The ethical awareness of the leadership of South African business schools: Do they set the tone?

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A B S T R A C T

This paper explores the ethical awareness of the leadership of South African business schools. A questionnaire was distributed electronically to the top leadership of these business schools. The biographical characteristics of respondents were analysed to develop an ethical awareness score for each respondent. This score was used to determine whether respondents' ethical awareness was above average and whether ethical awareness was affected by level of qualification or teaching experience. The results indicate that the leadership of South African business schools seem not to be sufficiently ethically aware to ensure that their business schools contribute to improved business ethics education and ethical business practices.

Key words: business ethics, ethical awareness, business schools, MBA

Background

Issues of ethics in business organisations have been aired publicly and extensively since the beginning of the new millennium. As Carrol (2009: xii) states:

> The first decade of the 21st century has been rich with ethics scandals and ethics challenges in all types of organisations, especially business.

In spite of the world-class business ethics paradigm established prominently and explicitly by Justice Mervin King and his team in the King III report (IoD 2009), South Africa, too, has seen its fair share of business scandal and unethical business conduct. Business schools generally take great pride in publishing, both internally and externally, the names of their graduates that have risen to the highest echelons

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of business leadership. The profiles of these achievers also contribute to the ability of business schools to raise funds, market their courses and improve their ranking with international organisations such as eduniversal (2012). However, no business school has ever owned up to having educated the business leaders that bring shame to the business fraternity, nor does this affect the ranking or international accreditation of business schools adversely. The *Economist* (2009) scathingly indicated that business schools "cannot both claim that your mission is 'to educate leaders who make a difference in the world'…and then wash your hands of your alumni when the difference they make is malign".

It is postulated that the fundamental problem is that business schools, although good at business education, have not developed business ethics education in a manner that is likely to lead to the demise of or even a decrease in business scandals and the abuse of private and public funds by unscrupulous individuals. Business ethics research has been gaining momentum internationally over the few last decades (Rossouw 2002; 2004; Bazerman & Tenbrunsel 2011; Alford & Bebensee 2010; Steinborn 2012). Internationally, and in the USA in particular, higher education institutions have increased their focus on finding appropriate methodologies to ensure that they empower their students with ethical thinking skills (Lau 2010; Jones 2009; Galbraith & Webb 2010).

There is, however, 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. These leaders determine the ethical climate of the business school – which is a key factor determining the mind set and actions of faculty members and students (Năstase & Gligor-Cimpoieru 2013). This paper therefore seeks to explore the ethical awareness of the leadership of South African business schools to determine whether these leaders are able to contribute to a regime of business ethics education that will allow their business schools to produce graduates that are sufficiently ethically minded to improve ethical practice in the business world.

Theoretical perspective

Freeman, Stewart & Moriarty (2009) are of the opinion that the general business school curriculum is based on an ideology that is "deeply hostile to business ethics" – a view supported by Wines (2008). Cavico and Mujtaba (2009) state that business schools have much to answer for in the unethical behaviour and scandals in the business world, pointing to their overemphasis on bottom line issues at all costs rather than an emphasis on the long-term success of their graduates as the cause

thereof. Bush, Gutermuth & West (2009) indicate that it is the responsibility of business schools to educate the student as a whole person, which includes shaping and forming values and beliefs. Brown et al. (2010) caution that although business schools equip their students with academic and social skills, this does not extend to teaching them how to distinguish between what is ethical and what is merely profitable – "the proverbial moral line in the sand".

The starting point of studies of business ethics in organisations is generally an investigation of their code of ethics. It could thus be argued that the code of ethics is one of the cornerstones of an ethical organisation. The role of the leadership of an organisation in 'walking the talk', by ensuring that this building block is in place, remains critical. Tyler, Dienhart & Thomas (2008) call this the "tone at the top". Ardichvili, Mitchell & Jondle (2009) found that the ethical standards of role models in the organisation and the alignment of formal structures, policies and procedures with ethical behaviour form the basis of an ethical business culture – referred to by Christensen and Boneck (2010) as the "right-versus-right dilemma" faced by managers when the alternatives they have to weigh have conflicting virtues. An "unhealthy organisational culture" (Casali & Day 2010) results in an enabling environment for unethical decision-making.

