

## Business ethics course and readiness of MBA students to manage ethically

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### ABSTRACT

The study explored the contribution of a business ethics course at Nkumba University, Uganda to the readiness of MBA students to manage enterprises ethically. A purposely designed questionnaire was distributed to 42 students who had completed the course. The major finding was that these MBA students had 30% readiness to manage ethically. To establish whether this readiness was a function of the business ethics course, a path analysis was done to develop a hypothesised model. This model revealed that the readiness of 87% of the MBA students to manage ethically was dependent upon participation in a business ethics course.

**Key words:** Business ethics course, curriculum content, hypothesised model, methods, readiness

### INTRODUCTION

The last quarter of the 20<sup>th</sup> century saw the emergence of business ethics as an important course of study in most business schools around the world (Mande, 1999:21). The emergence of business ethics as a course of study was precipitated by a number of factors, including the pressure on managers to act ethically in most, if not all, areas of their organisations. Managers are expected to formulate and implement policies that ensure that ethical investment, equality in employment, ethical marketing, promotion of the rights of workers, human rights, preservation of the environment, observance of the law, minimisation of corruption, ethical procurement and implementation of corporate social responsibility become part of organisational culture. They, therefore, have to approach business decisions systematically and within the context of values already held. Managers make decisions that affect the rights and interests of others within and outside of the enterprise. Managers ought to live trustworthy and honourable lives, and not cheat, lie, exploit or oppress. They ought to avoid dishonesty, fake goods, misuse of power, double standards, disparagement, environmental degradation and overcharging.

To enable prospective managers to develop the capacity to manage ethically, universities

in Uganda that offer business studies have included business ethics in their Master of Business Administration (MBA) programmes. One such university is Nkumba University, where a business ethics course is mandatory for all MBA students (Mande, 2009).

Managers with MBAs are usually sought after by organisations, and, worldwide, an MBA is considered a major step towards a successful career in business management (Baguma, 2010). In Uganda, President Museveni announced that Permanent Secretaries and their deputies were, from 2007 onwards, required to have MBA degrees (Namutebi and Musoke, 2007). Permanent Secretaries are the top civil servants in the public sector in Uganda. Museveni believes that the MBA course gives people all-round business skills, including the ability to manage ethically. Similarly, the Eastern and Southern African Management Institute (ESAMI) has been urged to “emphasise courses like the MBA for top civil servants to improve their outlook and to propel government interventions with serious business sense” (Gava, 2008).

Private sector enterprises as well as parastatals usually appoint MBA holders to management positions. The business ethics course at Nkumba University aims to train managers to be ethical in their actions and decisions (*Nkumba University MBA Business*

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*Ethics Course*, 2009). Graduates of the business ethics course are expected to have the capacity to be responsible for:

- (a) Provision of accurate information to customers, so that they can make informed choices
- (b) Ensuring safety of products
- (c) Promoting green business and avoiding environmental degradation
- (d) Ensuring quality of products or services sold to consumers or clients
- (e) Humane treatment of employees
- (f) Investing profits in less risky business ventures
- (g) Minimising the unethical aspects of business

In the light of the above expectations, the business ethics course is supposed to enable the MBA students to exercise ethical judgment, make ethical decisions and act ethically in their work.

### PROBLEM STATEMENT

Although managers with MBAs are sought after because they are, among others, expected by society, employers, employees, government and other businesses to be ethical in their conduct and decisions, that does not seem to be the case. There are people who are not satisfied with the MBA course. For instance, Trunk (2010) lampoons the MBA when she blogs that "there is no correlation between being a good entrepreneur and going to a business school". There are cases in Uganda where managers with MBAs have been involved in unethical activities. The Ugandan press has indicated that some of the top managers of a National Social Security Fund who were indicted over unethical decisions were MBA holders (Chandia *et al.*, 2010). An executive director of a non-governmental organisation who was accused of nepotism had an MBA degree (Kafeero, 2008).

