Teaching business ethics at business schools in transitional cultures with the example of Zagreb School of Economics and Management. A case study

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Review

Teaching business ethics at business schools in transitional cultures with the example of Zagreb School of Economics and Management – A case study

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The purpose of the paper is to compare some permanent theoretical debates with their practical solutions in teaching business ethics course at private business schools in transitional cultures, and to point to some new problems and their practical solutions. Some of these are: introducing values in class, showing how various values are essentially manifested in every core business, and teaching how to reach practical decisions in proper, clear, quick and transparent manner. Measuring entrance and exit students’ know-that and know-how shows at least some positive trends. A blend of theoretical review and a case study which reflects the theory. Some issue concerning the practice of teaching business ethics can be solved within practice itself, while other need careful explication of the practice of teaching and various corrections. The paper is aimed at quite particular issue of introducing business ethics course at private business schools in transforming societies (with the example of private business school, ZSEM, from Croatia) which is a limitation by all means, yet some lessons can be drawn for schools in similar situation. Improving business ethics and corporate social responsibility course syllabus and some elements of teaching process. Pragmatist approach to teaching values in business ethics course.

Keywords: Business ethics syllabus elements, elements of the process of learning business ethics, know-that and know-how in business ethics, measuring students’ entrance and exit, teaching business ethics, ZSEM.

Abbreviations: AACSB = The Association to Advance Collegiate Schools of Business, AOL = Assessment of learning, BE-CSR = Business ethics and corporate social responsibility/course, CSI = Corporate social irresponsibility, ZSEM = Zagreb School of Economics and Management.

INTRODUCTION

When a country is significantly changing its political, economic, and social order and historical direction too, it can be said that it is in a kind of transition. If such changes include an alternation from a type of communist totalitarian regime to a democratic system, from the planned to the free-market economy, complete re-stratification of the society, and all that in the context of war, in fact aggression from the side with which a country lived in alleged “brotherhood and unity”, then to speak of an ethical reasoning and moral values does not seem to be useful, since values are transformed as well (therefore appeal to Wittgenstein’s concept of “a shared form of life” as the basis for teaching ethics in such circumstances is not very useful, Duska 2007:121-36). In such circumstances, just half dozen years form the end of the war, to start a private business school gives the impression of certain naïveté. Yet, looking back the moment was good as any. To introduce moral values in the mission, vision, core values, and the curriculum of the school can be observed in the similar manner, more to the fact that bureaucratization and corruption were huge leftovers from ancien régime. Finally, to introduce the course Introduction to business ethics and corporate social responsibility (BE-CSR) and to manage it properly, meaning that students really learn something that can be measured and useful in such society and business
community seems to be a kind of utopian undertaking of a sort.

In what follows some elements of introducing the mentioned course will be described and explicated especially in the light of the first ten years of experience with students learning the subject at Zagreb School of Economics and Management (ZSEM, 2002-2012). The description and explication will be twofold. Few known theoretical considerations will be compared to some in class practices, and contrary to these a bit optimistic approaches, a pessimist review will be presented as well. Some elements of this introduction of the course show that many issues can be solved on site or in class with small corrections in teaching process, while others need some major corrections in teaching practices, courses syllabi, education of teachers themselves, and so on.

The basic idea in this sea of variables concerning the course is that something must and should be measured. What seems to be a good start is to clearly measure students’ real know-how and know-that, since the transformation, mentioned at the beginning, will be carried out in part by itself (simply by the very change of generations), yet in part it can be achieved by many small contributions in building new (or the old really) system of values or in fact a cultural system (concerning students’ competences see Rossouw 2002). One such contribution is surely the one supplied by private business schools. However, along the process many obstacles appear. Some of them are typical for all business schools around the globe, but some are specific for Croatia and as such can be used as useful tools in confronting and solving such sometimes theoretical, but mostly practical issues in sufficiently similar cultures and circumstances.

A business schools business ethics course: Entrance and exit is what matters

There are values. They are characteristics, features, or aspects of things and of human actions as well (real or constructed depending on highly sophisticated philosophical analysis and argumentation). It is sometimes assumed that, as the subject matter of inquiry, values of actions are more important than values of things. However, human actions in vast majority of cases include dealing with things. More to that, in today’s world many human actions are closely interrelated with actions of machines, from simple daily mechanical useful things like staplers, and personal computers, to complicated robots that compose complete cars.