Treviño, Weaver & Brown (2008) indicate that there is a discrepancy between the perceptions of managers (top management in particular) and general staff of the ethical state of an organisation. Because the role of senior managers is so critical in determining the ethical climate of an organisation, senior managers are bound to view this climate more favourably – a "self-affirming tendency" (Treviño et al. 2008). The consequences are significant for the organisation. If management has positive perceptions about the ethical climate, they are less likely to allocate resources to put checks and balances in place, provide training and specifically reward ethical behaviour. These authors emphasise the importance of a discourse on ethics among all levels of management and between management and lower-level employees in the organisation to establish a healthy and accurate climate of ethics in the organisation.

In 2007, the Ethics Institute of South Africa (EthicsSA) undertook a research project under the auspices of the southern African regional office of the United Nations Office on Drugs and Crime (ROSAF) on ethics education and training at South African schools and universities (EthicsSA 2007). The review focused on nine universities and 224 educators at primary and secondary schools in Gauteng, Mpumalanga and North West.

The aim of the project was "to review the state of ethics (values) education and training in universities and schools" in order to determine whether "ethics and integrity training and education are incorporated" in the curricula of schools and

universities (EthicsSA 2007). The strategic objective of the National Anti-Corruption Programme (NAP) was to identify ethics education and training as a key factor in promoting ethics in all sectors of South African civil and business communities.

The study found that in business schools the ethics course is generally a semester long and is weighted at between 2% and 3% of the requirements of the qualification as a whole. Student feedback on the course was generally negative "with students failing to understand the relevance of ethics for their chosen profession" (EthicsSA 2007). Brown et al. (2010) indicate that "there is substantial literature that indicates undergraduate business students cheat more than other undergraduate majors".

During 2009, the Harvard Business School graduating class took the unusual step of signing a voluntary student-led pledge that the goal of a business leader was to serve the greater good, and they promised that they would act responsibly and ethically and refrain from advancing their own narrow ambitions at the expense of others. At Columbia Business School, students have formed a Leadership and Ethics Board that sponsors guest lectures and other activities.

In line with the practice at US military colleges, a number of US universities have introduced 'honour codes' that students must sign off and adhere to. The code permeates all aspects of student life and holds students accountable for their words and deeds. Students must answer to a structure that comprises fellow students for alleged breaches of the code. A student can be expelled from the college or university if found guilty of a breach of the code. This practice is informed by a belief that after a student has lived with and within this honour system for a number of years, the student will not only *behave* honourably, but will *be* honourable (Bush et al. 2009).

These practices seem to be a foreign concept to South African business schools (as a type of organisation). No evidence has been found that South African business schools have undertaken similar or other innovative measures to empower their students to improve ethical business practice. Rayment and Smith (2013) indicate that business school leaders are not clear that they have a role in addressing the urgent global issues (UGIs) highlighted in the UN's Millennium Development Goals. These authors raise a critical issue in asking whether business schools allow this type of behaviour to become engendered among business students at a psychological level that determines their behaviour once they embark on a business career.

The literature reviewed speaks to the necessity for a holistic and deeply individual approach to institutionalising ethical behaviour in organisations. Several researchers have found that managers at all levels are the most significant role models in the work environment and their responsibility in setting the ethical tone of the organisation is undeniable: management's attitude towards ethical behaviour will determine the success of initiatives, such as the adoption of a code of ethics, to create an ethical

work environment (Van Zyl 2001; Ibrahim, Angelidis & Parsa 2008; Moustafa-Leonard, Wellington & Gaydos 2008). Verbos et al. (2007) elaborate on the principle of organisational commitment to ethical behaviour by referring to a "living code of ethics" within an ethical organisational identity. Such a code of ethics is a culmination of 'authentic' leadership and key organisational processes. A commitment to ethical behaviour by the management of the business school will manifest in discussions on the topic, reward systems and other institutional processes and procedures. The question posed by this paper is whether the ethical awareness of the leadership of South African business schools sets the tone for good ethical practices at these schools and contributes to business ethics education. It explores whether Carr's ethics bluff (Carr 1968) is as prevalent in business schools as in industry. Carr refers to organisations that may utter the "right words" relating to ethics for the purposes of marketing, but whose conduct violates the spirit and intention of business ethics. If found in South African business schools, this practice – termed "corporate hypocrisy" by Wagner, Lutz & Weitz (2009) – will have a significant negative impact on the ethical intent of graduates in their roles as business leaders.