Some commentators have argued that managers with MBA degrees are greedy for money and riches (Kisangala, 2009). *The Uganda Record* opines that, "under the National Resistance Movement (NRM) government in Uganda there has been more MBAs. than any other time since independence in 1962. yet the 1971-1979 military government led by semi-literate Idi Amin and semi-literate army officers secured more lasting infrastructural growth and assets. in just eight years than NRM government has in 24 years" (*The Uganda Record*, 2010). Donors have criticised corruption in Uganda, citing the misuse of money meant for the Commonwealth Summit in 2007 and the Global Fund for HIV and malaria control (Sekiika, 2010). Some of the government officers indicted over the misuse of this fund are MBA holders. After learning about a number of scandals involving managers, some of whom were graduates with BBAs and MBAs, Professor Senteza Kajubi, former Vice Chancellor of Nkumba University, in 2009, expressed doubt whether the teaching of business ethics enables students to act ethically when they start working.

The many criticisms, doubts and reservations levelled against managers with MBAs raise the question whether a business ethics course contributes to the readiness of MBA students to execute their managerial roles ethically. The present study therefore sought to investigate the extent to which the business ethics course offered to MBA students prepares them to be ethical managers of public and private enterprises in the 21<sup>st</sup> century.

### PURPOSE AND OBJECTIVES OF THE STUDY

The purpose of the study was to analyse the contribution of a business ethics course to the readiness of MBA students to manage enterprises ethically. To attain that purpose, the following objectives were formulated:

- (a) To assess the effect of an ethics curriculum on attitudes towards business ethics course
- (b) To analyse the relationship between curriculum and methods of teaching business ethics
- (c) To analyse the contribution of teaching methods to the readiness of students to manage ethically
- (d) To assess the contribution of a business ethics course to the readiness of students to manage ethically.

### REVIEW OF THE LITERATURE AND HYPOTHESES

Literature was reviewed under the following sections: Survey of available literature on the MBA ethics course in Uganda, methods of teaching business ethics to MBA students, the business ethics curriculum, resources and readiness of students to manage ethically.

#### Survey of the available literature

The author could find no literature that addresses the contribution of a business ethics course to the readiness of MBA students to manage Ugandan enterprises ethically. However, there is some literature that addresses related matters. For instance, Mande (1999) focuses on the ethical responsibility of managers, noting that, even though a good number of managers are not interested in ethics, they still have certain ethical roles to fulfil. From the survey of available literature, it became clear that a gap exists, as the contribution of a business ethics course to the readiness of MBA students to manage ethically has not been considered.

#### Curriculum content of business ethics course

The issue of the curriculum was examined by Baetz and Sharp (2004), who found that some business schools had integrated business ethics into their core functional courses. Curricula of business ethics were also explored by Gandz and Hayes (1988), who argue that the subject should be taught in business schools as an integral part of the core curriculum of MBA programmes, with a dual focus on analytical frameworks and their application to business disciplines. Gonzalez (2002) assessed the curriculum of business ethics for professional education of executives. His

purpose was to show the results of a European Leonardo project that was developed between February 2000 and May 2001. This project focussed on lifelong learning. A person, who is over 18, qualifies for a placement in an industry that suits him or her. It is a chance to spend a few months in an industry as a way of boosting one's employment prospects.

Gonzalez (2002) specifically examined the structure of a curriculum of business ethics that emphasised globalisation and values. The study is useful because it raises pertinent issues. However, it does not clarify whether a business ethics course prepares MBA students to manage public and private enterprises ethically. This is the concern in the current study. Therefore, the following hypotheses were formulated:

$H_{\frac{1}{0}}$ : Curriculum does not have a significant effect on attitudes towards business ethics course.

$H_{\frac{1}{A}}$ : Curriculum has a significant effect on attitudes towards business ethics course.

