions in the different areas.
- ◆ Courses in: Business strategy and planning, Market research, Competitive analysis, International marketing, and economics, Presentation skills, Business cases, investment analysis, and related disciplines.

**Required Courses/Exercises for Marketing Program:**

- ◆ A graduate internship.
- ◆ Marketing strategy and planning, Market research, competitive analysis, International marketing and economics, Advertising and marketing communications, Business case framework for marketing programs, Presentation skills, and related disciplines Marketing information systems including database development, web marketing and research, data-mining, database marketing, marketing research.

**Expectations from an MBA vs. a BS with a Marketing Concentration:**

- ◆ BS – more specialized, a focus on functional areas and implementation.
- ◆ MBA – deeper focus on marketing from a general business perspective rather than a marketing functional perspective. Job experiences, familiarity with analytical tools, experience in marketing programs, events or product creation, practical experience expected.

**General Advice to Educators:**

- ◆ Collaborate with various business executives to make sure we are communicating to you what our needs are of potential new employees coming out of your institution.
- ◆ Keep the line of communications open with the business community so that you will understand similarities and differences that different sectors are looking for in graduates.
- ◆ Should stay in touch on what is happening in the marketplace. Know the day-to-day issues confronting the marketing decision maker.
- ◆ Place a stronger emphasis on presentation and writing skills.
- ◆ Ensure a global/international/cross-cultural focus in the program.
- ◆ Develop specialty tracks by industry or business process, e.g., High Tech, BioTech, Public Services Marketing, International.
- ◆ Promote and support internships where practical.

# ETHICS EDUCATION IN MARKETING: ARE STAKEHOLDERS' INTERESTS OVER- SHADOWING SHAREHOLDERS'?

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## ABSTRACT

*Ethics education in marketing is sufficiently important that the Marketing Education Review (Fall 2004) dedicated an entire issue to it. Yet not one of the articles in the issue cited the late Milton Friedman's (Nobel Laureate 1976) pronouncement on business ethics: "there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its [shareholders'] profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud" (1962, p. 133).<sup>1</sup> The absence of Friedman's view in a journal issue devoted to business ethics led us to speculate: What roles are shareholders' interests assigned in ethics education in marketing?<sup>2</sup> Here we present evidence that in marketing education shareholders' interests are diminished relative to those of "stakeholders" and reflect upon the implications of replacing shareholder with stakeholder interests.*

## STAKEHOLDER VERSUS SHAREHOLDER IN ETHICS EDUCATION IN MARKETING

### Evidence from *Marketing Education Review (MER)*

We searched volumes of the *MERs* from 1990–2005 utilizing the *EBSCO* database. We found seventeen articles containing the term "marketing ethics," a PDF file was downloaded for each article. All the PDF files were searched for the terms: "profit(s)," "shareholder(s)," and "stakeholder(s)." The frequencies with which the terms appeared in each article are tabulated in Table 1.<sup>3</sup> The term "stakeholder(s)" appeared a total of 38 times, whereas "shareholder(s)" and/or "stockholder(s)" appeared twice: a 19 to 1 advantage in favor of "stakeholder(s)." This may be an overstatement because an interest in profits may be another expression for the concerns of shareholders. Table 1 also presents search results for the articles' usages of the term "profit(s)," "profit(s)" appeared 13 times in our sample of 17 articles. The combined the usage of "shareholder(s)," "stockholder(s)" and "profit(s)" totals 15, this compared to a total of 38 for usage of the term "stakeholder(s)." The ratio of the two is over a 2.5 to 1 in favor of stakeholders over the combined terms that indicate the primacy of owner interests (shareholders, stockholders and profits). The lopsidedness in Table 1 is suggestive, but it cannot be taken as definitive evidence that shareholder interests were overshadowed. We examined each instance that these terms appeared to determine what the authors meant when the terms *stakeholder(s)*, *stockholder(s)*, and *shareholder(s)* were used.

Table 2 presents representative quotes from the articles. All of the articles that use the term "stakeholder(s)"

imply or explicitly state that groups other than just stockholders are stakeholders (e.g., consumers, workers, managers, the community, the environment and so forth). No article had shareholders as the only member in the stakeholder set. Illustrative comments are: (1) "Stakeholder analysis has become one of the hallmarks of any business or marketing ethic course" (Murphy); (2) because the identity of stakeholders varies from situation to situation, stockholders "may (or may not)" warrant the status of being stakeholders (Hunt and Laverie); (3) "formal audits" are necessitated by stakeholder theory "because organizational cultures are complex and occasionally inconsistent" (Curran and Hyman; citing Bliss 1999). These passages indicate that stakeholder theory, a "hallmark" of business ethic courses, is an approach that: (1) specifically, "may or (may be not)" be concerned with stockholders' interests; and (2) generally, defies *a priori* definition due to the "complex" and "occasionally inconsistent" nature of its touchstone, "organizational culture." This lack of clarity highlights the ambiguity of this literature; calling stakeholder theory the "hallmark" of business ethics is a misnomer at best. This is not a "theory" in the normal use of the word because it leads to no unambiguous *a priori* implications about observable phenomena. Table 2 indicates that marketing educators are using the term "stakeholder(s)" in ways clearly different from shareholders. What these authors had in mind when they used the term "stakeholder(s)" was ambiguous, but clearly inconsistent with the focused pursuit of shareholder interests. This evidence is consistent with the hypothesis that shareholder interests have been replaced by those of stakeholders in articles in marketing education.

### Evidence from Marketing Principles Texts

We examined seven principles of marketing textbooks that have current copyrights to determine how shareholders' interests are treated in undergraduate education. The index of each text was examined; all of the texts had more than one page reference to both "social responsibility" and "profit." The texts' discussions of these issues were then examined to assess their treatment of Friedman's statement that the social responsibility of businesses is to pursue profits by competing openly, eschewing both fraud and deception. Table 3 lists each text's authors and shows some of the connections made between profits and social responsibility. Overall, there is no consistent evidence that shareholders' interests are paramount, and there is evidence of ambiguity. Table 3 shows that the texts recognized the importance of economic considerations (revenue, costs, and/or profits), and we see some strong sentiments along these lines: (a) Kerin, Hartley, Berkowitz, and Rudelius explicitly em-

phasize "profit responsibility"; and (b) Hoffman cautions against unlimited support of "good deeds" with the "owners' money." In contrast, four of the seven texts listed in Table 3 contained easily identifiable discussion(s) contravening shareholder primacy in corporate social responsibility, and only one text (that of Kerin, Hartley, Berkowitz, and Rudelius) explicitly cited and quoted Friedman's ethos. The evidence from Table 3 suggests that: (1) the texts recognize economic realities, and (2) shareholders' interests were overshadowed less frequently in marketing texts than they were in the articles analyzed in Tables 1 and 2.

### CLARITY VERSUS AMBIGUITY AND MORAL HAZARD

The question of *who are stakeholders* does not arise in closely or privately held corporations. Marketing managers who are derelict in following the directives of corporate principals in closely held firms are likely to be

**TABLE 1**  
**FREQUENCIES OF USAGE OF VARIOUS TERMS IN MARKETING EDUCATION**  
**REVIEW ARTICLES THAT EBSCO INDICATED USED THE TERM**  
**"MARKETING ETHICS"**

Terms			
Author(s); Publication Year	Stakeholder(s)	Shareholder(s), Stockholder(s)	Profit(s)
1. Hunt and Laverie 2004	21	1	0
2. Murphy 2004	9	1	0
3. Chonko 2004	1	0	3
4. Muncy 2004	0	0	2
5. Buff and Yonkers 2004	3	0	0
6. Burnett et al. 2003	0	0	1
7. Moberg and Walton 2003	0	0	0
8. Ferrell and Ferrell 2002	0	0	0
9. Evans 2001	0	0	0
10. Loe and Ferrell 2001	2	0	0
11. Marta et al. 2000	2	0	5
12. Curran and Hyman 2000	1	0	0
13. Ferrell 1995	0	0	0
14. Siegel 1991	0	0	1
15. O'Boyle and Dawson 1991	0	0	0
16. Peterson 1991	0	0	1
17. Madden 1990	0	0	0
TOTALS	38	2	13

**TABLE 2**  
**SELECTED QUOTES SHOWING THE USAGE OF *STAKEHOLDER(S)* IS NOT**  
**SYNONYMOUS WITH *SHAREHOLDER(S)* IN THE TABLE 1 ARTICLES**  
**THAT USED THESE TERMS, BY AUTHOR(S)**

AUTHOR(S)	QUOTE
<b>Hunt and Laverie</b>	“Both the identity and importance of the stakeholder group will vary across individuals and situations. For example, the stakeholder may (or may not) include one’s self, family, friends, customers, stockholders, suppliers, or employees” (p. 1).
<b>Murphy</b>	“Stakeholder analysis has become one of the hallmarks of any business or marketing ethics course in recent years. . . . This instructor distinguishes among primary (those with which the marketing organization has contractual relationships like customers, suppliers, top management, employees, and the board of directors), indirect (those who have an abiding interest in the organization like past customers, former or retired employees, marketing regulators like the FTC, the business media, etc.) and secondary (government in general, the media and other non-competing businesses” (p. 16).
<b>Chonko</b>	“Who Are the Relevant Stakeholders?” (Figure 1, p. 25) <i>No further identification of who stakeholders are.</i>
<b>Buff and Yonkers</b>	“They [media reported business scandals] can be extended to a discussion of how ethical behavior can bring value to the organization, to customers, and to various stakeholders” (p. 71).
<b>Loe and Ferrell</b>	“A full discussion should address . . . the goals of marketing organizations in relation to their impact on society and relationship with customers and other stakeholders is warranted” (p. 13).
<b>Marta et al.</b>	“. . . an individual’s perceived importance of ethics and social responsibility is often a critical determinant of whether or not an ethical problem is even perceived in a given situation, as well as a determinant of variables such as deontological norms and importance of stakeholders. . . . corporate social responsibility [has been found] to be a multidimensional construct” (p. 39–40).
<b>Curran and Hyman</b>	“A formal audit is needed because organizational cultures are complex and occasionally inconsistent; for example, employees may be empowered yet the decision-making process is consensual across stakeholders (Bliss 1999).”

unemployed. This does not mean that the people who work for or own these firms are amoral, quite the contrary it is the owners’ money (not the managers’). Similarly, in publicly held corporations the shareholders are the owners and the vast majority of investors invest to increase their wealth. Friedman’s ethos provides moral clarity: what managers *should do* does not depend upon whether the largest shareholder owns one-hundredth of one percent or one-hundred percent of the outstanding stock. Friedman’s guidelines are clear and concise: corporate resources are to be used to maximize the wealth of shareholders within the bounds of the law and open competition and with neither deceit nor fraud. On the

other hand, if shareholders are just one of many competing stakeholder groups, then ambiguities and moral hazards arise.

The quotes in Table 2 reflect the fact that there is no consensus about what groups are legitimate stakeholders, nor their relative importance. Like the authors listed in Table 2, the typical marketing manager is unlikely go to the extremes of including everything she/he can think of as stakeholders.<sup>4</sup> Even when stakeholders are limited to employees, management, shareholders, input suppliers, customers, and the local community, the ethical compass is drawn in *at least six* directions. If each of the six stakeholder groups consists of heterogeneous and rival-

rous members, then the number of directions that stakeholder theory points to is substantially greater than six, and, as a limit, could approach the number of people in the groups.

