

# Chapter 10

## Business Ethics Competencies: Controversies, Contexts, and Implications for Business Ethics Training

**David Cramm**  
*Ethics Emporium, Canada*

**Ronel Erwee**  
*University of Southern Queensland, Australia*

### ABSTRACT

*This chapter aims to discuss the divergent views of 102 practitioners and academics about business ethics competencies and potential implications for business ethics training. It presents, first, an introduction to the nature of the misalignment between academia and industry and, second, business ethics training issues and controversies. Next, the two phases of the research, including document analysis and a survey in Canada and the US, are noted. When considering practitioner needs, potentially over- or under-emphasized competencies are identified by means of a survey to shed light on the extent of this misalignment, so that future instructional efforts can focus on increasing content considered by practitioners to be under-emphasized, while reducing the content considered to be over-emphasized. Finally, a proposed business ethics competency model is provided, as well as a comprehensive content selection model for business ethics development, designed and recommended for business ethics practitioners and academics.*

### INTRODUCTION

A key complaint of many business ethics (BE) and integrity practitioners, as well as academics, pertains to the “knowing-doing” gap (Pellet 2007; Sims, 2002; Weisman 2007), or an apparent disconnect between what academia teaches and what industry needs. In a study by Cramm (2012,

p. 57), over thirty-five different sources included a call for change and more relevance in business ethics education, and the need for emerging risk identification and risk assessment models. This divergent view of what is considered important training content within academia and industry, suggests a key research issue—the need to explore the extent to which any potential misalignment exists

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in terms of training content or specific knowledge (and more broadly knowledge, skills, abilities and other characteristics, or KSAOs) to be imparted, and which facets are over- or under-emphasized when considering practitioner needs.

However, it needs to be noted that this disconnect between academics and practitioners may be very differently perceived by individuals in different cultural contexts, such as global companies operating in a range of divergent economic, political, as well as cultural systems. For example, academics in Australian, Canadian, Chinese or Israeli universities may perceive a very different pedagogical disconnect.

Research on business ethics training identifies an important misalignment between academia and industry practitioners in terms of business ethics instructional content aimed at instilling essential competencies (Cramm, 2012). This chapter seeks to shed light on the extent of this misalignment, so that future instructional efforts can focus on increasing content considered by practitioners to be under-emphasized, while reducing the content considered over-emphasized. The country context of this study is Canada and the USA, as the majority of academic as well as private and public sector practitioner respondents to the survey are from those countries. It is beyond the scope of the chapter to provide a full discussion of the conceptual model about Business Ethics competencies. For a comprehensive discussion, the reader is referred to Cramm's (2012) dissertation and for an overview of key business ethics competencies, the reader is referred to a paper by Cramm and Erwee (2013).

The chapter discusses knowledge-based competencies that appear to be perceived more or less significantly by academics in contrast to practitioners. The implications of over-emphasis of certain competencies by academics in contrast to practitioners, while other competencies appear to be under-emphasized, are noted. The chapter concludes by discussing competencies for consideration in developing training content as part

of an organisational ethics or academic business ethics program. Moreover, a number of potentially under- or over-emphasised competencies are identified, that academic programs could leverage to ensure an appropriate balance of training content.

## **BACKGROUND**

In the absence of clearly defined essential knowledge, skills, abilities and traits, those charged with developing corporate training courses are left to their own devices, to determine what content is most important or appropriate from a vast sea of potential material. Guidelines influencing the selection of appropriate content have not been synthesized into a pragmatic and robust model to guide curriculum developers.

Tello, Swanson, Floyd, and Caldwell (2013), as well as Floyd, Xu, Atkins, and Caldwell (2013) point out that less than a third of American business schools offer a stand-alone course in business ethics, that there is great flexibility in crafting curricula and a divergence of perspectives among American academics about the link between business ethics education and the ethical levels of business practice. Dzurainin, Shortridge, and Smith (2013) present assessment data of their Integrated Ethics Framework program. The data confirmed that their American students' awareness of ethical issues and ability to identify appropriate decision alternatives for ethical dilemmas were improved by the Integrated Ethics Framework program.

Within *Business Ethics (BE) Program Theory*, ethics training is used to increase knowledge, improve skills and change attitudes (Kirkpatrick & Kirkpatrick, 2006; Paine, 1994) to raise awareness, influence ethical decision-making or behaviour, or foster moral development of managers and employees. The efficacy of current instruction in business ethics is sometimes called into question by industry. Universities are facing criticism for failing to impart useful competencies to prepare future leaders in acting ethically (Bennis & O'Toole,

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