### Methods of teaching ethics

Many methods of teaching business ethics have been suggested, including e-learning and team teaching. Ottewill and Wall (2002) point out that although e-learning has been prescribed for some undergraduate students, face-to-face training must also be used extensively to help undergraduate students become more aware of the ethical dimensions of business life in its broadest sense. Loeb and Ostas (2000) support team teaching as a method when teaching business ethics to MBA students, whereas Kitson and Campbell (1996), Jubb (2002) and Cagle *et al.* (2008) advocate the use of case studies. Toner (1998) points out that it is possible to teach ethics. The aforementioned methods of teaching business ethics and using vignettes as a method of teaching business ethics are commendable

$H_{\frac{2}{0}}$ : There is no significant relationship between curriculum content and methods of teaching business ethics.

$H_{\frac{2}{A}}$ : There is a significant relationship between curriculum content and methods of teaching business ethics.

### Methods of teaching an ethics course

Harry (1998) states that there are a few resources for teaching business ethics from a religious perspective. He argues for the use of the local religious congregation as an aid in teaching business ethics. The members of the congregation can form groups to support those struggling with moral dilemmas. The groups can also provide an opportunity for sharing praxis. Maclagan (2002) and Kooskora (2002) focus on cases and questions to enhance the understanding and performative competence of students. Kavathatzopoulos (2002) argues that information communication technology (ICT) should be used to develop the requisite ethical competence among MBA students. ICT is concerned with technology like computers and the Internet. These can be used to teach business ethics especially where online courses exist. Similarly,

Jeurissen (2002) argues that e-based solutions are important in supporting the teaching of business ethics. The solutions include use of electronic resources. Therefore, the following hypotheses were formulated:

$H_{\frac{3}{0}}$ : There is no significant relationship between methods and readiness of MBA students to manage ethically.

$H_{\frac{3}{A}}$ : There is a significant relationship between methods and readiness of MBA students to manage ethically.

### Models of teaching business ethics

Furman (1990) examined text books of business ethics and found a predominance of a principle-based model in the teaching of business ethics. The model assumes that by teaching students the rudiments of ethical reasoning and ethical theory, it is possible to create rational, independent and autonomous managers who would apply such theory to the corporate world. Furman advises that other factors like culture, which seem to influence ethical reasoning, should be taken more seriously. Three approaches to teaching business ethics are explored by Rossouw (2001): (1) cognitive competence, (2) behavioural competence and (3) managerial competence. Cognitive competence involves moral awareness, moral understanding, moral reasoning, moral decision-making and moral tolerance. Behavioural competence comprises moral sensitivity, moral courage and moral imagination. Managerial competence includes systematic morality, moral efficiency, instrumental morality and moral leadership. Although these three positions can be distinguished, Rossouw argues that in teaching business ethics, they all need to be embraced, as they complement each other. Zucheng, Nakano and Luo (2011) emphasize the importance of the status of economic and business ethics as a field of teaching, training and research in the East Asia region. They emphasise the fact that ethics should be taught to economists and business professionals.

### Readiness of MBA students

In a study involving 49 MBA students, Awasthi (2008) concluded that students on an ethics course are "more aware or sensitive to moral issues". In another study, it was implied by Lowry (2002) that moral awareness enables ethical behaviour. De Moss and McCann, in 1997, explored a rights-oriented business ethics course, and found that students are more care oriented than rights oriented. Students focussed on care and gave it priority over and above rights. Crane (2004) investigated the views of MBA students of a business ethics course, and found that the students were certain that there were ethical standards that must be followed in business, and that they could distinguish between ethical and unethical behaviour. In conclusion, Crane points out three things: (i) Business students should be given ethics training, (ii) business ethics should be taught more effectively and (iii) business students need help from business teachers in learning to think and act ethically. Crane's study confirms the importance of teaching business ethics to MBA students. However, regarding Ugandan

MBA students, there is still the need to study the contribution of the business ethics course to the readiness of students to manage ethically. In view of the above literature, the following hypotheses were formulated:

$H_0^1$ : An ethics course does not make a significant contribution to the readiness of MBA students to manage ethically.

$H_A^1$ : An ethics course makes a significant contribution to the readiness of MBA students to manage ethically.

## METHODOLOGY

In this section, research design, unit of analysis, the sample size, method of data collection, the validity and reliability of the research instrument, and analysis of data are highlighted.