Heterogeneity raises a host of questions: How should a firm balance the welfare of competing inputs suppliers,

consumers, and/or workers? Should an input supplier charging higher input prices be chosen because it is “fairer” to its workers due to unusually generous pay scales? Should customers who have greater social graces be charged lower prices and/or given greater access to a firm’s product(s)? Should employees with more depen-

**TABLE 3**  
**SELECTED QUOTES FROM SOME RECENTLY COPYRIGHTED**  
**MARKETING PRINCIPLES TEXTS**

<b>AUTHOR(S); Text’s Copyright Year</b>	<b>Acknowledgement of Primacy of Profits?</b>
<b>Boone and Kurtz 2004</b>	The authors’ Figure 3.11 (p. 88) reprints Archie B. Carroll’s “pyramid of corporate social responsibility” which indicates that “The foundation upon which all others [corporate responsibilities] rest” is to “be profitable.” But the authors distance themselves from Friedman’s position: “Social responsibility demands that marketers accept an obligation to give equal weight to profits, consumer satisfaction, and social well-being in evaluating their firm’s performance” (p. 88).
<b>Kerin, Hartley, Berkowitz, Rudelius 2005</b>	The authors’ Figure 4–4 (p. 107) features “profit responsibility” at the core and shows “stakeholder responsibility” and “societal responsibility” as related, but non-core responsibilities. But they avoid taking a definite position in arguing that: “. . . agreement on the nature and scope of social responsibility is often difficult to come by, given the diversity of values present in different societal, business and organizational cultures” (p. 106).
<b>Lascu and Clow 2004</b>	The authors acknowledge that a corporation’s social responsibility might be met by “cause related marketing” that is: “. . . a long-term partnership between a nonprofit organization and a corporation [in which] Both parties must benefit . . .” (p. 88–89). But their views on philanthropic activities that provide no benefits to the corporation were unstated.
<b>Solomon, Marshall, and Stuart 2006</b>	The authors acknowledge the pivotal role of economic concerns by arguing that unethical “marketplace behavior” imposes “high costs” both “financially” and “in terms of the firm’s reputation” (p. 66). But the weighting to be applied to the “short- and long-term effects of [company] decisions on the company, its employees, consumers, the community, and the world at large” (p. 69), was unstated.
<b>Pride and Ferrell 2002</b>	The authors’ Figure 4.1 (p. 91) reprints Archie B. Carroll’s “pyramid of corporate social responsibility” that indicates that “The foundation upon which all others [corporate responsibilities] rest” is to “be profitable.”
<b>Kotler and Armstrong 2006</b>	The authors emphasize profits in arguing that “They [forward looking companies] view socially responsible actions as an opportunity to do well by doing good. They seek ways to profit by serving the best long-run interests of their customers and communities” (p. 25).
<b>Hoffman 2006</b>	The author imply owner primacy in stating that “firms have to limit their support of marketing social causes and good deeds because they are spending their owners’ money and are accountable to them” (p. 92).

dents receive higher wages than other workers? Similarly, should the firm hire workers on the basis of who needs the job the most, as opposed to the most competent? Combining two of the previous questions: If a firm hires on the basis of worker “need” as opposed to ability, does this lessen its social responsibility to sell at lower prices to customers with greater “needs?” The quandaries are limited only by imagination and patience.

Beyond these difficulties, if the list of stakeholders includes management, then “ethical” decision-making about product, place, price and promotion requires marketing managers to balance the stakeholder interests “fairly.” Whenever the stakeholder set includes the marketing manager, moral hazards arise (whenever the marketing manager is in the stakeholder set she/he is required to include his/her personal concerns and preferences into his/her professional decision-making).

If instead, we accept the primacy of profits and shareholder interests (subject to the law, open competition, with neither deceit nor fraud), and then clarity attends problems that bedevil stakeholder theories. The following case provided by Hunt and Laverie (2004) to illustrate ethical difficulties is a good example:

You are a 52-year-old regional sales manager for a large industrial supply company. For several years sales have been declining dramatically in your region. After the vice president of sales expressed “grave concern” about this decline at the end of last year’s sales meeting, you informed your salespeople that they had better increase their sales or else, drastic steps would be taken.

Total sales for your region during the last six months have increased dramatically. However, you have just found out that several of your most successful salespeople have been providing excessive gifts to purchasing agents in order to increase sales. These gifts have been beyond the normal lunches, dinners and small promotional items. The gifts were in the form of cash payment in the amount of \$50 to \$100. To the best of your knowledge, salespeople in your region have never before used excessive gifts.

You must decide what to do about this situation (if anything). As regional sales manager, your pay raises and promotions will be based in large part upon the overall level of your region, and the vice president of sales has indicated that he is very pleased with the sales increases (Hunt and Laverie, p. 13).

Hunt and Laverie had students read this case and then surveyed their choices between three pre-specified responses.<sup>5</sup> We see the case as a way of contrasting the clarity of the Friedman’s ethos with the ambiguities and moral hazards in stakeholder theory.

Adhering to Friedman’s approach, an ethical sales manager would find out: (1) why sales had been declining (more and better competing products, price discounting, other firms providing gifts as his staff is doing, a general

market decline, and so forth); (2) how pervasive gift-giving is; (3) how legal is it (is it a way to defraud the owners of the purchasing firms, a way to avoid income taxes, or something else); and (4) the intent of the salespeople (did they hide these expenses in legitimate expense accounts, or simply pay them out of their own pockets). Suppose the following answers: (1) sales had been declining because the product the salespeople were selling was inferior (in either or both quality or price); (2) and (3) the practice was deemed pervasive but illegal; and (4) the salespeople were making these payments out of their own pockets. Relying upon the Friedman ethos as the moral compass there are a number of actions the sales manager must take to protect the interests of the owners. The sales manager should do two things: First she/he should tell the salespeople that they have to stop the practice immediately. If she/he does not do this, then she/he is complicit and endangering the legitimate interests of the owners (paying the bribes out of their own pockets insulated the sales force from the charges of defrauding the owners). Whether other penalties are assessed on the sales force depends upon whether the penalties will insulate the firm (owners) from civil or criminal actions for the activities of the salespeople. Second the sales manager should apprise upper management of what has occurred, the actions taken to remedy the situation, and the difficulties that the firm’s products have in the marketplace. The managers of the firm should be made aware that their product is inferior, and should take actions to preserve the wealth of the owners. (These actions may range from remedying their products’ inadequacies to liquidating the firm. What the sales manager perceives that upper management will do with the information should not affect the actions of an ethical sales manager.)

The personal characteristics of the sales manager should not affect ethical decision-making. What preserves the wealth of the shareholders is the same whether a sales manager is 52 or 26 years old. Similarly what is legal or illegal is not affected by personal characteristics; this is what is meant by the rule of law. Finally what is ethical or unethical is unaffected by personal characteristics; individual circumstances may make ethical actions more costly, but they will not affect an action’s rightness (or wrongness). If management perceives itself as the agent of the owners, then what should be done is clarified. But if stakeholders (non-owners) enter the calculus, then there is no compass.

In this case, suppose that the sales manager perceives her/himself to be the agent of “stakeholders,” and that the stakeholder group includes the sales manager, the sales force, the owners, the purchasing agents, and the owners of the firm that is purchasing the output. Is there any clear resolution here? Whose interests should be defended when interests conflict as they do here? If these diverse groups constitute the “stakeholders” to whom the sales manager is ethically bound, then the sales manager has no

moral guidelines, and must by necessity consider her/his individual prejudices in resolving conflicts among “stakeholders.” What a sales manager gets from the stakeholder theory will be idiosyncratic, increasing the chances of misfeasance and/or malfeasance.

Recent high-profile examples of corporate wrongdoing have been frequently misconstrued as *prima facie* evidence justifying the overshadowing of shareholders’ interests.<sup>6</sup> Three cases come to mind: those of Martha Stewart, Enron, and Tyco. The difficulties faced by these firms can definitely *not* be traced to over zealous managerial concerns for shareholders. Quite the contrary, in each of these cases management focused on concerns other than shareholder wealth. The firms’ difficulties arose because management failed to live up to the ethical guidelines embodied in Friedman’s Ethos; they did not increase shareholder wealth, nor were their actions likely to do so under all plausible circumstances. Martha Stewart’s ethical lapses forced her into incarceration; at the times of her arrest and conviction the price of shares in her eponymous company fell. If she had thought of the interests of the shareholders other than herself, then she may have been more circumspect in her financial dealings. Furthermore the deceitfulness that landed her behind bars directly violated Friedman’s proviso against “deception or fraud.” The chief officers of Enron are accused of deceiving employees and external shareholders about the financial status of the firm at the same time that they were selling their shares. If so, they were not acting as honest stewards for the owners. If the allegations are true, the failure of Enron will end up being an unambiguous indictment of the lack of clear ethical guidelines and transparency. Dennis Kozlowski, former head of Tyco International pledged five million dollars of the shareholders money to Seton Hall University. This was not his only misappropriation of shareholder funds. In the summer of 2005 Kozlowski was convicted of defrauding shareholders of more than \$400 million; this obviously was a failure to follow Friedman’s ethos (which requires managers to act “without deception or fraud” to maximize *shareholder* wealth). The ethical compass of stakeholder theory might be interpreted as being more expansive than the American legal system; under stakeholder theory the gifts to Seton Hall and other expenditure might be considered by some to be laudable (because they serve the community). Unfortunately for Mr. Kozlowski the laws of the United States neither embrace stakeholder theory, nor his actions; he is serving a sentence of eight to twenty-five years in a federal prison.

### CONCLUDING COMMENTS

Ethics and corporate social responsibility are growing topics in collegiate schools of business. Evidence

drawn from articles discussing “marketing ethics” suggests that stakeholders’ interests supersede those of shareholders in marketing. More ambiguous was the evidence drawn from a sample of current marketing principles textbooks; the texts placed greater emphases on profits and the obligations due to shareholders than the journal literature. All texts inspected at least implicitly acknowledged that economic considerations (revenues, costs, and/or profits) are key components in discussions of corporate responsibility. Still, four texts had discussions that contradicted the primal emphasis on profits and the fiduciary duty to honor the interests of shareholders. Reflections upon both a marketing case study and several real world cases of corporate scandal illustrated that the pursuit of shareholder wealth within the bounds of the law and open competition and without fraud or deceit (*a la* Friedman) led to clear solutions, while stakeholder theory led to ambiguity and/or moral hazards.

It may be interesting to assess how much stakeholder theory has been used to defend/justify managerial malfeasance/misfeasance. Has stakeholder theory been used by accused/indicted/convicted management as an excuse for the misallocation of firm resources? A way to assess the effects of the neglect of managerial duty to owners might be to examine *ceteris paribus* comparisons of the turnover rates of managers with undergraduate training in stakeholder ethics (where owners’ interests are not paramount), versus undergraduates with no business training in ethics. Which set of managers lasts longer, is more successful, and has fewer felonies? Another way to assess training in business ethics would be to identify a sample of indicted/convicted managers, and survey them regarding their familiarity with stakeholder theory as opposed to Friedman’s ethos.

This is entirely speculative, but what is not is the current emphasis in business ethics away from fiduciary duty and the Friedman ethic and towards stakeholder theory, which gives, **at best**, no moral guidance. At worst, stakeholder theory is a refuge for fools and/or cads; fools who do not know that stakeholder theory is vacuous, and cads who do know that it is meaningless but use it to justify their otherwise unjustifiable actions. The prime rule in teaching ethics should be identical that of medicine, Hippocrates advised his students: “First, do no harm.” There is no evidence that training in ethics in collegiate schools of business creates any net benefits, and some evidence that it reduces moral clarity and creates ambiguity. Ethical prescriptions in business should not depend upon angelic beings who can divine when owners’ interests matter and when they do not. Friedman’s simple rule of fiduciary duty to shareholders with neither deception nor fraud is so clear and so understandable that it is amenable to ordinary mortals. We are unaware of any other prescription that has these virtues.

## ENDNOTES

<sup>1</sup> A search of the EBSCO database indicated that no article in the *Marketing Education Review* has cited Friedman's article since the *Review's* inception in 1990. (The authors are indebted to Elise Sautter for suggesting the use of the EBSCO database.) In fairness, the absence citation to Friedman's ethos is not uncommon in the scholarly literature on business ethics (see Coelho, McClure, and Spry 2003, p. 15).

<sup>2</sup> In a personal communication Elise Sautter suggested that the neglect of Friedman's ethos may have an evolutionary explanation(s). "Path dependency" is one possible explanation because his ethos was inaccurately branded Lee Preston (1975, p. 444) as a one-dimensional ethos advocating the unconstrained pursuit of profit-making; Preston ignored the constraints that Friedman's ethos imposes on profit-making: in that it must: (1) engage in "open and free competition"; and (2) operate "without deception or fraud." Preston's article appeared prominently in the *Journal of Economic Literature* and has been cited prominently as authoritative. For example, Thomas Jones cites Preston as authoritative in two separate articles (both in the *Academy of Management Review*), leaving Friedman completely unreferenced; one article is to "integrate" research on "business and society" (1983), and the second is to "synthesize" research on ethics and economics (1995). In an earlier issue of that same journal, Keith Murray and John Montanari (1986) cited Preston (and also Friedman) but repeated Preston's error. They described Friedman's ethos as the pursuit of "profit-making only" (p. 816). Elisabet Garriga and Domenec Mele (2004) provide a recent exception to the tendency among articles citing Preston to similarly misconstrue Friedman; they accurately cite Friedman's ethos and go on to comment positively on it. For an alternative (and possibly

coincidental) explanation of the evolution of academic oversight of Friedman's ethos, see: Coelho, McClure, and Spry. pp. 19–20.

<sup>3</sup> The term "stakeholder(s)" means that both stakeholder and stakeholders were counted; there was no double counting. Similarly both shareholder and shareholders were counted as "shareholder(s)"; to be as inclusive as possible; "profit(s)" represents the count for profit, profits and profitability. Because "non-profit" is polar to profit, the use of the term non-profit was not counted in the "profit(s)" frequencies.