Now, some things/actions certainly have some, say tangible values like ingredients, cost of production, price, design, and so on, but they certainly have non-tangible values as well, say, usefulness, beauty, and so on. However, these are so to say simple value-aspects which we rarely notice. Some things/actions can have symbolic values which constitute a more complicated value-aspect such as a red cross or a company’s brand. With these things/actions we are acquainted and we interact on daily basis. Conditions for such complicated value-aspects are complicated as well. For some action, in order for it to manifest its value-aspects, it is often needed that the doer of the action performs it properly, that it is performed the right time, that certain intention-in-action is manifested, that certain items are properly used, and of course toward the other person which understands the action as it was intended by the doer.

Say that there are two persons on a square, one which produces animal shapes from balloons and the other which wants one such animal shaped balloon, say a giraffe for its daughter. The daughter asks the guy – My name is Jill, can you make me a giraffe? The guy says – no problem Jill, which is your favorite color? So, the guy makes a giraffe, asks the kid is it OK, the kid is happy since it recognizes a giraffe and in her favorite blue color. The parent pays the guy 1€ and everybody is satisfied. Now, what if a kid wanted an animal which the guy cannot create, or a color which he doesn’t have? What if the guy created a poor giraffe, say similar to a horse? What if the parent didn’t have any money? The guy’s action is the central for the whole story, namely, his ability to create animals from balloons. His performance is important in many ways: he was surely skilled for making animal shaped balloons; his performance was of certain quality since what he made was sufficiently similar to a giraffe; and so on. So, there is surely a proper way to make a giraffe shaped balloon. This can be called the value of proper performance. The proper performance is at the center of any core business and as such it is at the center of business ethics (BE) in terms of professionalism and ethical codes, and in terms of corporate social responsibility (CSR) as well. Now, the question is in which way any production of any item or a service in a proper manner can be at the center of BE-CSR? One can show this by means of various real life examples.

However, in the light of the fact that we are in a classroom in a private business school in a transitional culture during the first lecture of Introduction to business ethics and CSR course, is there a better option then to show this on the very nature of the present course. We don’t think so, and therefore now we will present our duties, obligations and ways how to learn, teach and acquire some knowledge of the present subject matter, and what you are probably most eager to know how the whole process will be measured, in your particular case – graded. In short, by presenting you the syllabus of the course we will show you what is our core business here in BE-CSR course and how its own morality is crucial for it’s and yours success.

Imagine that an undergraduate business ethics course starts in the way as it was just described. The question concerning teaching BE-CSR is the same as with teaching any other course if it starts from this simple question: what was the entrance and what is the exit. Completely another concern is to ask: the entrance and the exit of what? Of students’ know-how, routines,
theoretical knowledge (or know-that), their values, their worldview? Well, a little bit of all of these depending on an individual student within the limits of the course syllabus. Some students need more evidence of relevance of ethics in business. Among these some need vivid examples, others need data. Some students need more know-how then theory, rules, and procedures since they must learn how to formulate the issue and how to resolve it; some other way around. And so on and so forth. The basic idea is that BE-CSR teaching is successful if it corresponds to the quantity and quality of these variables which are taught and acquired by individual students, by groups, and by the whole generation of students. The following table can serve to identify these values and to compare them over the generations of students (Table 1).

Table 1 shows the means, goals and what to measure in BE-CSR course. These elements are specific for transitional cultures and especially two last columns determine all others meaning that without introducing and accepting certain set of values and a worldview all other element would not make any difference. Certainly there are issues connected with measuring these variables, interpreting them and acting upon the interpretation connected with the overall goal of teaching BE-CSR. Nevertheless, external factors are equally important, for instance, the whole generation of students in terms of their attitudes and worldviews, the culture in which they are raised, and so on. Among external factors is the whole curriculum of a school or structure of a school. Some variables which can significantly influence these results, their interpretation, and actions are connected with the location of BE-CSR course in the curriculum which can be the following. All these possibilities have positive and negative effects. Ultimately, they are compared as coherent (or not) with the business school’s mission. BE-CSR course can be:

(a) **Condensed in one course:** (a1) at the beginning, (a2) in the middle, (a3) at the end, or
(b) **Divided among two or more courses:** (b1) between core business administration courses, (b2) between non-core business administration courses, (b3) mixed between (b1) and (b2), or
(c) **Applied as a mixed model:** For various models see Sims 2000:437-43).