Methodology

A questionnaire was developed for distribution to the executive management teams of South African public and private business schools (the entire population of the executive leadership of South African business schools). The objective of distributing this questionnaire was to obtain the views of the executive leadership of the business schools on the role business schools play inter alia in providing business ethics education to their students; and inculcating ethical thinking among their students.

Given the relatively small number of business schools in South Africa (n=18) compared with other countries such as the USA, where the number of business schools runs into hundreds if not thousands, it was not deemed necessary to identify a sample from the population and a census study was used for this survey. The use of a census study of South African business schools significantly improves the validity of the study. It means that the research findings are immediately generalised as applicable to all South African business schools, encompassing all four types of South African public higher education institutions resulting from the reconfiguration of higher education earlier this century, namely: universities, comprehensive institutions, universities of technology and the dedicated distance education institution.

All 18 South African business schools that offer accredited MBA or MBL qualifications agreed to participate in the study, and the link to the web-based

questionnaire was sent electronically to the executive management teams of five private business schools and 13 public business schools.

In only one instance was the researcher given the e-mail addresses of the executive management team of the business school to distribute the questionnaire directly to them. The other business schools cited concerns with confidentiality and chose to distribute the link to the web-based questionnaire to the executive management team themselves, confirming with the researcher the number of respondents to whom the questionnaire was sent. The covering letter containing the link to the web-based questionnaire explained the purpose of the research and gave the assurance of anonymity and confidentiality of responses. Several personal (telephonic) and electronic (e-mail) follow-ups were made to the business schools to ensure that the members of the executive management teams participated and that a sufficient response rate was achieved.

The questionnaire was distributed electronically to 112 of the top leadership of business schools, namely, the director, head, dean, CEO or principal of the business school and those persons reporting to him/her (n=112). Thirty-three full responses were received and three partly completed questionnaires were submitted on the database for the questionnaire (r=36), indicating a response rate of 32.1%. The response rate for electronically administered voluntary surveys is generally low (Sheehan 2001; University of Texas at Austin [S.a.]; EthicsSA 2012), with a response rate of 20% regarded as very high. Therefore a response rate of 32.1% is acceptable for an exploratory study and will generate statistically sound results.

Responses to the questionnaire were summarised and analysed using SPSS in order to make comparisons and determine trends in the results. As stated earlier, the anonymity of the participating institutions and individuals is protected. Therefore, institutions and individuals are not referred to by name in the discussion and interpretation of responses.

Analysis of results

The biographical profile of respondents indicated that they were well qualified and very experienced as far as both business education and industry involvement was concerned: 33.4% of respondents had at least a doctoral qualification; 63.6% had been involved in business education for more than ten years and 81.3% had worked in their industry for more than five years. The results can thus be viewed as the opinion of experienced and well-educated respondents.

The frequency distribution of years of service at the current business school illustrates a good balance between mobility and stability of business school

respondents, with 48.5% of respondents having had up to five years' experience at their current business school and 51.6% of respondents having had more than five years' experience at their current business school.

The biographical characteristics of respondents were analysed further to develop a fifth biographical attribute, namely the level of ethical thinking or ethical awareness of respondents. For this purpose, an ethics awareness score was developed for each respondent. This score reflects the number of positive responses ('yes') to the following questions on ethical thinking:

- Do you discuss business ethics issues at management level in the business school?
- Do you liaise with ethics organisations?
- Do you belong to a professional body?
- Does the professional body have a code of ethics?
- Have you signed the code of ethics?
- Are you familiar with the content of the code of ethics?
- Does your business school have a code of ethics?
- Have you signed the business school's code of ethics?
- Are you familiar with the content of the business school's code of ethics?
- Do the needs of industry inform/influence the business school's curricula?

Respondents could score a maximum awareness score of 10 points (1 per question) and a minimum awareness score of 0. This awareness score was used in subsequent analyses to determine, firstly, whether respondents' ethical awareness was above average (more than 5 out of 10) and, secondly, whether ethical awareness was affected by level of qualification or teaching experience.