<sup>4</sup> Beyond the authors listed in Table 2, some have gone as far as to include non-human animals and non-sentient things as stakeholders; for example see M. Starik's (1995) article in *The Journal of Business Ethics* entitled: "Should Trees have Managerial Standing? Toward Stakeholder Status for Non-Human Nature."

<sup>5</sup> Hunt and Laverie asked MBA students to rank the following three alternative responses to the case: (A) order the excessive gifts to stop and reduce the pay of the salespeople who gave them; (B) order the excessive gifts to stop, but don't reduce the pay of the gift-giving salespeople; and (C) say nothing to stop the excessive gifts and do nothing to stop them. The vast majority of MBA respondents ranked B as "most ethical" and C as "least ethical." For more detail on these rankings see Table 1 their paper (p. 10).

<sup>6</sup> Elise Sautter suggested that we reflect upon some contemporaneous corporate scandals in anticipation of the common reactions of blaming greed or some other element (tangible or intangible). One frequent reaction is to blame unconstrained profit-making. This is not correct because: (1) the advocates of fiduciary duties to owners always recognize that there are constraints that should be followed, and (2) as an empirical fact these firms were not maximizing *shareholder* wealth.

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# ARE FEMALE MARKETING STUDENTS ALWAYS MORE ETHICAL THAN MALE MARKETING STUDENTS?

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## ABSTRACT

*Several marketing studies have found that female students are more ethical than male students and theorize that this is because females are socialized to be more sensitive about others than are males (the “socialization approach”). However, other studies have found no significant differences between the ethical orientations of female versus male students and theorize that this is because both females and males come to have similar views of ethics because of the common training they receive in preparing and studying for similar careers (the “structural approach”). We test both of these approaches with marketing students and find the results are dependent on the type of scenario presented. Some scenarios tap into socialization issues and lead to different ethical responses between females and males, while other scenarios tap into the common aspects of both female and male acculturation into a common career that lead them to the same ethical conclusions.*

## INTRODUCTION

A lot of attention has been focused on teaching business students the topic of ethics in the wake of a series of corporate scandals that appear to be the result of managers' unethical behavior (Feldman and Thompson 1990; Murphy 2004). There is a concurrent push by the accreditation agency for collegiate business schools, the Association to Advance Collegiate Schools of Business (AACSB), to include ethics in the curriculum (Silver and Valentine 2000). As a result, a number of studies have been done testing the ethical orientation of business students.

One finding across several studies is that female business students are more ethically-oriented than male business students (e.g., Arlow 1991; Barnett, Brown, and Bass 1994; Borkowski and Ugras 1998; Silver and Valentine 2000; Beltramini, Peterson, and Kozmetsky 1984; Lopez, Rechner, and Olson-Buchanan 2005; Luthar, Di-Battistia, and Gautschi 1997; Luthar and Karri 2005). A more limited number of studies have found that female marketing students are more ethically-oriented than male marketing students (Dawson 1992; Singhapakdi 2004; Singhapakdi and Marta 2005; Whipple and Wolf 1991) or less masculine-oriented marketing students are more ethically oriented than more masculine-oriented marketing students (Yoo and Donthu 2002).

In general, scholars hypothesize that the reason for this difference is that females are socialized very differently than males, which predisposes women to become more ethically-oriented than men. This theory is referred to as “gender socialization” (Mason and Mudrack 1996).

For example, women are thought to be more care-oriented than men (Silver and Valentine 2000) and females are encouraged to develop social relationships, while men are encouraged to focus on competition and achievement (Beutell and Brenner 1986). Gilligan (1977) explains that the moral imperative for women is to “fix troubles” while the moral imperative for men is more pragmatic. This is somewhat supported by Feldman and Thompson (1990), who find that male business students tend to rely more on economic justification for business behavior than female business students and female business students tend to rely more on legal and moral justification for business behavior than male business students.

Despite the gender socialization theory, some researchers believe that over time, this early socialization is diluted in comparison to the role pressures of certain career choices. This theory is referred to as the “structural approach” (see Dawson 1992; Stevenson and Bodkin 1996) or “occupational socialization” (Mason and Mudrack 1996). In this view, because business students are being trained for the same or similar careers, over time their belief systems will tend to converge. Some level of common beliefs may be evident at the beginning of their academic studies because “self-selection” theory holds that men and women who are attracted to business degrees have common beliefs, or aspire to acquire common beliefs thought to lead to a successful business career.

In partial support, some studies find that female and male business students have similar ethical beliefs (Davis and Welton 1991; Nil and Schibrowsky 2005; Tsalikis and Ortiz-Buonafina 1990), and some show that female marketing students are not more ethical than male market-

ing students (Crittenden, Crittenden, and Hawes 1986; Dabholkar and Kellaris 1992; Feldman and Thompson 1990).

How do we reconcile the two different approaches (socialization and structural) that both appear to have specific studies that provide empirical support when studying marketing students? It may be that both theoretical approaches are valid. It is conceivable that some ethical scenarios that are presented to marketing students draw on different socialization processes that are gender-specific, while others draw on common beliefs that have been developed or are in the process of being developed by students regardless of gender studying for a business career.

In support, Jones (1991) presents a model that outlines how ethical perceptions are issue-contingent. In other words, comparisons of ethical perceptions between genders depend on the characteristic of the dilemma at hand. In testing Jones' model, Franke, Crown, and Spake (1997) found that gender differences did depend in part on the nature of the ethical dilemma. More pertinent to our study, Dawson (1992) found that ethical scenarios that appeared to draw on socialization were viewed as significantly different by female business students versus male business students, while ethical scenarios that did not draw on socialization tendencies were not viewed as significantly different by female and male business students.

In order to test the possibility that both the socialization approach and the structural approach could be evident at the same time, two different ethically-oriented scenarios are presented to marketing students. One is hypothesized to tap into some gender-socialization issues and is predicted to show a significant difference in ethical beliefs between female and male marketing students. The other is hypothesized to tap into common structural beliefs and is predicted to show no significant difference between ethical beliefs of female versus male marketing students.

## HYPOTHESES

We predict that early socialization differences between the genders will lead to differences in how female and male students perceive situations that are more sexual in nature. According to LaTour, Pitts, and Snook-Luther (1990, p. 51), "female nudity and erotic content have become almost commonplace in contemporary advertising." Even though there appears to be a growing acceptance of nudity in advertising over recent decades by both females and males, there is evidence that nudity and erotic content in advertising is less effective for females than for males (e.g., LaTour, Pitts, and Snook-Luther 1990; Sciglimpaglia, Belch, and Cain 1979). From a socializa-

tion perspective, many believe females are uniquely taught how to behave sexually and/or have become more aware of sexuality issues due to feminist consciousness-raising efforts (Ford, LaTour, and Middleton 1999).

Two studies provide at least partial support for our prediction concerning the socialization approach. First, Whipple and Wolf (1991) find that female marketing students rated one scenario as significantly more unethical than male marketing students. This scenario described a situation whereby the market research director used one-way mirrors in the brassiere department dressing rooms of stores. Second, Lane (1995) finds that the gender difference between female and male business students is greatest in a scenario that focuses on the portrayal of women in advertising. Consequently we hypothesize,

H1: The socialization approach will lead to differences in how female and male students perceive the ethics of sexually-oriented situations.

One of the most basic marketing beliefs is the "marketing concept," which suggests that there should be a company-wide consumer orientation. In other words, all parts of an organization should contribute to assessing and then meeting customer wants and needs. This includes not only product or service needs and wants but also the expectation of how the customer prefers to do business with a given company. An extension of the marketing concept is the development of relationships with customers as an essential ingredient of successful repeat business over the long run (Levey 1998).

One basic need of most customers is that customers prefer to have an honest interaction with organizations (Boone and Kurtz 2005), which if experienced will positively impact their trust with a company and consequently their long-term relationship with that company. The marketing concept and the related topic of relationship marketing have a prominent place in the curriculum of introductory marketing classes (Berman and Sharland 2002; Tashchian and Frieden 1983). Further, these topics are also covered in early chapters of introductory marketing textbooks and presumably are covered early in an introductory marketing class. Because both female and male students are trained on the marketing concept and relationship marketing topics early in their academic careers, and congruent with the structural approach, we believe that this common training will result in both female and male marketing students viewing any marketing situation in which customers are not being treated respectfully (e.g., are lied to) as an ethical violation of the marketing concept.

H2: The structural approach will lead to no differences in how female and male students perceive the ethics of marketing practices that are perceived to be a violation of the marketing concept (e.g., lying to the customer).

## METHODOLOGY AND RESULTS

Students were shown an eight-minute videotape portraying two different marketing scenarios. In the first scenario (“Sexist Campaign”), a new advertising agency has been given an account to advertise a new liquid diet supplement. The female account executive has directed the campaign’s market research, has held extensive meetings with the client, and has overall responsibility for the upcoming campaign. The account executive is having a conversation with the female copywriter on the campaign. Both the account executive and the copywriter are alumni from the same college and it was this connection that helped the copywriter to get her job. The copywriter says that she is uncomfortable with the campaign recommendations to make the television ad highlighting an attractive woman undressing as sexy and controversial as possible. The account executive says that this is what the client wants and it will work because “sex sells.” The copywriter says that as women they both should be the last ones to create sexist ads. The account manager says they have no choice but to do as the client wishes.

In the second scenario on the videotape (“Sales Hype”), two female sales trainees in a furniture department are having a discussion. Sally is an aggressive trainee and is trying hard to impress management. Kara is more conservative and believes that customer loyalty is essential to success in sales. Kara confronts Sally about a recent interaction with a customer. Kara tells Sally that she overheard Sally tell the customer that she could go to any sales representative even though she was Kara’s customer. Kara also tells Sally that it was not right to tell this same customer that a dining set she was looking at was a brand-new design that just came into the store even though it has been in the store for over a year. Sally responds that everyone stretches the facts a little in sales and that you need a little “hype” to get the customer interested in the sale.

One hundred and forty-five junior and senior students – 87 male and 58 female – in a beginning marketing class offered at a college of business in the Rocky Mountain region watched the videotape of the two scenarios and

responded to a short questionnaire afterward. The topic of ethics and social responsibility had not yet been covered in the course before the videotape was shown.

On the questionnaire the students were asked to decide if each of the two scenarios was ethical or unethical and to give a short reason why they thought the scenario was ethical or unethical. As a manipulation check, the students were asked if each was a violation of the marketing concept. Only 15 percent of the students found the first scenario to be a violation of the marketing concept; whereas, 92 percent of the students found the second scenario to be a violation of the marketing concept.

For purposes of analysis, if the student wrote that the scenario was ethical the response was assigned a value of 1 and if the student wrote that the scenario was unethical, the response was assigned a value of 2. Based on student records, the professor marked each questionnaire indicating whether the respondent was female or male. Table 1 shows the means of responses made by female and male marketing students for each of the two marketing scenarios. As hypothesized, female marketing students found the “sexist campaign” to be significantly more unethical than male marketing students (female means = 1.582 and male means = 1.289,  $p < .022$ ). Also as predicted, there was no significant difference between ethical beliefs of female versus male marketing students in reaction to the “sales hype” scenario (female means = 1.906 and male means = 1.876).

## DISCUSSION AND FURTHER RESEARCH

Many researchers have concluded that female business students are more ethically-minded than their male counterparts, while other researchers have concluded that there are no gender differences. This study supports both conclusions and corroborates other research that indicates comparisons of ethical perceptions between genders depend on the characteristic of the dilemma at hand (Dawson 1992; Franke, Crown, and Spake 1997; Jones 1991).

We presented two ethical scenarios to marketing students designed to draw on two different theories. One of the scenarios (“Sexist Campaign”) was hypothesized to

**TABLE 1**  
**MARKETING SCENARIO MEANS BY GENDER**

	Female Means	Male Means
“Sexist Campaign”	1.582 <sup>a</sup>	1.289 <sup>b</sup>
“Sales Hype”	1.906 <sup>c</sup>	1.876 <sup>d</sup>
1 = Ethical and 2 = Unethical. <sup>ab</sup> Means within the two adjacent columns differ at $p < .022$ . <sup>cd</sup> Means within the two adjacent columns are not significantly different.		

tap into “gender-socialization” issues. Gender socialization is based on the belief that females are socialized very differently than males which predisposes women to become more ethically-oriented than men. As predicted, there was a significant difference in ethical beliefs of female versus male students in reaction to this scenario.

The second scenario (“Sales Hype”) was hypothesized to tap into “occupational socialization” (also referred to as the structural approach). Occupational socialization is based on the belief that individuals who are in the same occupations or are being trained for the same occupations develop common ethical perceptions, regardless of gender. As predicted there was no significant difference between ethical beliefs of female versus male marketing students in reaction to this scenario.