However, some internal reasons can be supplied too. If a BE-CSR course is concentrated (a), then the course itself must be somewhere in the curriculum and consequently there are effects on students. If it is at the beginning (a1) of studies (say 1st year, 1st semester) then students do not know much about business (about, for instance, marketing, management, finance, and so on.), and it is very hard to teach them BE-CSR without this knowledge. Additionally, it can create the problem for them to apply the knowledge of ethics to the issues of business administration core courses later on. In comparison, (a3) seems to be the best possibility. Yet it has its negative effects as well. For one thing, students will learn nothing about BE-CSR until the end of their studies (say 4th year, 8th semester).

If the course is divided among many courses (b), it is always the question of unified method of teaching and topics divided among many professors and many courses. Gandz and Hayes are arguing that BE-CER course at MBA studies should be taught as an integrated part of core curricula.

“Business ethics should be taught in business schools as an integrated part of core curricula in MBA programs with a dual focus on both analytical frameworks and their applications to the business disciplines. To overcome the reluctance of many faculty to handle ethical issues, a critical mass of faculty must develop suitable materials, educate their peers in its use, and take the lead by introducing it in their own courses and on senior management programs.” (Gandz, Hayes 1988:657)

Negative effect, at least the obvious one, would be that students will not see the unity and the interconnectedness of BE-CSR in throughout the whole business phenomenon and especially to the core business whatever it is.

Therefore, a kind of mixed model (c) seems to be comparatively better then others. Surely, a concentrated course is better then divided because of the issue of the unity and understanding. Next thing, it is better if it is placed at the end or at the beginning of the studies (a3)? In order to bypass the negative effect a school can have BE-CSR topics should be equally distributed between the core and non-core business courses before the last year of studies. Finally, such model (c), but with mixture of (a3) and (b3) possibilities, comparatively speaking, has minimal negative effects. However, the issue of the placement of the course in the curriculum is not the only important issue no matter if this determines many other elements internal to the very course and to the elements of teaching. Previously mentioned entrance and exit variables are in fact the basic elements of the course.
syllabus and teaching process.

What is educated in the BE-CSR course is in fact applied ethics that is applied to business administration phenomena. Without entering into the huge debate between:

- the principled approach (universalism or top-down model) - which starts from ethical theories (say Kantian ethics) and deduces particulars (say duties or obligations), and
- the case study approach (particularism or bottom-up model) - starting from particular cases (say a whistle blowing case) and generalizing various rules (Beauchamp 2003:1-17).

It should be mentioned that something should be taught as the basics. This of course does not mean that topics taught are really basics, because it is possible that there are no basics at all especially in multi-disciplinary fields like BE-CSR (this whole myth of basics, fundamentals, roots, the golden age, and similar has many dangers). This simply means that one needs to start from somewhere since it seems impossible to start from nowhere (except perhaps in philosophy). The best thing to start with, as Aristotle taught us at the beginning of his "Physics", is from something known (to students) and then to gradually move to the unknown, and if one is lucky, at the end the light will shine over the whole and the students will understand. To cut a long story short, the needed elements and methods are known: a little bit of cases, a little bit of ethical theory, a little bit of decision making practice, and above all a little bit of connections to daily life, business phenomena, and students’ previous knowledge of the subject (business administration). Student need to think, read, write, discuss, make decision and act upon them.

Last but not least, the content. The content of BE-CSR course on undergraduate and graduate (master and doctoral) levels differs substantially. At undergraduate level the whole course is about understanding the moral values and their relevance for business. In short it is always a kind of An Introduction to Business Ethics and CSR. In light of this essential goal all other things are provided. On the other hand, at the graduate level the course is concentrated on particular applications of basics to some particular business sectors, say accounting, finance, marketing, or management. The only exception is if graduate students didn’t have a BE-CSR course at the undergraduate level, and then it raises some methodological and pedagogical issues for a professor. Concerning the content, it is mostly done like the following.