The level of ethical awareness of respondents was evaluated by means of hypothesis testing. The null hypothesis stated that the average awareness level of respondents was equal to 6; the alternative hypothesis stated that the average ethical awareness score of respondents was below 6. (Since the range of the ethical score was between 0 and 10, it was reasoned that a value of 6 would indicate above average ethical awareness – respondents would in this instance have replied 'yes' to 6 out of 10 ethical awareness statements.) The score distribution is presented in Table 1.

Table 1: Distribution of ethical maturity scores of business school leaders

Ethically minded	Frequency	Percentage
e-minded −− (1–5)	32	88.89
e-minded++ (6+)	4	11.11
N=36; mean=2.8611111; std deviation=2.2187870		

The average ethical awareness 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 at the 0.1% level of significance (degrees of freedom=35), the null hypothesis of a high level of ethical awareness (an average ethical awareness score of 6) was rejected in favour of the alternative hypothesis of a lower level of ethical awareness (an average ethical awareness score of less than 6).

This result may provide a clue to why 31 of the 46 South African MBA programmes that formed part of this study did not have any business ethics module, only 11 programmes had a compulsory ethics module and four had business ethics as an elective module. Of the 15 compulsory and elective ethics modules, 11 were combined with another discipline such as law or governance, and only four (two of which were compulsory modules) were unadulterated business ethics modules.

The relationship between respondents' ethical awareness and their qualifications and teaching experience was then calculated by means of three two-way frequency tables to cross reference categories of ethical mindedness (scores <5; scores >4) against categories of:

• Qualification (a master's degree or lower qualification; a doctoral degree or higher);
• Business education experience (10 years or less; 11 years or more);
• A combination of four qualification-by-experience categories (master's or lower; doctorate or higher; combined with 10 years or less, or 11 years or more business education experience).

Tables 2 to 4 display the three ethical awareness distributions. Since observations were limited and some cells in the three tables are sparsely populated, it was reasoned that the probability associated with the usual Pearson's chi-square test might not yield reliable results on statistically significant dependencies between ethical awareness and qualification and/or business education experience. Fisher's exact probabilities (which accommodate sparsely populated frequency distributions) were calculated for these tables. These exact probabilities are listed in Tables 2 to 4. Fisher's exact probabilities (which accommodate sparsely populated frequency distributions) were calculated using the Monte Carlo iterative approach.

Table 2: Ethical awareness profile (qualification) of respondents

Qualification	Ethical mindedness		
Frequency Row percentage	e-minded –– (1–4)	e-minded++ (5–8)	Total
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.			

Table 3: Ethical awareness profile (business education experience) of respondents

Experience	Ethical mindedness		
Frequency Row percentage	e-minded –– (1–4)	e-minded++ (5–8)	Total
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
Fisher's exact probability (chi square ≥0.00) = 1.00 n.s. Probability (Cochran-Armitage Z-statistic=-0.00) = 0.50 n.s.			

Table 4: Ethical awareness profile (qualification and teaching experience) of respondents

Qualification and years' teaching experience	Ethics awareness score		
Frequency Row percentage	e-minded –– (0–4 score)	e-minded++ (5–8 score)	Total
Master's or lower, with 10 years or less	9 81.82	2 18.18	11
Master's or lower, with 11 years or more	10 90.91	1 9.09	11
Doctorate or higher, with 10 years or less	1 100.00	0 0.00	1
Doctorate or higher, with 11 years or more	7 70.00	3 30.00	10
Total	27	6	33
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.			

The fact that non-significance was indicated for the three awareness distributions for Fisher's exact test and for the Cochran-Armitage trend test leads to the deduction that qualifications and experience did not influence ethical awareness in a manner that was statistically significant (i.e. the attributes were not dependent). 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 qualification; or over the categories of experience; or over the categories of combinations (interaction) of qualification and experience, did not differ. In each experience or qualification category, the frequency of lower awareness scores was higher than the frequency of higher ethical awareness scores. Qualification or experience did not change or influence this pattern. Rutherford, Parks, Cavazos & White (2012) postulate that "examining a college's leadership can also help predict and explain why colleges make certain decisions". Rutherford et al. further found a significant and positive relationship between deans with management backgrounds and required business ethics courses. Further research could determine whether there is a relationship between these statements and the stated result in South African business schools.