An important limitation of our study is that we only test one scenario supporting each of the two theoretical approaches. Future research should include several scenarios designed to independently test each theoretical approach in order to provide more convincing evidence that ethical perceptions are, in part, a function of the ethical dilemma itself. In addition, there may be other important considerations that influence a student’s ethical perceptions of a given dilemma.

A model presented by Jones (1991), indicates that

there are six characteristics of a given ethical dilemma that may have an impact on an individual’s ethical perception: (1) proximity or feeling of nearness (social, cultural, psychological, or physical), (2) the magnitude of the consequences, (3) social consensus regarding the morality of the behavior, (4) the probability the behavior will cause harm, (5) the temporal immediacy of likely consequences, and (6) the concentration of effect (e.g., big impact to a small number of people). Future research should integrate these characteristics in order to more fully understand the factors that impact gender similarities and gender differences in ethical perceptions.

Finally, this study did not include any individual factors that may have an impact on ethical perceptions. Forsyth (1980) indicates that there are individual variations to moral judgment and behavior along two dimensions. The first dimension is *relativism* or the extent to which the individual rejects moral rules as being universal or absolute. The second dimension is *idealism* or the extent to which the individual assumes that desirable consequences can always be obtained with the “correct” action. Incorporation of Forsyth’s taxonomy of personal moral philosophies in future research might also expand our knowledge about why students react to ethical scenarios as they do.

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# A CONTENT ANALYSIS ON THE ROLE OF ETHICS IN THE BUSINESS CURRICULUM

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## ABSTRACT

*The renewed emphasis on teaching organizational ethics, corporate social responsibility, and the ethical orientation of the individual business manager has thus served to promote vigorous discussion (among both business leaders and academicians) as to how these topics should be covered in the Business Curriculum. The purpose of the current exploratory study was to assess the state of business ethics education provided in core programs at business schools across the United States. The authors discuss the results and implications of the findings.*

## INTRODUCTION

Due to the notoriety of some of the more recent examples of unethical behavior by corporate leaders at some of Wall Street's most respected firms, academicians have been forced to give new urgency to the study of business ethics. While the study of business ethics has long been an AACSB requirement and courses have routinely been incorporated into the core curricula of most business schools (Allen, Bacdayan, Kowalski, and Roy 2005), some academic scholars still question the efficacy of ethics related course requirements in promoting ethical behavior among business students and their corresponding ability to respond to societal ethical concerns. College administrators, however, take the topic seriously and many have urged their business faculty to develop innovative new approaches to the teaching of ethics related business topics. Indeed, academic instruction in ethical principles has become so important to the corporate business community that such instruction is now considered part of an overall strategy to promote its own survival (AACSB International 2004). The renewed emphasis on teaching organizational ethics, corporate social responsibility, and the ethical orientation of the individual business manager has thus served to promote vigorous discussion among both business leaders and academicians as to how these topics should be covered and where they should be placed among the courses being offered.

Taking the lead on this issue in July 2000, AACSB began to revise its accreditation standards, including the requirement that business schools make concerted effort to emphasize ethics as part of the business curricula. In addition to the curricula imperative established in April 2003, AACSB made it clear that schools would establish ethical standards for administrators, faculty, and students in the form of codes of conduct and procedures for

handling allegations of misconduct. Interestingly, however, the new standards *do not require any specific ethics course in the curriculum*. Instead, business professors are required to allocate time to the study of ethics alongside the other topics covered as part of the class objectives. Since no true ethics specific class is required by the 2003 AACSB standards, the level of ethics instruction presented to the students in each class will be highly dependent on: (1) the expertise and interest of the individual instructor, and (2) the instructor's ability to adequately cover whatever material is presented in the principle's textbook s/he is using.

The purpose of the current exploratory study was to assess the state of business ethics education provided in a core business program not unlike those received by students enrolled in business schools across the United States. In addition, since re-accreditation is a major objective for many business schools, one of the secondary purposes of the study was to evaluate the usefulness/thoroughness of core business principles textbooks in providing business ethics instruction. In other words, do the authors of most well known principles texts, across business disciplines, adequately address the ethics topics listed as being key for accreditation in this area? Although re-accreditation in this case was not an issue (the business school in question had recently been recertified), the authors nonetheless attempted to assess the level of instruction being provided in the area of business ethics as part of an ongoing program of self-evaluation and introspection to insure that students are adequately prepared to meet the ethical challenges they will face upon graduation. As part of the introspection process, the authors conducted a two part content analysis; the first study involved inspecting randomly selected school of business websites for evidence of ethics in the curricula. The criteria used in the evaluation included the following:

1. Does the business school mission statement mention or imply an emphasis on ethical behavior on the part of administrators, faculty, or students; or, emphasis placed on ethics as part of the instructional mission?
2. Does the school offer a business law or business environment type course as part of the core requirement that does not contain the term "ethics, but which includes as part of the course description, a substantial level of ethics related content?"
3. Does the business school core offering include a required business ethics course?

A follow-up effort was made for our own clarification and verification purposes. One of the researchers sent an email message and then made follow-up calls to administrators at fifteen of the fifty-one schools of business under investigation in the initial study. Administrator comments re included.

The second study, which at the onset was the primary focus of the current research effort, involved a content analysis of nationally recognized, interdisciplinary business principles textbooks. The titles/authors of the principles texts selected for investigation in the study included all those currently in use by the business faculties of the authors' three respective universities. Additionally, because AACSB specifies only four broad categories of ethical issues to be covered in the classroom, the researchers conducted a preliminary search of the treatment of these issues by the author of each text. The framework developed for use in evaluating the content of the principle's texts is thus a collective interpretation of what constitutes a subset of topics common to most of the texts. Results of the findings are presented in a series of descriptive statistical tables along with an assessment of the adequacy of coverage, across the various disciplines.

The current study is instructive and insightful, both from a theoretical/academic perspective as well as from a practitioner perspective. In order to make informed decisions as to whether their program's instruction in ethics is adequate, academic administrators need to understand the nature and treatment of ethics vis-à-vis what is provided in basic college business texts. Such knowledge would be quite useful in making judgments as to whether additional augmentation of the topic is required, thus helping to alleviate some of the anxiety associated with AACSB reviews of the adequacy of the curricula content. Faculty and students both benefit because valuable time and financial expenditures associated with offering a stand alone ethics class is avoided.

From a practitioner perspective, employers routinely seek entry-level employees with well developed ethical reasoning skills. Evidence of classroom exposure to business ethics would assist employers during the screening process since such exposure increases the likelihood that

candidates are at least aware of the sort of ethical pitfalls they may encounter in the business environment.

The following sections include a brief discussion of why business ethics is important, an explanation of what AACSB requires in terms of the ethics component, and a discussion of the methodology used in the study. Findings are presented along with implications for the current and future importance of the study.

## **DISCUSSION AND BACKGROUND**

### **Assessing the Need from a Societal Standpoint**

As noted earlier, a recent AACSB report has indicated that societal mistrust in the ethical behavior of corporate leaders has promoted a renewed surge of interest in the topic of business ethics, prompting administrators to re-evaluate the way the topic is covered so as to better incorporate the subject matter into the existing business curricula. From an academic as well as practitioner perspective, the perceived lapse in ethical judgment among many of America's top business leaders threatens the very future of free markets, in large part because such behavior undermines investor trust in the marketplace (Taub 2002; AACSB International 2004). Although business schools are not expected to be the sole provider of ethical instruction for future generations of business leaders, just as they are not expected to shoulder the responsibility for future ethical debacles on the part of former students, instruction in ethics education is viewed as one of the ongoing responsibilities of business schools. As such, providing rudimentary instruction in business ethics has long been an expectation of the AACSB and one of the accreditation requirements of any business degree program. This dynamic is not likely to change any time soon.

With the need for programs in ethics education firmly established both from a practitioner and academic perspective, business schools are expected to take the lead role in developing engaging educational strategies designed to prepare students for the ethical challenges awaiting them upon graduation. As a minimum, society expects business schools to provide students with the ability to recognize and respond to emerging ethical issues. Given the volume of ethical infractions recently witnessed in the business community, college of business administrators have been forced to refocus their attention on the level and type of ethical instruction business students receive in the classroom. In some cases, that has meant redesigning the course material to include additional ethics instruction. One of the main concerns for administrators inclined to agree with the need appears to be one of scheduling. Where, for example, does one find room for a beefed-up ethics curriculum in already overfilled syllabus? Anecdotal teaching experience alone suggests that adding new subject material often forces removal of other subject material.

Perhaps to its credit, AACSB has narrowed the required ethics regimen to a few universal business ethics related issues (e.g., *responsibility of business in society; ethical leadership; ethical decision making; and corporate governance*), leaving the specifics of what and how the ethics content will be covered to the discretion of the individual business schools and their faculty. A review of AACSB accreditation standards in fact suggests that the agency is more interested in business students developing the ability to recognize, analyze, and respond to ethical issues – in other words, developing critical thinking skills – than their gaining an in-depth knowledge of basic ethics theory. Hence, if one takes the approach that memorization of specific ethical models offers no real advantage to students asked to analyze issues, evaluate options, and provide solutions to real-world ethical problems, then omitting ethics specific theoretical models poses no harm.

Conversely, for those who believe that students should first be exposed to the conceptual foundation and learn the basic terminology of a discipline before being expected to apply concepts and analyze ethical scenarios, the latitude provided by AACSB may be akin to placing the cart before the horse. Principle's courses, by their very nature, cover the basic terminology, concepts, and theoretical models associated with a particular discipline, much of which is new information to the student. Expecting a student to critically analyze a case that requires a fundamental base of knowledge associated with the discipline is probably not a realistic expectation. Hence, the omission of basic concepts and models, many of them considered crucial to the study of business ethics and corporate social responsibility (e.g., culturally based ethical norms, the ethical pathways to decision making, manager responsibility to shareholders, protection of whistle blowers, codes of ethics, etc.), would seem an unacceptable approach.

Whether one agrees with the ambiguity inherent in the AACSB guidelines or not, the requirement to inculcate business students with basic ethical reasoning skills "adequate to face the typical business ethics dilemma" is justified. The AACSB guidelines, vague as they are in terms of providing approved solutions and/or suggested pedagogical approaches to instruction, allow instructors to make their own decisions about what ethics material to cover and which pedagogical method to use. Since some disciplines do appear at times to be more at risk for ethical infractions than others (as noted by Chonko and Hunt 1985), the AACSB tact of providing "ambiguous guidance" is considered both an appropriate and logical approach. As long as business schools are able to demonstrate adequacy of coverage over a broad set of core business ethical issues, the AACSB imposes no requirement for a stand alone business ethics course. Based upon our initial investigation, this approach appears to be the one most business schools have chosen.

## **Business Ethics: The Topic that Never Goes Away**

It may be impossible to precisely define the term *Business Ethics* to the satisfaction of all interested parties, particularly if the goal is to establish an operational framework. This does not mean, however, that a practical definition has not been offered by academicians and practitioners alike. Business ethics, in its simplest form, can be described as the application of ethical values to business behavior. As Arthur (1984) notes, *Applied business ethics embraces patterns of business conduct that are accepted as good within the particular environment where they are applied* (p. 322).

Business ethics involves basically all aspects of business conduct, from how individuals and firms apply marketing strategies, to how companies treat their suppliers, employees, and stockholders. The term implies expectation that an established pattern of business conduct will be adhered to by individuals across functional boundaries – from the sales techniques used to a firm's accounting practices. Business ethics applies to the conduct of both individuals and the organization as a whole. In essence, business ethics relates to how companies *should* behave in their interactions with the public while conducting business for a profit (Institute of Business Ethics).

Business ethics is thus generally considered from a normative perspective, such that individual ethical standards are assumed to exist, and when applied, can be used to make specific judgments concerning right and wrong. Hence, business ethics relates to what *ought and ought not to be done* in a particular instance. While there are some exceptions, most business schools appear to favor pedagogical approaches which treat business ethics as a utilitarian body of concepts and skills rather than a philosophy of social and political structures and processes (Delbeca 1999). In general, business ethicists are usually less concerned with the foundations of ethics (metaethics) or with justifying the most basic ethical principles, and more concerned with practical problems and applications, and any specific duties that might apply to business relationships. In other words, the reason business ethics tends to be focused on the problems faced by business practitioners rather than taught from a purely theoretical basis – is because *it should be taught that way*.