### Research design

A cross-sectional research design was adopted for this study, where data were gathered only once from a cross-section of sources for purposes of answering research questions (Sekaran, 2003:135). Data were gathered from MBA students who had attended the business ethics course at Nkumba University. A cross-sectional research design was deemed the most appropriate for this study, which sought to establish the contribution of the ethics course to the readiness of MBA students to act ethically when managing enterprises. As this was a limited study, other research designs, like longitudinal and experimental, were not suitable.

### Unit of analysis

The unit of analysis for this study was MBA students of Nkumba University in Entebbe, Uganda. All students enrolled for a MBA are required to study business ethics for at least one semester in their first year (*Nkumba University Prospectus, 2011-2014*).

### Size of sample

The sample of 42 respondents was determined using Roscoe's (1975) rule of thumb. Roscoe contends that any sample of between 30 and 500 respondents is sufficient to obtain credible results. Here, 52% of the respondents were female and 48% were male. Their ages ranged from 29 to 49 years. All the respondents had work experience; 81% were in formal employment and 19% were self-employed before joining the MBA programme. In doing the MBA, 67% had decided to specialise in accounting and 33% in management.

### Instrument for data collection

The main data-collection instrument was a questionnaire with 67 items, divided into seven sections:

- (i) Personal characteristics
- (ii) Attitudes of students towards the business ethics course
- (iii) Methods of teaching business ethics
- (iv) Duration of the business ethics course

- (v) Curriculum of the business ethics course
- (vi) Course materials
- (vii) Readiness to manage ethically

Besides Section (i), which consisted of eight questions, the rest of the 59 items required a response on a five-point Likert scale (1: "strongly disagree"; 2: "disagree"; 3: "neither agree nor disagree"; 4: "agree"; and 5: "strongly agree"). Furthermore, interviews were conducted to gather more information from students, lecturers and employers.

### Validity and reliability of the questionnaire

Only validity of content was considered in this study, referring to the extent to which an item on the questionnaire measured the concepts it represented. Validity of content was tested to determine whether the wording of the items was clearly related to the concept (or one of its dimensions) being measured. Validity was determined using a content validity index. An expert in research was requested to score the items on the questionnaire for validity. The following scale was used: 1: "not relevant at all"; 2: "may be relevant"; 3: "relevant"; and 4: "very relevant". The formula used to calculate the content validity index (CVI) was:

$$CVI = \frac{3+4}{1+2+3+4}$$

The CVI, using the above formula was 0.835, which was higher than the popular cutoff point of 0.6 (Amin, 2005:288). This indicated that the items on the questionnaire were valid and could accurately measure the study variables.

Reliability can be described as the extent to which any measuring procedure gives the same or similar results if the test is repeated with the same respondents. The focus of this study was on the reliability of internal consistency, which measures whether several items on the questionnaire that propose to measure the same general construct produce similar scores. Reliability of internal consistency was measured with Cronbach's alpha statistics, using SPSS 17.0 software. The results are reported in Table 1.

The average Cronbach's alpha coefficient was 0.804, which was above the average level of 0.75 (Sullivan, 2001:303), and was also an indication of the quality of the

**Table 1: Reliability**

Variables	Cronbach's alpha ( $\alpha$ )
Attitudes of students towards business ethics course	0.919
Methods	0.775
Duration	0.747
Curriculum content	0.873
Materials	0.567
Ethics course	0.890
Readiness to manage ethically	0.857
Average	0.804

instrument (Sekaran, 2003:205). However, a reliability greater than 0.95 is not desirable, because it suggests that items maybe redundant. Given the fact that the coefficients were high, the scales used in the study maybe considered consistent and reliable.

### Analysis of data

Data obtained from the questionnaires were analysed using the SPSS 17.0 software program. The analysis was done at three levels: (i) Univariate, (ii) bivariate and (iii) multivariate. At the univariate level, descriptive statistics were used; at the bivariate level, correlations were used to determine relationships between variables and at the multivariate level, regression analysis was executed to determine the effect of the independent variables on the dependent ones. Furthermore, a path analysis was used to develop a predicative model of the relationship between a business ethics course and the readiness of MBA students to manage ethically.

