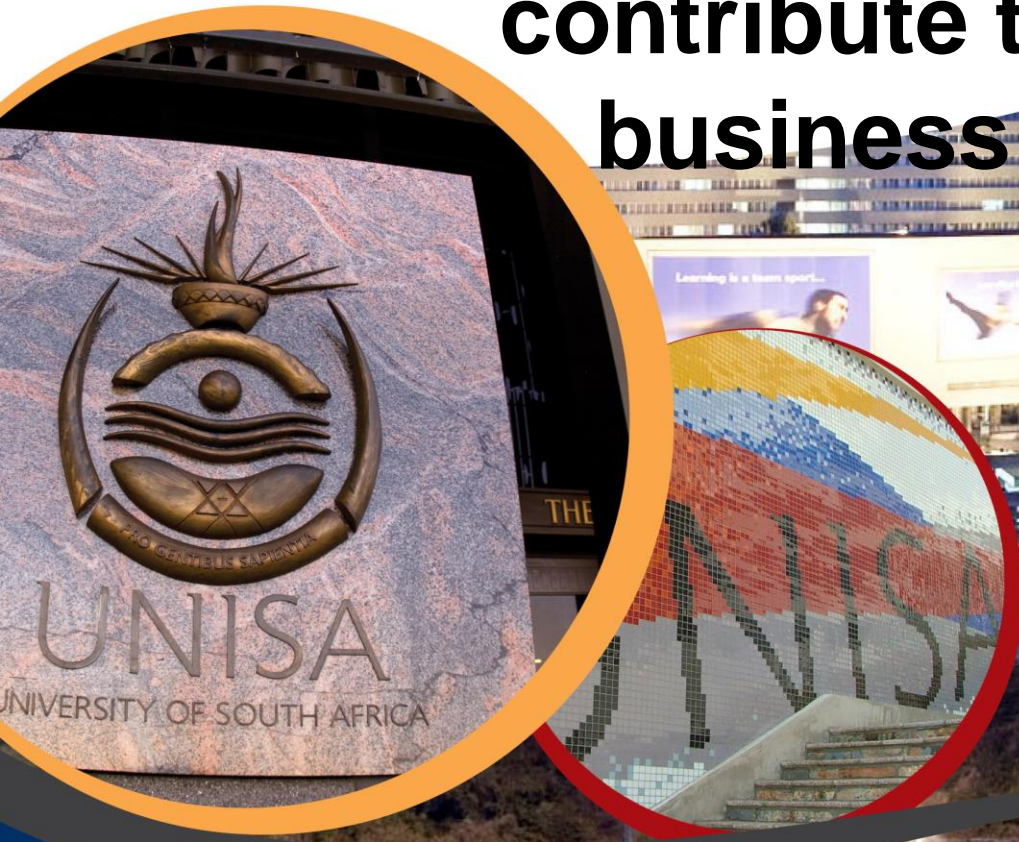


The ethical maturity of the leadership of South African business schools – can they contribute to raising the bar in business ethics education?



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Background

- Impact of business schools on business practice undeniable.
- Growth in interest in and research on business ethics.
- No evidence of research on the impact of the ethical mindedness of the leadership of South African business schools on the width and depth of business ethics education at these business schools.

Literature review

- Business ethics research in South Africa
 - EthicsSA
 - Ben-Africa
 - National imperatives
- Business ethics research internationally
 - The role of the leadership of an organisation
 - Commitment or Carr's ethics bluff
 - Ethical intent of business students
 - Business scandals – who should own up?

Methodology

- Census study of all South African business schools.
- Web-based questionnaire
- Assurance of anonymity
- Several follow-ups
- Response rate of 32% - acceptable to generate statistically sound results for an exploratory study

Analysis of results

The level of ethical maturity of respondents was evaluated by means of hypothesis testing.

- H_0 = the average maturity level of respondents is equal to or higher than 6;
- H_1 = the average ethical maturity score of respondents is below 6

Distribution of ethical maturity scores of business school leaders

Ethically minded	Frequency	Per cent
e-minded-- (1-5)	32	88.89
e-minded++ (6+)	4	11.11

**N=36; mean= 2.8611111;
standard deviation = 2.2187870**

The average ethical maturity score of business school respondents was calculated as 2.86 (standard deviation of 2.21). Since the t-probability associated with the t-statistic value of -8.49 was found to be statistically significant on the 0.1% level of significance (degrees of freedom = 35), the null hypothesis of a high level of ethical maturity (an average ethical maturity score of 6) was rejected in favour of the alternative hypothesis of a lower level of ethical maturity (an average ethical maturity score of less than 6).

Ethical maturity profile (qualifications) of respondents

Qualifications by ethical mindedness

Qualifications	Ethical mindedness		Total
	e-minded-- (1-4)	e-minded++ (5-8)	
Frequency			
row per cent			
Master's or lower	19 86.36	3 13.64	22
Doctorate or higher	8 72.73	3 27.27	11
Total	27	6	33

Frequency missing = 3

Fisher's exact probability (chi square ≥ 0.92) = 0.64 n.s.

Probability (Cochran-Armitage Z-statistic=-0.97) = 0.16 n.s.

Non-significance was indicated for the awareness distribution for Fisher's exact test and for the Cochran-Armitage. The deduction can therefore be made that qualifications did not influence ethical awareness in a manner that was statistically significant.