Indeed, business schools have traditionally focused student attention on problem solving scenarios involving ethical dilemmas rather than memorization of theoretical conceptualizations and ethical models. As Hunt (1990) indicates, ethical models are the domain of philosophy majors, not practitioner oriented business students. Nonetheless, because high profile cases of ethical misconduct tend to create mistrust and cynicism among society at large, academic theoreticians have had to scramble to come up with innovative new approaches to the study of business ethics (Allen et al. 2005).

As David, Anderson, and Lawrimore (1990) note, however, the AACSB has been concerned about this topic for years and formally recognized the importance of ethics training in the business curriculum as early as 1976. As the literature review conducted by Allen et al. (2005) indicates, the AACSB's initial efforts paid off. By 1988, ninety-one percent of AACSB schools had at least one course with at least 10 percent of its content devoted to the study of business ethics. Given that countries such as Great Britain had no corresponding ethics requirement as late as 1995 (Warren 1995), one is tempted to believe that the U.S. business school community has been doing a fine job of preparing its students for the ethical challenges that face them upon graduation. Cynically speaking, other than the insidious behavior of select CEO's representing the face of U.S. corporations to society at large, why would the business school community be re-subjecting itself to such hand wringing? Could it be that business school faculties have simply been giving the topic lip service all the while, devoting at best, 10 percent of their course time to the study of business ethics issues? Or perhaps even more ominous – could it be that the AACSB accreditation requirements are simply too ambiguous, maybe even lenient, to be considered adequate for the challenge? As the findings in Johnson and Greco (1997) indicate, this may just be the case.

While the stream of academic literature on this subject is indeed impressive and quite specific, expressing both the need and advocating the direction of effort in the study of business ethics (Shein 2005; Izzo 2000; Roselli 1998; Wolfe and Frizshe 1998; Lazere 1997; Warren 1995), surprisingly few studies have examined the treatment of the subject in the primary resource relied upon by the majority of instructors tasked with fulfilling the AACSB requirement. Perhaps principle's instructors having simply taken it as a matter of faith that the authors of these texts would know what is or is not essential in the study of business ethics, and that whatever is essential will be located somewhere in the chapter on ethics.

### AACSB Ethics Requirements

Prior to discussing the results of the study, it is prudent to understand what business schools are required to do, vis-à-vis the ethics in business component, under the AACSB guidelines. The following statements/sections are taken from the AACSB International website (<http://www.aacsb.edu/accreditation/business/STANDARDS.pdf>) under the *Accreditation* heading link, with a subsequent *Adobe Reader* link subtitled, *Business: Eligibility Procedures and Standards for Business Accreditation* (Adopted April 2003, Revised in January 2006).

#### Under: **Section 1: Eligibility Procedures for AACSB International Accreditation (p. 11).**

E. The institution or the business programs of the institution must establish expectations for ethical behavior by administrators, faculty, and students.

**Section E.** basically requires schools to establish a “code of conduct” that insures all participants in a business education will be held to a high ethical standard. The implementation of honor codes and/or disciplinary procedures for inappropriate personal and professional behavior is encouraged.

Under: **Section 2: Standards for Business Accreditation; Strategic Management Standards, (p. 15).** Under the heading: “Assurance of Learning Standards.”

13. Individual teaching faculty members (\*italics added by the authors):

- ◆ *Operate with integrity in their dealings with students and colleagues.\**

14. Individual students:

- ◆ *Operate with integrity in their dealings with faculty and other students.\**

Under (Same section): **Assurance of Learning Standards.**

15. (Second paragraph). The standard requires the use of a systematic process for curriculum management but *does not require any specific courses in the curriculum.\** Normally, the curriculum management process will result in an undergraduate degree program that includes learning experiences in such general knowledge and skill areas as:

- ◆ Communication abilities.
- ◆ Ethical understanding and reasoning abilities.\*
- ◆ Analytic skills.
- ◆ Use of information technology.
- ◆ Multicultural and diversity understanding.
- ◆ Reflective thinking skills.

Normally the curriculum management process will result in undergraduate and master s level general management degree programs that will include learning experiences in such management-specific knowledge and skill areas as:

- ◆ Ethical and legal responsibilities in organizations and society.\*
- ◆ Financial theories, analysis, reporting, and markets.
- ◆ Creation of value through the integrated production and distribution of goods, services, and information.
- ◆ Group and individual dynamics in organizations.
- ◆ Etc.

Under: Standards Addressing Defining Learning Goals and Measuring Achievements of Learning Goals<sup>6</sup> (Standards 16, 18, and 21), (p. 58).

**Approaches to Assurances of Learning: 2. Course Embedded Measurement:** Required courses may expose students to systematic learning experiences designed to produce graduates with particular knowledge or abilities specified in the school's learning goals. In such cases, the school can establish assessments with the required courses for those learning goals. Some examples of course embedded measurements might be:

- ◆ A school with learning goals that require students . . . *or to incorporate ethical considerations into decision making, may embed the measurement of accomplishment (sic) on those goals into a capstone business-strategy course.*\* In addition to the information provided for course assessment by the projects that measure learning on those topics, the assessments provide the school with the assurance measures needed to ascertain whether the school's learning goals are being met (p. 64).

(An example of the sort of course embedded measurement described above is offered on the succeeding page under the heading: Examples of Learning Goals and Measures of Achievement):

### Example 1

School A *has defined a learning goal in ethical reasoning\** for each of its four undergraduate majors. Student achievement on this goal is relevant to demonstrating satisfaction of Standard 16. The school's faculty has defined the goal:

#### Learning Goal:

"Each student *can recognize and analyze ethical problems\** and choose and defend resolutions for practical situations that occur in accounting, human resource management, and marketing."

For marketing, the example provided is as follows:

"In marketing, each student must compose a paper analyzing a current national or international marketing campaign. The analysis must include a specified set of components, and ethical issues that have been presented in lectures are among the required components. In addition to the overall grade of the paper, each student receives a pass/fail indicator on the ethics component."\*

Further,

"In addition to reporting course grades, each instructor of these three courses provides a checklist of all those students who successfully completed the ethics expectation. This information is part of each student's record and all three parts of the learning goal must be achieved before graduation. Students who

fail the ethics evaluation while passing the course repeat the evaluation exercise or ethics module until they are successful"\* (p. 65).

Under: **A Statement about Curriculum Management and Content (Standard 15), p. 69.**

Subparagraph: **Topical Coverage Must Fit the School's Mission.**

"There is no implication in these standards that these topics designate particular courses or treatments. Schools should assume great flexibility in fashioning curricula to meet their missions and to fit with the specific circumstances of particular programs . . . Schools are expected to determine how these, or other, topics occur in the learning experience of students, but accreditation does not mandate any particular set of courses, nor is a prescribed pattern or order intended"\* (p. 69).

Topics typically found in general management degree programs include:

- ◆ Individual ethical behavior and community responsibilities in organizations and society\* (p. 70).

Under: **Standards Addressing the Level of Educational Attainment (Standards 17 and 20):**

Subtitle: **The Assurance of Learning Standards:**

. . . Normally, the curriculum management process will result in an undergraduate degree program that includes learning experiences in such general knowledge and skill areas as:

- ◆ "Ethical understanding and reasoning abilities. . . Normally, the curriculum management process will result in an undergraduate and Master's level general management degree programs that will include learning experiences in such management-specific knowledge and skill areas as:
  - ◆ Ethical and legal responsibilities in organizations and societies (p. 71).

Pages 71–77 (or the remainder of the document) basically provide a basis for judgment, but nothing course specific.

## METHODOLOGY

### Discussion and Findings

Study 1; Section 1: Section 1 of the methodology section provides a cursory inspection of randomly selected business school websites for evidence of ethics content in both mission statements and course descriptions. The content analysis was confined to an inspection of business school core courses. Because some business school core requirements include a business law or business environment type course, any course listing of that general title was checked for evidence of ethics related content. The three basic questions addressed were:

1. Does the business school mission statement mention or imply an emphasis on ethical behavior on the part of administrators, faculty, or students; or, emphasis placed on ethics as part of the instructional mission?
2. Does the school offer a business law or business environment type course as part of the core requirement that does not contain the term “ethics, but which includes as part of the course description, a substantial level of ethics related content?”
3. Does the business school core offering include a required business ethics course?

A decision was made to check the website of every tenth business school listed on the AACSB list. Exceptions were made for non-U.S. affiliated business schools or U.S. affiliated business schools not located in one of the fifty states including Hawaii and Alaska. Occasionally, a website failed to include information sufficient to make an accurate determination, either because the information was not available or because the site itself was simply too difficult to navigate. In the latter situation, a multilateral decision was made to skip the site and to use a substitute. Whatever the reason for not including a site, efforts were made to include the next available school on the list. The authors thus selected 51 colleges and universities from a universe of 531 colleges and universities available on the AACSB website. Based on inspections of the mission statements and general descriptions of the campuses, the schools included in the study represent colleges and universities that could be classified as follows:

- ◆ Twelve large public universities offering Ph.D. programs in each of the various business disciplines (i.e., Division 1A “football” schools)
- ◆ Twenty-seven small to medium sized public

colleges and universities offering MBA programs (5000–10,000 students)

- ◆ Three well known research oriented private universities
- ◆ Nine small ( $\leq 2500$  students) private, undergraduate liberal arts colleges with business majors.

Each researcher involved in the content analysis was provided a list of 12 schools and instructed to go to the AACSB website, search for, and then download the results of each search. Because the search process essentially involved inspecting only three pieces of required information, the process was accomplished relatively quickly. Once the information was gathered and the results tabulated, however, a copy of the information was then forwarded to the other members for inspection. The second part of the process was thus more time consuming since any questions or discrepancies noted by any of the four researchers then had to be discussed either by phone or via email. The Tables thus reflect a high degree of group consensus as to the accuracy of the information obtained from each website.

The following Table summarizes our findings:

Criteria #1: 14 of the 51 schools (27.5%) examined included an ethics oriented goal or strongly implied ethical sentiment within the body of the business school mission statement.

Criteria #2: 39 of the 51 schools (76.5%) offered a business law or introductory business environment course containing a strong ethical content (as noted by the course description).

Criteria #3: 13 of the 51 schools (25.4%) examined offered what is considered a stand alone ethics course as part of that school’s course requirements.

Further inspection of the findings indicates that some institutions may require ethics as part of the university’s

**TABLE 1**

Criteria	Yes	%
#1 (Include an Ethics related Mission Statement)	14/51	27.5%
#2 (Required course with substantial Ethics content)	39/51	76.5%
#3 (Required Business Ethics Course)	13/51	25.4%
Items Evaluated:		
<ul style="list-style-type: none"> <li>◆ Does the business school mission statement mention or imply an emphasis on ethical behavior on the part of administrators, faculty, or students; or, emphasis placed on ethics as part of the instructional mission?</li> <li>◆ Does the school offer a business law or business environment type course as part of the core requirement that does not contain the term “ethics, but which includes as part of the course description, a substantial level of ethics related content?”</li> <li>◆ Does the business school core offering include a required business ethics course?</li> </ul>		

requirement, as was noted in one instance. Additionally, some schools may offer a *stand alone* ethics course within the business curricula *as an elective* (as noted in one of the schools examined). Further, in two of the cases examined, an ethics course *was required*, but the course itself *was offered through the Philosophy department*. One school noted in an asterisk that accounting majors were required to take a course in ethics, but the same requirement did not appear among the other disciplines a part of their core requirements. Hence, while some of the figures appear upon initial inspection to be on the low side, they are consistent with other similar studies (e.g., Johnson and Greco 1997). Evidence thus suggests that business schools do emphasize the study of ethics in a variety of ways and faculty utilize the flexibility allowed under the guidelines in terms of how the material can be covered. Although no apparent approved solution appears to apply across the board, nothing in the data should suggest that *no* standard exists.

**Study 1; Section 2:** Section 2 is a follow-up investigation the researchers conducted in an effort to better interpret and clarify the descriptive information collected in section 1 above. An email message was sent to business school administrators listed as points-of-contact at fifteen of the fifty-one schools represented during the initial study. A follow-up call was made to direct administrators attention to the email that had been sent, with the caller explaining that the exercise was part of her semester marketing research requirement – perhaps accounting for the high response rate (12 of 15 responses). A general question was posed to each administrator asking them to comment on how their business school handled ethics in their schools curricula. The comments received are included below:

“At the undergraduate and graduate level we have a required business course that has a significant module dealing with ethics. In addition at the undergraduate level there is an elective course in the philosophy dept on ethics that it is estimated between 60 percent and 70 percent of our students take. At both the undergraduate and graduate level individual professors have modules on ethics coverage imbedded in courses in each of the majors; especially accounting.

“We offer both a graduate and for the first time this fall will offer an undergraduate Business Ethics Course. Both are electives. Not sure if this fits into what you need but what we do require is participation in Ethics Week each semester. During this week we have special guest speakers, show films and ask all faculties to deal with ethics in their respective fields of study during class time. Also, all students are required to take Ethics in the philosophy department.”