## RESULTS AND INTERPRETATION

Ethics course, teaching materials, curriculum content, methods and outcomes were the key variables that were tested. In this study, the term course refers to content, methods, materials, duration and activities, considered simultaneously. The term curriculum refers to what the course covers which are prescribed as part of this course. A bivariate test revealed a positive significant relationship among the variables, as indicated in Table 2.

### Hypothesis 1 (Curriculum content and ethics course)

It was important to consider the relationship between

curriculum and the viability of the ethics course. The MBA business ethics course at Nkumba University emphasises the following aspects: (1) The concept of business ethics, (2) ethics theories, (3) application of ethics theories to business practices and (4) developing codes of conduct and ethics policies. As shown in Table 3, students' attitudes were positive.

The mean (M) ranged from 4.00 to 4.43, whereas the standard deviation (SD) ranged from 0.883 to 0.570. The results of the five-point Likert scale indicated that MBA students appreciate the ethical theories. Five theories are covered in the course. These are: Utilitarianism, Kantianism, virtue theory, rights-based theory and justice.

Although MBA students rated the contents of the curriculum high (M: 3.88, SD: 0.409), there was still a need to investigate the effect of curriculum content on the viability of the ethics course as a whole. Viability refers to fact that through the business ethics course, this investigation was done by carrying out bivariate and multivariate tests. The results of the correlation test indicated a positive significant relationship between the ethics course and the curriculum content [ $r(42) = 0.928, P < 0.01$ ]. This implies that the curriculum content contributed significantly to the viability of the business ethics course offered to the MBA students at Nkumba University.

The first hypothesis ( $H_0^1$ ), "Curriculum content does not have a significant effect on the viability of a business ethics course", was tested using simple linear regression. This hypothesis intended to determine the contribution of the curriculum content to the perception of students regarding the viability of a business ethics course. The

**Table 2: Correlations**

Variables	Ethics course	Material	Readiness	Curriculum	Methods
Ethics course					
Pearson correlation	1	0.464**	0.566**	0.928**	0.890**
Sig. (two-tailed)		0.002	0.000	0.000	0.000
<i>n</i>	42	42	42	42	42
Material					
Pearson correlation	0.464**	1	0.445**	0.343*	0.519**
Sig. (two-tailed)	0.002		0.003	0.026	0.000
<i>n</i>	42	42	42	42	42
Readiness					
Pearson correlation	0.566**	0.445**	1	0.498**	0.536**
Sig. (two-tailed)	0.000	0.003		0.001	0.000
<i>n</i>	42	42	42	42	42
Curriculum					
Pearson correlation	0.928**	0.343*	0.498**	1	0.656**
Sig. (two-tailed)	0.000	0.026	0.001		0.000
<i>n</i>	42	42	42	42	42
Methods					
Pearson correlation	0.890**	0.519**	0.536**	0.656**	1
Sig. (two-tailed)	0.000	0.000	0.000	0.000	
<i>n</i>	42	42	42	42	42

\*\*Correlation is significant at the 0.01 level (two-tailed); \*Correlation is significant at the 0.05 level (two-tailed)

results indicated a linearity between curriculum content and viability of a business ethics course [ $F(1, 40) = 246.956, P < 0.01$ ]. This implies that the curriculum has a positive effect on a business ethics course. The test produced an Adj.  $R^2$  of 0.857, which meant that the model explained 86% of the variations in the dependent variable (ethics course). The regression test further revealed a high positive significant relationship between curriculum content and ethics course ( $\beta = 0.928, P < 0.01$ ). Therefore, the null hypothesis was rejected and the alternative supported.

### Hypothesis 2 (Curriculum content and teaching methods)

Several methods are used to teach business ethics at Nkumba University, including lectures, group work, discussions, case studies, individual research, class presentations and course work. To determine the most popular method, seven items were considered, using factor analysis. During the factor analysis, only three methods were extracted, using principal component analysis (PCA). The three methods were: discussion, groupwork, and individual research as shown in Table 4.