With reference to membership of a professional body, less than half of the respondents (38.9%) belong to a professional body. The respondents that belong to a professional body ('yes' and 'no' responses) were cross-tabulated with years of experience in business education: 13.9% of the respondents that had up to ten years' experience in business education belonged to a professional body, whereas 25% that had more than ten years' experience in business education belonged to a professional body. The observed trend differs from that found for business leaders as part of the same study. Business leaders with extensive experience in a managerial position (>10 years) were found to be less likely to belong to a professional body. As this aspect of the study is not relevant to this paper, it will not be discussed further.

Respondents had to indicate whether their professional body has a code of ethics and whether they had signed it: 27.8% indicated that their professional body had a code of ethics, and 8.3% did not know. Of the 25% of respondents that had not signed the code of ethics of their professional body, 33% had a master's degree as highest qualification and 44% had a doctorate as highest qualification; 22% had a postdoctoral qualification. All but one had more than ten years' business education experience. The reasons respondents offered for not signing the code of ethics were:

- 'I have not been approached to do so' (master's, more than 15 years' experience)
- 'I don't know if there is one' (doctorate, more than 15 years' experience)
- 'I was not expected to sign a code of ethics – professional membership still implies living and working according to a professional code of conduct' (doctorate, more than 15 years' experience)

- 'It does not require people to sign it' (doctorate, 10 to 15 years' experience)
- 'It is not in my contract, I checked it' (postdoctoral, less than five years' experience)
- 'It was just never done' (postdoctoral, less than five years' experience)
- 'Never required' (masters, more than 15 years' experience)
- 'Nobody ever requested it' (master's, 10 to 15 years' experience)
- 'Not a prerequisite that members do' (doctorate, more than 15 years' experience).

It is meaningful to note that such a large component of the highly qualified and experienced leadership of South African business schools – who set the tone and have to instil ethical thinking among staff and students – appear to sign their professional code of ethics only if it is compulsory for them to do so. This compliance mentality would not be expected of the leaders of business schools if they were ethically aware, regarded business ethics as an important matter and wished to improve ethical business practice (Fassin 2009; Preuss 2010, Ibrahim et al. 2008). Manning & Stroud (2008) state that in order to instil ethical thinking among others, an individual will have had to mature beyond compliance to voluntary ethical actions.

Only 25% of the business school leaders that responded to this question were familiar with the content of the code of ethics of their professional body. It can be argued that if they were committed to the ethos and content of this document, they would have familiarised themselves with its content and would have signed it. A proportion of respondents (22) did not state whether or not they were familiar with the content of the code of ethics of their professional body. This confirms the assertion that there is an unacceptably high level of nonchalance regarding the code of ethics of professional bodies among business school leaders. It further seems to cast doubt on the intention and ability of these business schools to produce ethically minded graduates.

A total of 61% of participants did not respond to the questions on whether their professional body had a code of conduct and whether they had signed the code. Given the sensitive nature of this question, it could be argued that the questions were regarded as awkward and that respondents did not care to respond to them. Alternatively, these respondents did not know whether their professional body has a code of ethics but chose not to respond to this question rather than admit it. The use of an anonymous questionnaire prevented the researcher from making a follow-up to confirm or challenge this assumption. It further seems to suggest that the 39% response to these questions is unreliable and not representative of the population.

In responding to the questions on whether their business school had a code of ethics and whether they had signed this code, 38.9% of the respondents indicated that their business school had a code of ethics. Exactly half of the respondents from those business schools that did have a code of ethics had signed the code. More

significantly, however, 13.9% of respondents did not know whether their business school had a code of ethics. Nine respondents did not respond to this question, possibly suggesting that an even higher proportion of respondents were ignorant on whether their business school had a code of ethics. This paints a slightly better picture than McCraw, Moffeit & O'Malley's (2009) finding that only one of the 91 "doctoral-granting AACSB-accredited" business schools in their 2007 study in the USA had "a specific policy statement using the words 'ethics' or 'ethical' in its title".

Some 33% of respondents indicated that they were familiar with the content of the code of ethics of their business school. This created the impression that where it is not compulsory for the management teams of business schools to sign a code of ethics, some managers will nonetheless make the effort to familiarise themselves with the content of the code. It also seems as though respondents were more likely to engage with the code of ethics of their business school than with the code of ethics of their professional body.