“We offer an ethics course through the Philosophy Department which is required for our 5-year

accounting majors. For all of our other majors, it is an elective. We will, however, be developing a new course in the next year or so on Leadership Ethics.”

“The College of Business has a stand-alone Business Ethics course offered by the Philosophy Department that is in the Business core. In other words, the course is required of all business majors. At the graduate level, business ethics is about one-third of the (MBA course number) ‘Business and Society’ course required of all MBA students. The instructors in most other courses make a conscious effort to integrate ethics applications into their courses. The Association for Advancement of Collegiate Schools of Business (AACSB), the business school accrediting agency, requires extensive integration of ethics applications into upper level business courses. Of course, that integration has to have foundation business ethics knowledge, and that is provided by (philosophy course indicated).”

“The COB at (name of school) does not require or have a separate course in business ethics. We do, however, integrate the topic of ethics into several of the core classes required of all business students, like Organizational Behavior.”

“We do not currently have a business ethics course. Within a year, we will offer a course on Social Responsibility. The course will mainly discuss stakeholder theory. I would not consider it a philosophy course. Ethics is integrated in the required courses of our business students.”

“The (name of school) does not require a separate course on ethics, but it is interwoven in several courses. Of the courses that are required of all business majors, there are learning objectives in three of them, Organizational Behavior, Legal Environment of Business, and Strategy, that each deal with ethics. Because it is a very relevant topic, many faculties include varying degrees of ethics coverage in other common and major courses. There is also a business ethics course that is taught by the Philosophy Department that business students can elect to take to meet one of their general education requirements.”

“The College of Business at (name of school) covers ethics in the BBA program in two ways. First, a philosophy course in ethics is required by the University, of all students regardless of major. Second, coverage of ethics is done throughout the curriculum in designated business courses. Additionally, we have a business elective course in ethics that could be taken by undergraduate students. We have ethics code for business students and ethics code for faculty and administrators.”

“(We) Integrate ethics into required business courses. There is no separate course and no philosophy course as an elective or requirement.”

“We have offered such a course but it is not required. Each major is to include a discussion within their courses.”

“We do require a business ethics course for all business majors. It is taught in the philosophy department and also satisfies one of the (unknown acronym) requirements. We also include ethics in the MBA program. It is part of the required course, Legal, Ethical and Social Responsibilities of Business.”

“Right now, the College does not have an undergraduate business ethics course. We have attempted to incorporate ethics education into our coursework. We are assessing our success with this approach by giving first year students a set of ethical situations and evaluating their responses, and then we will do the ‘test’ again at the junior level and finally in the capstone course.”

The comments received thus suggest that school of business administrators take the topic of business ethics seriously and that proper emphasis is being placed on the study of business related ethical issues.

**Section 2:** The second study included a content analysis of the ethical content contained in a set of randomly selected multi-discipline principles textbooks thought to be typical of those used in many of today’s college business classes. The authors developed what are consider 9 “core content” criteria based on an extrapolation from the four critical areas AACSB notes as most important:

1. Responsibility of business in society;
2. Ethical leadership;
3. Ethical decision making;
4. Corporate governance.

As noted in the introductory section, the researchers developed a list of 8 content criteria based on an initial analysis of the topics covered in the “ethics” chapters of each of the principles’ books used in the study. Because the authors of business textbooks sometimes use discipline specific terminology to describe similar concepts, allowances were made for any overlap or similarity in treatment that may have been noted. Additionally, since no text included every concept noted in the list, the authors were forced to make a value judgment as to what constituted a “stand alone” topic. The eight item framework developed for use in evaluating the content of the principles’ texts is thus a collective interpretation of the authors’ best assumptions regarding common ethical topics. In no way are these items considered exhaustive. The results of this exploratory investigation are presented in a descriptive statistical table along with a brief assessment on the topics most and least often covered in the texts.

The eight content criteria the authors developed and subsequently use in the content analysis of the principles texts are thus:

- ◆ Deontological/Teleological pathways,

- ◆ Moral Absolutes/Feelings/Relativism,
- ◆ Justice theory,
- ◆ Kohlberg’s stages of moral development,
- ◆ Friedman on stakeholder rights,
- ◆ Corporate social responsibility,
- ◆ Codes of ethics/ethics checklists,
- ◆ Corporate governance,

The 16 texts examined in the current study included a sampling of principles texts currently in use at the three universities and associated with each of the disciplines offered.

- ◆ *Principles of Marketing*, 11<sup>th</sup> ed. Kotlar and Armstrong. Prentice-Hall.
- ◆ *Marketing Concepts & Strategy*, 13<sup>th</sup> ed. Pride and Ferrell. Houghton Mifflin Company.
- ◆ *Basic Marketing; A Global-Managerial Approach*, 15<sup>th</sup> ed. Perreault and McCarthy. McGraw-Hill Irwin.
- ◆ *Accounting Principles*, 7<sup>th</sup> ed. Weygandt, Kieso, and Kimmel. John Wiley & Sons.
- ◆ *Fundamentals of Financial Management*, 4<sup>th</sup> ed. Brigham and Houston. Thomson-Southwestern.
- ◆ *Business Law*, 11<sup>th</sup> ed. Brown and Sukys. McGraw-Hill Irwin.
- ◆ *Understanding Business*, 7<sup>th</sup> ed. Nickels, McHugh, and McHugh. McGraw-Hill, Irwin.
- ◆ *Understanding Management*, 4<sup>th</sup> ed. Daft and Marcic. Thomson-Southwestern.
- ◆ *Operations Management*, 8<sup>th</sup> ed. Stevensen. McGraw-Hill Irwin.
- ◆ *Global Business Today*, 4<sup>th</sup> ed. Hill. McGraw-Hill Irwin.
- ◆ *Organizational Behavior*, 10<sup>th</sup> ed. Robbins. Prentice-Hall.
- ◆ *Essentials of Business Law and the Legal Environment*, 8<sup>th</sup> ed. Mann and Roberts, Thomson-Southwestern.
- ◆ *The Economics of Money, Banking, and Financial Markets*, 5<sup>th</sup> ed. Mishkin. Addison-Wesley.
- ◆ *Management*, 4<sup>th</sup> ed. Williams. Thomson-Southwestern.
- ◆ *Essentials of Contemporary Management*, 2<sup>nd</sup> ed. Jones and George. McGraw-Hill Irwin.
- ◆ *Strategic Management*, 13<sup>th</sup> ed. Thompson and Strickland. McGraw-Hill Irwin.

It should be noted that the tables below do not identify any of the principles texts by title, by author, or by discipline. The results of our content analysis are presented in the Tables:

Interestingly, the three most frequently covered topics appear to be (1) codes of ethics in which a sample business or discipline code was either noted or included as a figure/table, (2) discussions on corporate responsibility which could also include social responsibility of business, and (3) Friedman’s counter argument on the responsibility of business to its stakeholders. Each of these areas appears

**TABLE 2**  
**PRINCIPLES TEXTBOOK CONTENT ANALYSIS**

Topic	Include	%
Deontological/Teleological pathways to ethical decision making	6/16	37.5%
Moral Absolutes/Feelings/Relativism	7/16	44%
Justice theory	4/16	25%
Kohlberg's Model of Moral Development	3/16	19%
Friedman's view of corporate social responsibility	8/16	50%
Corporate social responsibility	11/16	69%
Codes of ethics/Ethics checklists	12/16	75%
Corporate Governance	3/6	19%

to be more practitioner oriented than theoretical, which is what one might expect in a principles type course. Not surprisingly, the more theory laden ethics topics (e.g., moral relativism, justice theories, Kohlberg et al.) were not widely covered in most of the texts.

### CONCLUSION AND RECOMMENDATIONS

Based on our preliminary findings, today's college business students appear to be receiving what the authors believe to be adequate instruction in basic business ethics. While each college of business appears to have its own strategy for fulfilling the AACSB ethics component requirement, business faculty and administrators alike appear to take this requirement quite seriously. To its credit, the AACSB has apparently come to the conclusion that there is no single, best solution for solving the ethical issues facing the business world, and so it provides its members with the sort of flexibility any organization needs when establishing programs to meet the needs of unique organizational constituencies. This approach, at least from the author's perspective, appears to be working. Not only are the students being exposed to topical issues in business ethics (through case study analysis, etc.), but most appear to be receiving the sort of fundamental groundwork the AACSB believes is necessary for developing ethical reasoning skills among our future business leaders. This conclusion is reached not so much on the content analysis of business school websites or on the extent of ethics coverage we found in principles level textbooks, but rather, on the comments received from the school administrators we queried on the issue. Most, if not

all respondents acknowledged the importance of the topic by noting how their faculty routinely integrate the subject matter into the fabric of their courses. In a few cases, schools have multiple ethics requirements; those required by the university core as well as those required through the business curriculum. In all cases, ethics is being covered at some level commensurate with AACSB requirements.

In contradistinction to what the findings suggest, we *can not* infer from the paucity of stand alone required courses that business ethics is not a priority, only that business schools have chosen to cover this area using other methods. Our informal survey of schools indicates that administrators and faculty are in compliance, are serious about their commitment to ethics, and yet, benefit from the flexibility inherent in AACSB guidelines to fulfill this requirement. There is no evidence to suggest otherwise and the authors have faith that faculty and administrators are basically on the same track, vis-à-vis the emphasis placed on ethics as a legitimate business issue. Thus, we are satisfied with what appears to be a profound respect among academicians for the inclusion and mainstreaming of ethics course work among the other disciplines.

### Issues to Consider When Developing an Ethics Curriculum

Much of the previous discussion alludes to problems academicians face in developing material that is both topically relevant, and yet, rooted in fundamental ethical business practices. In order to fully understand what the ethical expectation for business practitioners is, students

must also understand the fundamental ethical principles of the society in which they intend to practice. Unfortunately, much of Western society appears divided into two opposing groups; those who follow the traditional Western canon, and those who tend toward moral relativism. Much of the dichotomy appears to evolve from the changing cultural demographic.

Current U.S. census estimates indicate that nearly 50 percent of today's population will be between 55 and 75 by 2015 (University of Chicago HR 2003) and that 40 percent of today's workforce will be eligible for retirement within the next five to ten years (Horn 2005). Forecasters are already predicting that job positions in many of the high tech fields such as engineering will remain open unless workers can be recruited from India, China, and Russia. Because the demographics of the replacement workforce will be significantly different from what presently exists, one should anticipate changes in the ethical climate of most organizations and society in general. The following bullet points are provided as assessments of factors that will impact the ethical climate of current business students, both in the U.S. and Western Europe:

- ◆ *Demographic shifts in the U.S. and other Western European societies:* One of the most important factors impacting the future business ethics climate is the mass migration of populations from traditional/agrarian societies toward the secular democratic West. While easily explainable, the mass migration of workers will create a multi-cultural population that is largely unfamiliar with traditional Western ethical values. One result of the rapid influx of foreign born workers may well be the creation of a workforce with a bipolar set of ethical values. An ethics curriculum that focuses primarily on traditional Western business ethics could therefore already be outdated.
- ◆ *Demographic make-up of college age population:* Demographics shifts in the United States (and Europe) have dramatically altered the racial/ethnic make-up of the *current college/business school student population*, and this trend will continue. The U.S. Census reports that racial and ethnic minority populations will account for nearly 90 percent of the total growth in the overall U.S. population from 1995 to 2050, with minority populations exceeding non-Hispanic white populations in at least four states (with those four accounting for 25 percent of the U.S. population as early as 2025). While the college-age population in the United States decreased from 1990 to 1996 largely due to the decline in the White college age population, Black college-age population rose by 3.3 percent and the Hispanic college-age population rose by 27.7 percent over the same period. Although college

participation rates did not shift dramatically for any group over this period, the key trend is the *increase* in the raw numbers of racial and ethnic minority students combined with the *decrease* in numbers of White students, reflecting the state of diversity on U.S. campuses in the coming years (He and Hobbs 1999; Gibson and Lennon 1999).

If developing a credible ethics curriculum is perplexing now, how much more difficult will it be to develop a one size fits all ethics curriculum in an age of racial, ethnic and gender parity?

- ◆ *Increased Cultural Diversity:* Closely associated with a shift in demographics is the corresponding change in the *cultural* and *sub-cultural* make-up of American society. National demographic projections suggest that about 65 percent of the growth in population in the U.S. through the year 2020 will be in ethnic minority groups, the majority of whom will be the children of first and second generation Latino immigrants. Currently, while White non-Hispanics still constitute the largest segment of the college student population, the number of African Americans, Latinos, and American Indians (comprising 28.5 percent of today's college-age population) attending college is expected to increase at a rate roughly in relation to each group's representation in society. In addition to Latinos, the growth rate among Asian-Americans (vast numbers of whom are also the children of first and second generation immigrants) will further expand the major culture away from what has traditionally been a Euro-centric society. As a result, business school administrators need to be thinking about what ethics means, vis-à-vis an educational experience that mirrors the nation's cultural diversity (Brainard 2006; Spanier 2004).