All the factors explained 72% of the methods of teaching business ethics. The above three were the most popular methods of learning business ethics. However good the teaching methods maybe, they still need to fit the curriculum content.

The relationship between curriculum content and methods informed. Hypothesis 2 ( $H_0^2$ ): "There is no significant relationship between curriculum content and methods used in teaching business ethics". This hypothesis was first tested by a bivariate correlation. The results indicated that a moderate significant relationship exists between curriculum content and the methods [ $r(42) = 0.656, P < 0.01$ ]. This implied that for a curriculum to be effective, there has to be a strong relationship between the curriculum and the methods of teaching ethics.

The hypothesis was also tested using a simple linear regression matrix. The results of goodness of fit of the model are provided in Table 5.

The goodness of fit of the model was  $F(1, 40) = 30.159, P < 0.01$ , which indicated that the model fitted well, that is, there was a linear relationship between curriculum content and methods. The model yielded an Adj.  $R^2$  of 0.416. This inferred that methods contribute 42% to the success of teaching business ethics. Furthermore, the relationship between curriculum content and methods was only moderate [ $\beta = 0.656, P < 0.01$ ]. It can be concluded from the above results of the regression analysis that methods are an important contributor to the effectiveness of the curriculum content. Therefore, the null hypothesis was rejected, and the alternative, ( $H_A^2$ ),

"There is a significant relationship between curriculum content and methods of teaching business ethics" was supported.

### Hypothesis 3 (Methods and readiness)

In this regard, the null hypothesis ( $H_0^3$ ), "There is no significant relationship between teaching methods and readiness of MBA students to act ethically" was tested using correlation and regression matrices. The results of the correlations test [ $r(42) = 0.536, P < 0.01$ ] indicated a moderate relationship between methods and readiness.

Furthermore, as provided in Table 6 a simple linear regression matrix indicated a linear relationship between methods and readiness [ $F(1, 40) = 16.129, P < 0.01$ ]. From this linearity, it can be concluded that a unit change in one of the variables leads to a proportionate unit change in the other variable. This shows that the way in which business ethics is taught affects the readiness of the MBA students to manage enterprises ethically. The test produced an Adj.  $R^2$  of 0.270, indicating that the model explained 27% of the

**Table 3: Attitudes of students to theories taught in the MBA business ethics course**

Students attitudes towards ethics theories	Mean	Standard deviation
Utilitarianism	4.14	0.647
Kantianism	4.10	0.617
Virtue theory	4.00	0.883
Natural law and rights	4.43	0.590
Justice	4.14	0.566

MBA: Master of business administration

**Table 4: Factor analysis of methods used in teaching and learning business ethics**

Factors	Eigenvalues	Percentages
Discussion	1.835	31
Group work	1.246	21
Individual research	1.211	20

**Table 5: Goodness of fit of the model ANOVA<sup>b</sup>**

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	1.990	1	1.990	30.159	0.000 <sup>a</sup>
Residual	2.639	40	0.066		
Total	4.629	41			

<sup>a</sup>Predictors: (Constant), curriculum; <sup>b</sup>Dependent variable: Methods; ANOVA: Analysis of variance; Sig.: Significance; Df: Degrees of freedom

**Table 6: Linear relationship between methods and readiness ANOVA<sup>b</sup>**

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	1.330	1	1.330	16.129	0.000 <sup>a</sup>
Residual	3.299	40	0.082		
Total	4.629	41			

<sup>a</sup>Predictors: (Constant), readiness; <sup>b</sup>Dependent Variable: methods; ANOVA: Analysis of variance; Sig.: Significance; Df: Degree of freedom

variations in the dependent variable. The relationship between methods and readiness was moderate ( $\beta = 0.536, P < 0.01$ ). Therefore, the readiness of MBA students to manage ethically depends, in part, on the methods used to teach ethics. The results led to acceptance of the alternative hypothesis ( $H_{\frac{3}{A}}$ ), "There is a significant relationship between methods and readiness of MBA students to manage ethically". Therefore, it is appropriate to infer that methods contribute to the readiness of MBA students to manage ethically.