However, all but one of the remaining respondents did not respond to the question 'Are you familiar with the content of the business school's code of ethics?' This could suggest that respondents felt awkward about their ignorance or even lack of interest in this regard and opted to ignore the question. The impression could be created that ignorance and lack of interest imply an unwillingness to display leadership with regard to ethics.

Respondents' years of service with their current business school, their highest academic qualification and the combination of their academic qualifications and length of time at their current business school were cross-tabulated with responses ('yes' and 'no') to the question whether their business school had a code of ethics (Tables 5–7).

The two-way tables were calculated to evaluate whether length of employment and/or qualifications of the management of business schools influence these schools to develop a code of ethics. Non-parametric tests were used to determine the statistical significance in these instances. Since observations were limited and some cells in these tables were sparsely populated, it was reasoned that the probability associated with the usual Pearson's chi-square test might not provide reliable indicators of statistically significant dependencies between length of service at a business school and/or qualifications of the management of business schools. Fisher's exact probabilities (which accommodate sparsely populated frequency distributions) were calculated for these tables. These exact probabilities are listed in Tables 5–7 (along with Cochrane-Armitage trend tests). Fisher's exact probabilities were calculated using the Monte Carlo iterative approach.

Table 5: Cross-tabulation of business schools' code of ethics and highest academic qualification of respondents

Qualification and code of ethics			
Qualification	**Code of ethics?**		
Frequency **Percentage** **Row percentage**	**Yes**	**No**	**Total**
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
Frequency missing=9 Fisher's exact probability (F ≥11) = 0.18 n.s. Probability (Cochran-Armitage Z-statistic= -1.38) = 0.08~ (10% level of significance)			

Table 6: 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?**		
Frequency **Percentage** **Row percentage**	**Yes**	**No**	**Total**
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 ≥6) = 0.16 n.s. Probability (Cochran-Armitage Z-statistic=-1.47) = 0.07~ (10% level of significance)			

Table 7: 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 Row percentage	Yes	No	
Master's with 5 years or less	5 83.33	1 16.67	6
Master's with 6 years or more	6 66.67	3 33.33	9
Doctorate with 5 years or less	2 100.00	0 0.00	2
Doctorate with 6 years or more	1 20.00	4 80.00	5
Total	14	8	22
Frequency missing = 9 Exact probability (chi square=6.30) = 0.097# Probability (Cochran-Armitage Z-statistic=—1.95) = 0.097~ (10% level of significance)			

Statistical significance at the 10% level of significance is indicated for Tables 6 and 7. Although the statistical power associated with statistical significance at the 10% level is not as significant as a 0.1% or even 5% significance level, this finding at the 10% level is acceptable. It suggests that length of employment at a particular business school might affect the fact that business schools have or do not have a code of ethics. 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. This result seems to suggest a lack of interest in business ethics among the highest-qualified and longest-serving business school leaders.

A statement of graduateness is another tool a business school can employ to crystallise its intention to graduate ethically minded individuals. This statement is a fundamental expression and undertaking of the developmental paradigm within which the curricula of business schools are developed. McCraw et al. (2009) indicate that such a formal statement of ethical behaviour identifies and promotes the values and beliefs of the business school internally and signals the ethical intent of the business school externally. Only one respondent indicated that his/her business school had a statement of graduateness. The other respondents either did not know or indicated that their school did not have such a statement. If the leadership of

business schools are not conversant with such a developmental paradigm as a result of having conceptualised and interrogated it, it would be fair to assume that curriculum development does not occur within the parameters of any clearly stated paradigm (i.e. that curriculation is not structured to assist students in achieving certain predefined broad developmental objectives such as ethical thinking).

Further analysis reveals that, as reported by the specific respondent, the business school that has a statement of graduateness includes ethical conduct in this statement and also includes an ethics module in its qualifications. This response would suggest that the particular business school has taken steps towards developing ethically minded graduates. Hase and Kenyon (2000) refer to pedagogical approaches that embody a "desire to go beyond the simple acquisition of skills and knowledge" that will ensure that graduates are "able to deal effectively with the turbulent environment in which they live".