In addition to the various sub-cultural groupings, one of the more striking changes occurring in the college age population is the increased participation rate among women, regardless of race or ethnicity. The majority of undergraduate students (56%) are now female as 133 females receive their bachelor's degree for every 100 males. This trend raises a range of interesting questions for educators and policy makers. Because the average business student is more likely to include non-traditional students with work experience and students with school age children, educators need to examine their populations and ask themselves whether their ethical curriculum is relevant across such a broad range of experiences.

- ◆ *An Ethically Challenged Society?:* Many scholars now see the societal ethical climate as one in decline (Etzioni 2002; Jennings 1999). Unfortunately, while the need for additional academic instruction in ethics has reached a critical point for society in general, the AACSB has expressed

a lack of confidence in the ability of most business schools to adequately prepare their graduating students with the requisite ability to cope with pressing ethical dilemmas. A recent survey of 12,000 high school students conducted by Josephson (2002), for example, reveals that 74 percent admitted to cheating on an exam at least once in the past year; 38 percent admitted to shoplifting at least once in the past year; and 37 percent admitted that they would lie in order to get a good job. A 1997 survey of MBA students noted that 76 percent reported they would be willing to commit fraud to enhance profit reports to management, investors, and the public (Lazere 1997). Additional findings indicate that:

- ◆ Fewer than 50 percent of employees believe their employers have high ethical integrity;
- ◆ Thirty percent of all employees currently report that they “know or suspect ethical violations such as falsifying records, unfair treatment of employees, and lying to top management;”
- ◆ Forty-one percent of employees in the private sector and 57 percent of employees in the public/government sector are aware of ethical misconduct or illegal activities;
- ◆ Sixty percent of employees state that they know but have not reported instances of misconduct in their organizations with most citing the lack of companies’ confidentiality policies as reasons for not coming forward about ethical misconduct. They fear “whistle-blower” retaliation and believe that existing policies won’t protect them.

More recent studies conducted on the proclivity of cheating among MBA students, many attending some of America’s most prestigious business schools, indicates that our future business leaders consider cheating to be both commonplace and acceptable (Kostigen 2007; Burling 2006). Robin and Reidenbach’s (1987) seminal work on the social responsibility of business strongly suggests that the ethical climate for business in general is grounded in and moves along a parallel path with whatever the prevailing ethical standard for society is at any given time. Similarly, because the leadership and organizational membership is composed of individuals who come from society at large, the ethical climate of the firm will be aligned with the prevailing ethical standard for society. Societal standard thus become the *de facto* expectation of ethical behavior for the corporation and its business leaders. If one takes the position that Western society is evolving upward, then by inference, ethical business practices must be improving as well. Conversely, if the overall society is slowly becoming more tolerant of unethical behavior, then business practices will eventually follow the same pattern. Either way, the study of business ethics becomes even more critical and academicians must do everything they can to make the discussion material as relevant and important in the minds of students as any other aspect of the student’s course work. Students must be made to understand that as future business leaders, they are required to stay aligned with society’s rising expectations. In the event that societal standards are set too low, their job is to set a moral example that elevates a society in decline. Either way, business ethics will remain a vital component of any business education.

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# ADDRESSING CURRENT RESEARCH GAPS AND DIRECTIONS IN EDUCATIONAL MARKETING SIMULATIONS

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## ABSTRACT

*An increasing number of marketing professors are embracing computer-based simulations within their classrooms. These simulations do offer an impressive array of benefits through an experiential-based learning approach. Since various marketing simulations display great differences in complexity, however, a professor is faced with a plethora of decisions on how to design the best simulation experience for the participants. Unfortunately, current research on simulations has failed to offer marketing professors any assistance or guidelines in making these determinations in light of varying course objectives or varying student needs. A research agenda and initial directions are proposed to offer marketing professors such guidelines.*

## INTRODUCTION

Since the inception of higher education, college professors have continuously searched for creative ways to stimulate student learning both in and out of the classroom. As part of their never-ending quest, professors seek out ways to reach the needs of varying student groups through a wide variety of tools and approaches. Allred and Swenson (2006) (along with many others), for example, have trumpeted the benefits of utilizing technology as a critical component of these classroom tools in reaching today's college students.

As a whole, marketing instructors seem to concur with the arguments for enhancing classroom instruction with technological advances. For many marketing professors, whether teaching undergraduate or graduate students or even facilitating business executive training sessions, the use of computer simulations has become an important tool in delivering marketing education. Depending on the specific simulation, these computer simulation "games" typically allow students to compete as individuals or as teams against their fellow students or executives, against the computer itself, or even against some outside parties (other students, for example, who are participating in the simulation at another institution). In so doing, participants actively engage in a variety of marketing activities from developing marketing strategies to answering specific content-related questions.

As marketing simulations have become more popular and widely accepted, the number of simulation choices has increased dramatically. A marketing professor who wishes to incorporate a simulation exercise within his/her course now must select a simulation out of a plethora of

options that offer a wide variety of features and complexity. Research has failed, however, to offer any empirical or even conceptual studies to determine *how* varying levels of complexity *should* be considered in selecting a simulation for varying student groups or for varying course objectives. Marketing faculty, therefore, have received little guidance as to how much complexity within any or all of a simulation's components is best suited for a particular course or for a particular student group. Previous research has also offered little guidance to marketing professors in other areas such as determining ways for administering the simulation or reinforcing the learning objectives through a final debriefing based on course or student differences. This research paper intends to illustrate how an individual marketing professor would likely benefit from guidelines in selecting and in utilizing marketing simulations and calls for research that would lead to such guidelines.

## BENEFITS OF SIMULATION USAGE

Marketing computer simulations enjoy widespread usage because of their unique benefits. As Zych (1997) points out, "A recurring concern for educators is how to immerse students in the learning process, rather than have them be passive receptors of theory or knowledge expounded by the teacher" (p. 51). Actual marketing case studies can certainly serve this purpose. An effective case discussion can encourage a debate between multiple options and multiple viewpoints that fosters learning through the decision process. A case discussion is limited, however, to conjecture about what *might* happen if a company were to develop a plan and implement it well. Cases offer

almost no measure of probable competitive response to the proposed strategy and the actual results of implementing a plan are always purely speculative. In a sense, therefore, cases are one dimensional tools that are only capable of generating internal debates over alternatives from one company's perspective.

Burns and Gentry (1992), however, explain how computer simulations effectively offer participants very robust experiential learning opportunities. Such experiential learning is extremely valuable for teaching a discipline such as marketing. Although using a context of children as learners instead of adults, Hilton (2006), for example, describes how this experiential learning component of computer simulations offers a particularly significant benefit in teaching non-linear skills. Hilton points out that simulations are particularly effective in teaching "multifarious solutions to problems, and consequential ramifications that are not easily taught or discussed. Only through experience can these skills be described, or their results demonstrated, to the pupil" (p. 16). Offering empirical evidence consistent with Hilton's assertions, Herche and Fox (1994) had previously demonstrated that the use of nine iterations of a marketing simulation game improved undergraduate marketing students' forecasting and decision-making skills. Anyone who has ever "taught" marketing to adults will immediately see how Hilton's (2006) description fits the challenges of leading adult students to understand more than concepts, but actually how they are integrated in addressing very complex situations that may not have one clear cut "best" solution.

Marketing simulations allow students to experience the complex integration of marketing inputs, the importance of anticipating or reacting to competitive decisions, and the impact of marketing decisions in driving the company's financial numbers. Unlike case studies, the simulation gives students direct feedback on their decision making—"rewarding" them for implementing shrewd strategies in reaching their target market as compared to their competitors and "punishing" them for poor strategies or for poor implementation of strategies.

An additional benefit to utilizing computer simulations stems from the participants being required to work through a great deal of uncertainty as a team. Lamont (2001) argues that simulations should be used to teach teamwork and collaboration skills. Obviously, these additional skill-building opportunities are not possible if students do not work within a team format. For students who do participate within teams, however, further developing these skills can prove to be extremely valuable.

Clearly each of these benefits can serve the needs of a variety of different marketing courses. Similarly, these benefits can also serve the needs of marketing students at different levels (i.e., undergraduate students, graduate students, executive "students"). Such a broad usefulness of highly desirable benefits helps to explain why marketing simulations have become so popular.

## A NEW RESEARCH AGENDA

Given these widely recognized benefits of marketing computer simulations and their correspondingly widespread use one would expect that this tool would have received far greater attention from researchers in the academic community than it actually has. The limited amount of research on marketing simulations and their effectiveness as an educational tool is far from complete and it leaves an individual marketing faculty member with a slew of unanswered questions. Furthermore, like teaching approaches in general, much of the published research on simulation games offers only a time-constrained usefulness. As rapid changes in technology allow for continuous improvements through innovations, research on specific simulations can become outdated fairly quickly.

There are many decisions for the marketing instructor for which current research offers little to no guidelines. The marketing instructor is typically forced, therefore, to utilize a less-than-informed opinion (1) for selecting a specific simulation, (2) for determining the appropriate instructor involvement level and the most desirable simulation format, and (3) for determining a debriefing and grading/feedback approach. A trial and error method of attempting different options then ensues for each of these decisions to either confirm or disconfirm the instructor's original opinion. Such trial and error processes, however, could take several semesters before any reliable conclusions are reached. In the meantime, students who were part of a trial and error process may have received a less-than-ideal experience. Furthermore, even when the marketing professor finally feels completely comfortable with each of the above decisions, technological changes or other changes may have incurred that require him/her to revisit the process again. Marketing professors, therefore, would likely benefit from a process that would provide them current guidelines for selecting a simulation as well as guidelines for incorporating it into a particular course curriculum.

With large gaps in each of the three decision areas for simulation usage listed above, a new research agenda is proposed. Specifically, this proposed research agenda should consider the implications for how each of these three broadly-defined areas of decisions is dependant upon two variables: the specific course objectives and the needs of the specific marketing students. Each "area of decisions" is considered individually and questions are included within the consideration of each area for future researchers to consider. Such a research agenda could offer valuable guidelines to assist marketing professors in making decisions for simulation usage. Ideally, such guidelines would save marketing professors time and frustration and offer new insights into a widely-utilized marketing education tool.

## Area 1: Evaluating/Exploring Simulation Options

With a plethora of options from which to choose, selecting a particular simulation game can be a challenging task. Marketing simulation games can vary greatly both in format and in complexity. Selecting a specific simulation should logically vary by the needs of the students and by the needs of the course.

A typical marketing simulation requires students to set strategies and to make decisions for implementing those strategies within an electronically simulated marketplace that includes many unknown variables. The participants typically go through a series of decisions that require them to design marketing variables as if they were in control of the marketing functions of an actual company. Each participant, or participant group, therefore, represents one “firm” within the simulation game. It is worth noting, however, that while this format may be the most popular one for marketing simulations, it is not the only one. Drea, Tripp, and Struenkel (2005), for example, offer an analysis of two marketing simulations that follow more of a game-show format in which students play the role of contestants. Participants in these simulations compete by answering questions specific to the marketing discipline in keeping with this game-show approach. While these and numerous other possibilities may also exist, this call for research focuses solely on the computer simulation format in which students compete in an electronically simulated marketing environment as described above.

The most commonly used form of such electronic simulations compiles input data regarding the marketing variables from each competing “firm” and then outputs simulated marketing results for each of these firms based on their relative decisions. Within these “batch” simulations several firms are able to compete against each other. (As an alternative to batch simulations, students may also participate in an “interactive” simulation where a single firm competes against the computer. See Burns and Gentry 1992 and Lamont 2001 for additional comparisons between batch and interactive simulations.) The simulation software then compares each competing firm’s decisions against both the parameters of the “marketplace” and the competitors’ decisions and then determines a variety of results – including sales levels and profitability. Market share can then be calculated for each firm and for each brand that a firm offers. As the simulation progresses through additional iterations, each firm is able to further capitalize on its previous successes or must overcome its previous mistakes. More sophisticated simulations may even account for the ongoing development of “brand equity” that would be created among loyal customers whose needs are being satisfied. Ideally, any simulation should require that students think and act strategically in order to achieve the best results.