**Hypothesis 4 (Ethics course and readiness)**

A business ethics course seeks to analyse the ethical issues related to business, to critically analyse moral issues that business managers face, to enable learners to develop skills necessary for managing affairs of ethics consultancy, ethics committees, ethical consumerism and code of ethics, and to enable them to apply ethical theories to decision-making and construct codes of conduct. These aims are intended to enable MBA students to develop the capacity to manage enterprises ethically.

The null hypothesis ( $H_0^4$ ) stated that "A business ethics course does not significantly contribute to the readiness of MBA students to manage ethically". This hypothesis was tested, first, by a bivariate correlation, which produced results indicating that there is a moderate positive significant relationship between ethics course and readiness [ $r(42) = 0.566, P < 0.01$ ]. The hypothesis was also subjected to a simple linear regression matrix, which showed a linear relationship between the ethics course and readiness to manage ethically [ $F(1,40) = 18.807, P < 0.01$ ].

This goodness of fit statistics in Table 7 reveals that the business ethics course had influenced the readiness of MBA students to manage ethically. The model summary yielded an Adj.  $R^{[2]}$  of 0.303, indicating that the business ethics course had contributed 30% to the readiness of MBA students to manage enterprises ethically. The business ethics course had made a moderate positive contribution to the readiness of MBA students to manage enterprises ethically [ $\beta = 0.566, P < 0.01$ ]. In view of the above findings, the null hypothesis ( $H_0^4$ ) was not supported. Instead, the alternative, "An ethics course contributes significantly to the readiness of MBA students to manage ethically", was accepted.

**HYPOTHESISED MODEL OF ETHICS COURSE AND READINESS**

The term *hypothesised model* refers to a theory

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	1.514	1	1.514	18.807	0.000 <sup>a</sup>
Residual	3.219	40	0.080		
Total	4.733	41			

<sup>a</sup>Predictors: (Constant), readiness <sup>b</sup>Dependent variable: Ethics course; ANOVA: Analysis of variance; Sig.: Significance; Df: Degree of freedom

arising from a statistical test where one variable was proposed to be an antecedent of another (a consequent). A hypothesised model seeks to determine and explain a cause-and-effect relationship between two variables. The hypothesised model that follows was used in this study to determine whether a business ethics course leads to the readiness of the MBA students to manage enterprises ethically.

In Figure 1, the hypothesised model takes into account all four hypotheses tested in this study. In short, these were: Curriculum content and ethics course, curriculum content and methods, methods and readiness and ethics course and readiness. The hypothesised model was used to provide a more reliable exposition of the fact that a business ethics course influences the readiness of MBA students to manage enterprises ethically. In the explanation, the following issues are taken into account:

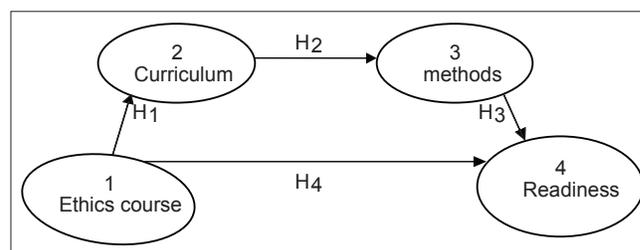
- (a) Determining the variables: In the above model, there is an independent variable (ethics course), intermediary variables (curriculum content and methods) and an independent variable (readiness).
- (b) Establishing causal paths: The causal paths relevant to the variable readiness (4) are from 1 to 2 to 3 to 4, and from 1 to 4.
- (c) Stating assumptions: (i) All relations were linear (the causal assumptions are shown in the diagram); and (ii) the variables were measured on an interval scale.