Respondents were also asked to indicate whether students at their business school signed a code of honour, code of conduct or code of ethics on or after registration. Nearly half of respondents (48%) who replied to this question said that students at their business school signed a code of honour, code of conduct or code of ethics on or after registering. Relating this response to the response to the question on the statement of graduateness, it seems to confirm the perception that business schools have a somewhat haphazard approach towards producing ethically minded students. Students are required to sign a code, yet the code does not relate to a bigger paradigm of developing ethical skills as would be embodied by a statement of graduateness and related pedagogical approaches that address ethics in the curricula.

Conclusion and recommendations

It is clear from the literature that it is the responsibility of business schools to produce ethically minded graduates (Bush et al. 2009; Freeman et al. 2009; Galbraith & Webb 2010). In responding to the questionnaire, the leadership of South African business schools acknowledge this responsibility. Yet the results of this research seem to indicate that the leadership of South African business schools appear not to be sufficiently ethically aware to ensure that their management team sets the tone for good ethical practice and contributes to business ethics education and hence responsible and ethical business practices in general.

Highly sought-after international rankings appear to chain South African business schools to an ideological path determined by US business schools that, according to Freeman et al. (2009) and Wines (2008), continues to be deeply hostile to business ethics. Svensson and Wood (2008) indicate that business ethics is a

continuous and iterative process. Ethically aware business school leaders will infuse ethics in their management processes and ensure that the business ethics content of curricula is redesigned in line with postmodern learning theory, with due cognisance of the unique learning styles of "millennial students" (Galbraith & Webb 2010) and adult learning theory. Given the indication in Table 1 that the management of South African business schools, which ultimately take responsibility for the curricula, generally have a very low ethics awareness profile, as well as evidence that appears to indicate that they exhibit a compliance attitude towards ethics, it seems as though there is an urgent need for South African business schools to embark on initiatives to improve the ethical awareness of their respective leaderships. This is confirmed by the finding of Rutherford et al. (2012) that the values of the business school and its leadership are the primary drivers for the inclusion of business ethics in the core curriculum of the school.

The importance of role modelling for embedding ethical behaviour is highlighted by Ardichvili et al. (2009), Casali and Day (2010) and Clegg, Kornberger & Rhodes (2007). The low ethical awareness of the leadership of business schools despite their qualifications and experience, as shown in Tables 2–4, raises questions about the ability of business school leaders to influence and improve the ethics capacity of students. Given their low ethical awareness scores, it can be asserted that South African business school managers seem not to have the ethical awareness or capacity to instil a climate of ethics in their business schools that will allow such schools to produce ethically minded graduates.

The assertion can furthermore be made that due to this apparent lack of positive role modelling, the graduates of South African business schools are unlikely to have an impact on improving ethical business practice, since their educational role models are not sufficiently ethically mature. The results may be indicative of an unacceptable level of ignorance among the managers of business schools regarding the types of graduates the business school wants to produce. This is in direct contrast to their responses indicating that teaching business ethics – and by implication producing ethically minded graduates – is the responsibility of business schools.

It is not evident from research that South African business schools have reached a point where they have drawn the proverbial line in the sand to discern the ethical from the merely profitable. Until business school managers, staff and students experience a cognitive disequilibrium (Conry & Nelson 1989) by becoming aware of the fact that their moral reasoning is inadequate, they will not embark on a journey of discovery to find new ways of thinking about and resolving ethical issues. South African business schools should have a stated objective that "if integrity is not a value

they possessed upon entering the institution, they most certainly will possess it upon their graduation" (Bush, Gutermuth & West 2009).

These business schools should stimulate that process by, inter alia, setting the tone right from the top by improving the ethical awareness of the people in their management structures and setting an example of ethical mindedness by developing and pronouncing the values and ethics espoused by the business school, thereby establishing the ethics of the business school, which will be embodied in specific codes (for staff and students), the statement of graduateness, curricula and discussions on ethical issues.

The seven South African business schools that are participants in the Principles for Responsible Management Education (PRME) developed under the auspices of the United Nations Global Compact (UNGC) will have their work cut out in implementing the anti-corruption guidelines for MBA curriculum change published by the PRME in July 2012 (United Nationsl S.a). If they wish to comply with these guidelines, they will no longer be able to couch business ethics education as part of topics such as social engagement or report that they have met their responsibility in this regard because the university they are associated with offers some qualification in workplace ethics. It can be argued that international accrediting and ranking organisations will also have to consider these guidelines in their endeavours if they want their rankings to remain relevant.

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