Ethical maturity profile (business education experience) of respondents

Teaching experience by ethical mindedness

Experience	Ethical mindedness		Total
	e-minded-- (1-4)	e-minded++ (5-8)	
Frequency			
row per cent			
10 years or less	10 83.33	2 16.67	12
11 years or more	20 83.33	4 16.67	24
Total	30	6	36

Non-significance was indicated for the awareness distribution for Fisher's exact test and for the Cochran-Armitage. The deduction can therefore be made that business education experience did not influence ethical awareness in a manner that was statistically significant.

Fisher's exact probability (chi square ≥ 0.00) = 1.00 n.s.

Probability (Cochran-Armitage Z-statistic=-0.00) = 0.50 n.s.

Ethical maturity profile (qualifications and teaching experience) of respondents

Qualifications by years teaching experience	Ethics awareness score		Total
	e-minded-- (0-4 score)	e-minded++ (5-8 score)	
Frequency row per cent			
Master's-/10 years-	9 81.82	2 18.18	11
Master's-/11 years+	10 90.91	1 9.09	11
Doctorate+/10 years-	1 100.00	0 0.00	1
Doctorate+/11 years+	7 70.00	3 30.00	10
Total	27	6	33

The non-significance implies that the distribution of higher to lower levels of ethical awareness – the ratio of higher to lower ethical scores – over the categories of qualifications; or over the categories of experience; or over the categories of combinations (interaction) of qualifications and experience, did not differ. In each category the frequency of lower maturity scores was higher than the frequency of higher ethical maturity scores

Frequency missing = 3

Fisher's exact probability (chi square statistic ≥ 1.72) = 0.57 n.s.

Probability (Cochran-Armitage Z-statistic = -0.81) = 0.21 n.s.

Membership of a professional body -

- 38.9% belonged to a professional body
 - <10 years' experience: 13.9%
 - >10 years' experience: 25%
- 75% had signed the professional body's code of ethics
- 25% were familiar with the content of the code of ethics
- 61% did not respond to the question

Business school code of ethics –

- 39.9% indicated their business school had a code of ethics
- 13.9% did not know whether their business school had a code of ethics
- 25% did not respond to the question
- Only one respondent (2.8%) was familiar with the content of the code of ethics

Cross-tabulation of business schools' code of ethics and highest academic qualification of respondents

Qualifications and code of ethics

Qualifications	Code of ethics?		
	Yes	No	Total
Frequency			
Per cent			
Row per cent			
Master's or lower	11 50.00 73.33	4 18.18 26.67	15
Doctorate or higher	3 13.64 42.86	4 18.18 57.14	7
Total	14	8	22

Two-way tables were calculated to evaluate whether the level of qualifications of the management of business schools influence these schools to develop a code of ethics. Statistical significance on the 10% level of significance is indicated

Frequency missing = 9

Fisher's exact probability ($F \geq 11$) = 0.18 n.s.

Probability (Cochran-Armitage Z-statistic=-1.38 = 0.08~ (10% level of significance).

Cross-tabulation of business schools' code of ethics and years' service with current business school

Length of time at current business school and code of ethics

Period	Code of ethics?		
	Yes	No	Total
Frequency			
Percent			
Row per cent			
10 years or less	6 27.27 85.71	1 4.55 14.29	7
11 years or more	8 36.36 53.33	7 31.82 46.67	15
Total	14	8	22

Frequency missing = 9

Fisher's exact probability ($F \geq 6$) = 0.16 n.s.

Probability (Cochran-Armitage Z-statistic=-1.47 = 0.07~ (10% level of significance).

Two-way tables were calculated to evaluate whether the length of service of the management of business schools influence these schools to develop a code of ethics. Statistical significance on the 10% level of significance is indicated. Length of employment at a particular business school might affect the fact that business schools have or do not have a code of ethics.

Cross-tabulation of business schools with a code of ethics, years' service with current business school and highest academic qualification of respondents

Qualifications by years' experience at current business school		Business school has a code of ethics?		Total
Frequency		Yes	No	
Row per cent				
Master's-/5 years-		5 83.33	1 16.67	6
Master's-/6 years+		6 66.67	3 33.33	9
Doctorate+/5 years-		2 100.00	0 0.00	2
Doctorate+/6 years+		1 20.00	4 80.00	5
Total		14	8	22

The highest qualified respondents with the longest tenure at their current business school indicated that their business school did not have a code of ethics. This finding would suggest that if ethics were an important matter to respondents, they would have ensured in their extended tenure that a code of ethics was developed for their school.

Frequency missing = 9 Exact probability (chi square=6.30)=0.097#

Probability (Cochran-Armitage Z-statistic=-1.95) = 0.097~

~: Statistical significance on 10% level

Statement of graduateness -

- A fundamental statement and undertaking of the developmental paradigm within which the curricula of business schools are developed.
- Only one respondent indicated that his/her business school has a statement of graduateness. The other respondents either did not know or indicated that their school did not have such a statement.

Conclusions

- The leadership of South African business schools acknowledge their responsibility to produce ethically minded graduates.
- Given their low ethically maturity it is doubtful whether they will be able to ensure that their business schools contribute positively to business ethics education and hence responsible and ethical business practices.
- They appear to exhibit a compliance attitude to ethics.

Conclusions (continued)

- South African business schools appear to be chained to an ideological path determined by US business schools that, according to the literature, continues to be deeply hostile to business ethics.
- It seems as though there is an urgent need for the leadership South African business schools to embark on initiatives to improve their ethical maturity.

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