The paths in the model established the following relationships:

- (1) A positive significant relationship between viability of ethics course and curriculum content
- (2) A positive significant relationship between curriculum and methods
- (3) A positive significant relationship between methods and readiness
- (4) A positive significant relationship between ethics course and readiness

Each path's coefficient as given in Figure 2 indicates the direct effect of a variable, as stated below:

Paths	Variable	Path's coefficient
P41:	Ethics course and readiness	0.56
P21:	Ethics course and curriculum content	0.92



**Figure 1: Hypothesised model of ethics course and readiness to manage ethically**

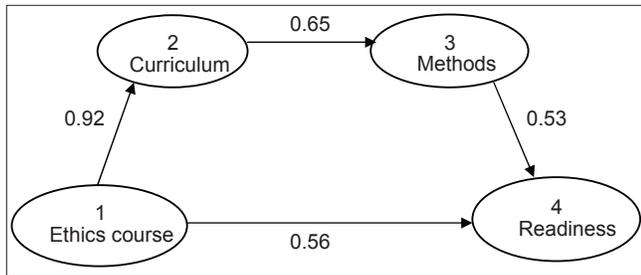


Figure 2: Paths for hypothesised empirical model

P32:	Curriculum content and methods	0.65
P43:	Methods and readiness	0.53

Variable 1 (ethics course) was the only exogenous variable, because it had no arrows pointing to it. The remaining three variables (curriculum, methods, and readiness) were all endogenous. Each of these was explained by a preceding variable. Two endogenous variables, 'curriculum' and 'methods', explained other endogenous variables, namely 'methods' and 'readiness'. This implied that the preceding variable was a cause of the succeeding variable, which was an indication of a causal relationship.

### Decomposition and its effect

The path coefficients were used to decompose correlations in the model into direct and indirect effects corresponding to direct and indirect paths reflected in the arrow of the model. This is based on the rule that in a linear system, the total causal effect of variable A on variable B is the sum of all the paths from A to B. Considering that 'readiness of MBA students to manage ethically' was a dependent variable, and 'ethics course' was an independent variable, the indirect effects were calculated by multiplying the path coefficients for each path from 'ethics course' to 'readiness'. Ethics course → curriculum content → methods → quality =  $0.92 \times .65 \times .53 = 0.31$ .

The total indirect effect of an ethics course on the readiness of MBA students to manage ethically was 0.31. The direct effect was added to this indirect effect to establish the causal effect of 'ethics course' on 'readiness of MBA students to manage ethically', that is  $0.31 + 0.56 = 0.87$  (87%).

In view of the model outcome, it can be concluded that a business ethics course is a major determinant of the readiness of MBA students to manage enterprises ethically. The other factors, which accounted for the remaining 13%, should only be peripheral in preparing MBA students to manage enterprises ethically. It has therefore been confirmed that ethics can be taught. That is to say, perceptions, logical reasoning, emotional responsiveness, fair judgment and appropriate conduct of learners can be cultivated through training in ethics. The ethics course leads to a seemingly permanent change in character.

## CONCLUSION AND RECOMMENDATIONS

The study has shown that although ethics is taught in MBA programmes, there are still unethical activities involving MBA holders. It was noted that business ethics is a mandatory course for all MBA students at Nkumba University. In the course, students are introduced to the concepts of ethics, ethical theories, moral dilemmas in business and public life, application of ethical theories to business undertakings and practices of ethics in business, including the development of ethics policies and codes of conduct.

The major focus of the study was to determine whether an ethics course contributed in any significant way to the readiness of MBA students to manage ethically. The findings presented and interpreted in the preceding sections of the article revealed a number of issues: (1) There was a high positive significant relationship between ethics course and curriculum, (2) curriculum, teaching and learning materials, together with teaching methods, are crucial to the learning of the MBA students in an ethics course; (3) all the null hypotheses that were generated for this study were rejected and, instead, the alternative hypotheses were supported.

The hypothesised model revealed that the business ethics course contributes a considerable 87% to preparing MBA students to manage public and private enterprises ethically. Considering the fact that it has been established that an ethics course is a major determinant of the readiness of MBA students to manage enterprises ethically, it is recommended that all universities that offer MBA programmes include business ethics in their academic offerings. As already noted, through the business ethics course, learners acquire some awareness of moral dilemmas, skills in writing ethics policies and codes of ethics, the ability to analyse their own values and decisions and uphold human rights in the workplace and beyond.

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