As stated previously, the complexities of these decisions vary by the specific simulation utilized. At a mini-

um, most marketing simulations require that participants compete in an electronic marketplace by directly inputting levels for each of the marketing mix variables (the traditional “4 Ps”) into a computer software file and then selecting from marketing research report options to aid them in the next upcoming decision. One only needs to consider one component of this process to recognize that stark differences between simulation options can (and do) exist. Various simulations, for example, require specific decisions on choosing between disparately priced marketing research reports to purchase for the next decision (each participant or group typically works off of a limited “budget” of funds). In different simulations, the extent of research report options ranges from simple and few too complex and many.

These differences in the complexities of the research options of differing simulations are typical of the differences found in other simulation components as well. Simulation options can range from simple to complex, for example, in determining product attributes, promotional approaches and content, sales force deployment and incentives, distribution approaches, or many other possibilities. Some marketing simulations also require participants to determine production capacity or even inventory management. Different simulations have different parameters for each of these variables as well as a variety of others. In moving toward a capstone strategy simulation, some marketing simulations even enhance the marketing discipline by integrating it with “non-marketing” specific decisions such as human labor deployment or financing production and capacity requirements or cash flows from operations. The differences among all of these variables are dramatic across differing simulation games. They are so dramatic that Burns and Gentry (1992) categorize the simulation options of that time (early 1990s) into four categories based on levels of complexity. With dramatic changes in the technology supporting simulation offerings as well as the dramatic impact technological advances have brought about within college students over time (see Drea et al. 2005 among many others) even their four categorization scheme may or may not still be useful for marketing educators.

Within such varying options what guidelines exist for a professor in searching for the most appropriate simulation? In examining various administrative issues surrounding marketing simulations, Gentry, Burns, and Fritzsche (1993) propose that the course objectives and the specific student groups should be among the instructor’s considerations in selecting a simulation game. As noted above, however, research on marketing simulations as an educational tool is severely lacking in offering any conclusions, either conceptually or empirically, that would assist the professor in determine *how* varying levels of complexity *should* be considered in selecting a simulation for varying student groups or for varying course objectives. Obviously, a professor could rely on the advice of

the developer(s) of a specific simulation. Such advice would likely be found in the instructor's manual that would accompany the simulation package. While their opinions are no doubt valuable, one must also consider that such developers do have an objective of making a sale. A publisher's sales representative represents another source of information in selecting a simulation, but this "book rep" also is looking to make a sale. Neither of these sources, therefore, should be considered as being completely unbiased sources. A research agenda that would evaluate how such complexities should be considered in light of course objectives and in light of student needs could offer marketing professors unbiased assistance in selecting a simulation.

In the past, research has offered some assistance to professors looking for the right simulation by offering published reviews of various simulation games. Burns and Gentry (1992), for example, offer a review of the characteristics of ten marketing simulations that were popular back in the early 1990s. Just a quick scan of these reviews, however, demonstrates how quickly any review of a specific simulation can become outdated. A bigger problem for the marketing professor in search of a simulation is probably the issue of understanding *which* simulation characteristics are relatively more important for the purposes of a specific course and/or of a specific student group. Various simulations seem to be a potential fit for use in teaching marketing courses from undergraduate introductory marketing principles to an Executive MBA capstone marketing strategy course. In most cases, however, the published research offers the faculty member little insight as to what are the key marketing *areas of focus* that a simulation should offer to best meet the objectives of various courses or of various student groups.

Consistently, various marketing simulations require a wide range of interdependence on other disciplines. Some simulations require the participants to integrate their marketing decisions with information and/or additional decisions regarding their firm's R&D, production, accounting, finance, and/or operations requirements. The course requirements and the student sophistication levels should obviously impact such decisions on the appropriate levels of required integration with other disciplines.

Again, however, research has offered the individual professor little guidance in making these determinations. A marketing professor should certainly rely on his/her estimation of the relevance of a particular simulation prior to adopting it and "testing it out" on students. Theoretically, for example, simulations with many complex options should require students to proceed with a more complex decision-making approach. Assumedly, more advanced students may, therefore, gain from the greater decision-making experience that accompanies greater simulation complexity. But that begs the basic question of how much complexity would offer a more (or less) ideal learning

environment for students at differing levels of marketing (and business in general) acumen.

All of these issues demonstrate the need for more empirical research to examine the varying characteristics in existing marketing simulations in light of various course requirements and various student groups. In other words, would graduate students actually benefit more than undergraduate students in participating in more complex options? If so, then would "executives" (either "Executive MBAs" or non-degree executives) benefit more than "non-executive" MBA students from greater complexity? Furthermore, different undergraduate students may vary in sophistication levels. Would undergrad students in a capstone marketing course, therefore, benefit more than those in a marketing principles course from greater complexity? If one argues that the answer to that question is "yes," then such an argument would be consistent with Wellington, Faria, and Nulsen's (1996) ancillary conclusions that introductory marketing students should not participate in a particularly sophisticated marketing simulation. Interrelated with the complexity level, would students with lesser marketing sophistication benefit more from simulations that require a less challenging learning curve? If so, then what other characteristics (in addition to variable complexity) might contribute to that learning curve?

## **Area II: Instructor Involvement Level and Simulation Format**

The marketing instructor can also choose how involved he/she will be in the processes of introducing and of running the computer simulation. On one extreme the instructor could simply inform the students of their required participation in the game and then leave each student or group to work through their own questions by process of trial and error. On the opposite extreme, the instructor could become so highly involved in the students' decision-making process that he/she begins to lead every decision that the "students" make. Certainly, there are many options of faculty involvement level that fall between these two extremes. Baglione, Tucci, Talaga, and Burson (2003) demonstrated that participants who rated their instructor as being more involved prior to and during the simulation game also evaluated the simulation exercise higher than those who rated their instructor's participation lower on the same scale items. Their research offers some important insights as to the value of the professor's participation in the simulation activities.

**Simulation Introduction.** Follow-up research is needed, however, to ascertain specifically how much and what type of involvement are ideal in administering simulations with various groups. Marketing professors should benefit, for example, from research that examines how much initial introduction to the simulation is most appro-

appropriate for various students. Should this introduction include a detailed description of the simulation customer groups and/or key decision variables? How much would participants benefit from one or more “trial” decisions? How much importance should the professor place on finding a simulation that offers a tutorial or some other form of built-in practice session? Much uncertainty still exists for professors who wish to help participants become comfortable with the simulation tool, but simultaneously not provide so much introductory information that the participant feels unnecessarily overwhelmed or frustrated.

**Additional Assignments/Requirements.** Additional research also needs to consider the implications (both positive and negative) of augmenting the simulation experience with additional coordinated course requirements. One such possibility would be to incorporate some form of testing the participants as part of graded (or not graded) exams and/or quizzes on simulation material that ensures their understanding of game parameters. Doing so, for example, could offer the professor a method of measuring each individual student’s understanding of the marketing interactions (which may otherwise prove difficult if students are participating in teams). A professor could also require additional assignments that pertain to the simulation components such as developing a “competitor” and/or a “customer” profile. In offering another approach, Alpert (1995) argues for the importance of using “executive briefing” sessions with each group throughout the simulation. He defines executive briefings in terms of the instructor (playing the role of company CEO) periodically meeting with each group and stimulating the participants’ thoughts by questioning their decisions. He then identifies other instructor interaction methods such as requiring oral team presentations, requiring written briefs, and “MBWA,” which is his label for “management by walking around.” He offers a solid conceptual argument for the relative strengths and weaknesses of each approach. Zych (1997), on the other hand, offers a rationale for incorporating case analyses that are consistent with the principles that the instructor wants to highlight throughout the simulation experience.

Considering the fact that simulation exercises easily lend themselves to incorporating any, all, or none of these options into the participant’s experience, frameworks such as Alpert’s (1995) and Zych’s (1997) could serve as a legitimate starting point for matching the needs of various student groups and various course objectives with the appropriate faculty interaction approach. Much empirical data would be needed, however, to offer significant insights into such a research stream. Additional questions in this research stream could also be addressed, particularly in light of the potentially varying needs of differing student groups. If an instructor were to meet with the participants, how *often* should he/she meet with each competing individual/group? Furthermore, how should

instructors handle special requests such as budget increases or even group mergers?

**Team Size.** Finally, Cosse, Ashworth, and Weisenberger (1999) studied undergraduates in a principles of marketing course and provided evidence for greater team financial performance in teams of four vs. three and also in teams of three vs. two respectively. They also demonstrated that participant ratings both of personal performance and of satisfaction levels were positively correlated with team size when comparing teams of four, three, and two. Since Cosse et al. (1999) has demonstrated that a relationship does exist on these important variables, additional research is now needed to consider how team size relates to such variables within various student groups.

Conducting reliable research on any of the above questions would certainly not be easy. Additional empirical discovery in these areas, however, could be very beneficial as professors try to find the right balance of helpfulness, fairness, and integrity to the academic objectives of the game.

### **Area III: Wrap-Up/Debrief and Grading/Measuring Outcomes**

A final area of uncertainty for the marketing instructor is how best to end the participants’ experience in the simulation and then measure participant outcomes. While this area could certainly be considered as two areas (wrap up and debrief being one area and grading/feedback being another), it is considered here as one because of the potentially high interdependence between the wrap and the measurement processes. Just as the marketing professor has a myriad of options for game complexity, game involvement, and game format, he/she also faces many options for the debriefing process. Gentry et al. (1993) stress the importance of debriefing the participants while simultaneously expressing concern over how little attention many marketing instructors give it. They contend that the debrief session is “crucial to integrate the experience with the underlying theories on which the educational objectives are based” (p. 31).

Integrating the educational objectives with the debriefing session also allows grading to be integrated with the debriefing as well. Gentry et al. (1993) strongly recommended grading the participants’ process instead of their financial outcomes. Their argument is based on the benefits of experiential learning as well as the fact that there are factors outside of the participants’ control (such as competitors’ successes or mistakes for example) that could affect any given team’s financial performance. They argue that a better measure of success is left to the individual instructor’s subjective evaluation of the teams’ soundness of marketing strategy and their implementation of that strategy. One could also argue for an evaluation of a given team’s performance based on the team’s ability to identify why it was – or was not – successful in

achieving its objectives. Such evaluations would necessitate that each team offer some summarization, either written, oral, or both, of its strategy, of its strategy implementation and of the factors that led to its success or its lack thereof. A significant benefit for utilizing oral presentations would be that they can simultaneously offer a format for debriefing the entire class while also offering a platform for grading the students' levels of understanding of the marketing concepts that the simulation utilized.

Other than written or oral analyses, other debriefing options would include class discussions, individual group discussions, written feedback to each group, and/or peer evaluations within group members. To varying degrees, any of these options also could be tied directly into the grading or performance measurement process. Conversely any (or all) of these options could also be utilized independently of a grading/feedback mechanism that could be based on some other option such as an exam. Again, current research offers individual marketing instructors little to no guidance on the implications of each option for various student groups or for various course objectives. Which groups, for example, would respond better to which methods?

#### **DIRECTIONS AND IMPLICATIONS OF FUTURE RESEARCH AGENDA**

While future research into each of the three areas of simulation usage should prove to be quite valuable, it will certainly not come easy. Although other starting places may also be appropriate, certain research directions would seem to offer immediately important insights. Initial research should consider the opinions of simulation participants (in many contexts these are actual marketing students). An important focus of initial research, therefore, would be to measure the opinions of participants after they have taken part in such simulations. Researchers, for example, could measure the extent to which various approaches to simulations enhanced the participants' learning processes as well as their overall satisfaction levels.

A second particularly important area of focus would

be to measure the opinions of instructors who have administered simulation exercises within a marketing educational context. Researchers, for example, could provide their opinions of how much learning they observed within the participants as measured by a wide variety of measurement techniques. A particularly compelling comparison could then be made between the responses provided by the simulation administrators and the simulation participants. Other areas of interest could include comparing data measured from either/each of these two groups across various course levels, student types, and/or specific simulations.

Certainly, an individual marketing professor may not, and perhaps should not, desire to look to research alone in making decisions regarding simulations. Research could, however, serve as an important source in providing the professor with some guidelines in making simulation determinations. As an added benefit, such research could also assist the simulation developers in understanding how various simulation components and levels of complexity serve the needs of various course objectives and various students. Such research, for example, could assist the developers in designing forthcoming simulations that provide the professors with more options for adjusting the simulation components (and thereby the complexities of these components) than they are currently offering. In offering these benefits, research should not simply focus solely on evaluating specific simulation games, but should evaluate how simulation characteristics and formats fit the needs of various students and of various courses.

Despite being such a widely utilized educational resource, the research into this tool still has many gaps in considering differences in participants and differences in class objectives. As marketing professors continually strive to improve their students' educational experiences, additional research into these gaps could lead to an improved understanding of these questions and save a great deal of time and frustration as compared to a traditional *purely* trial and error process.

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