One delivers few hours of ethical theories, say in 50 slides. There one has basic and central ethical theories (virtue, duty, and utilitarian ethics are regular parts), some pros and cons, and some applications to the business sphere. This should be done, but, as the experience has showed, before that one should spend at least an hour on reading the original text (say a page or two) and discussing it with students in order to illustrate that these old ethicists were concerned with real daily problems not just with abstract principles. Students are mostly convinced of that if one shows few sentences from Aristotle writings on money and freedom or from I. Kant writings on the issue of borrowing and returning borrowed money. The same procedure can be carried out concerning all other elements, theories of justice, principles of social ethics, principles of BE (ethical codes) and of CSR (stakeholder theory, or say integral social contract theory), decision making process, typical cases in business, and so on. Without entering into the academic freedom of professors and the choice concerning lectures content, this simple and short addition can produce many benefits especially in terms of students’ understanding of BE-CSR, and understanding of the moral aspect as the integral part of any core business is what they need to understand. Finally, the content should be connected to other courses as much as possible, because students will remember distinct ethical cases from previous core and non-core courses.

However, one thing is important. One should always start with students’ experiences, with what troubles them, not the professor.

Then, most probably, many students will be genuinely puzzled by some phenomena and human actions, and they will try to understand by themselves. Second step always should be clear, short, and precise connection between the core business, professionalism, and ethical values stated in an ethical code of a profession. By such introduction one produces a result that cannot be produce in any other way – namely that students feel that these issues are their own and important for them. Without such start all other content elements don’t make much sense, at least from students’ point of view.

Welcome to the desert of the real
A pessimist’s remark I
All of previously said sounds great one could say, but what’s the point? Many objections are presented at this point raging from the criticism of the whole curriculum of business schools by experts to the objections by faculty members and students. The following objections in this case flow mostly from state owned schools and universities.

"There is no mistaking the fact that profit maximization is the chief value within many business curricula." (Price 2007)

Another objection by undergraduates was the following:

- There is no place for ethics at a business school, simply no use of it. If there is some use of it, we know it by intuition; surely we do not need a course about it. (for discussion see Weston 2006:1, Duska 2007:121-39, Maxwell 2008:1-25).
- The different objection appeared at master’s level.
- In students opinion accounting (banking, finance, and so on. ceteris paribus) has no moral aspect it is amoral activity (for discussion, especially regarding accounting, see McPhail and Walters 2009:4).
- Significant time and effort is needed to resolve these simple objections and to formulate them in short and clear texts in order not to waste time on these issues and to turn to the real problems.
- On the other hand, the fact is that the influence of ethical education in business schools is minor. Professors, or at least faculty, and program leaders, in most cases, think that the majority of students are in this way adequately prepared (by learning some business ethics here and there). Yet, this is “highly questionable” (Phillips et. al. 2004:9).
- Teaching and learning BE-CSR adequately is a not easy thing to do in the environment; ethical misconducts are frequent phenomena in our daily lives (in private and public, in government and in private sectors), business scandals are so frequent that we are used to them and are surprised if there isn’t one for a month or a quarter, ethical misconducts at universities and in business schools range from cheating by students, to falsifying data and manipulating research results by faculty members (Davies 1999), and therefore some even accused business schools for teaching students “to bend the rules to make the numbers” (Phillips et. al. 2004:9).
- It is obvious that there is a need to renew the whole idea and practice of teaching and learning BE-CSR at business schools, but it is not easy to find out the proper way to do it. If one likes examples, it is possible to show bad and good examples, but does this reflects the real picture? (For instance, some were surprised by economic crisis reflections say in Greece, yet many results of research of financial and accounting reports and of data mining research shows that at least 50% of all financial reports in Greece from 2001 until nowadays were at least such that they contained major mistakes or even intentional misinterpretations). Let us continue with objections:

For some students a BE-CSR course is not like any other, not connected with the curriculum at all, a kind of alien, which sometimes functions as an excuse, an apology, or as a marketing trick of a business school or of the whole business community.

And partly they are right. One BE-CSR course cannot do much in a proper business school curriculum, but even five or ten of such courses would not make any difference. The problem is that no matter how many courses a school has; it is always a small part of the education process and a small part of the society and culture. Therefore, it is not the about the quantity of courses, and after all a business administration study is not a study of ethics but of business.

On the other hand, the issue must be of quality, one would say. Yes of course, but quality of what? Professors of philosophy are no good since they don’t know enough about business, most of which they lack is a business experience, on the other hand, business practitioners don’t know much about ethics, business ethics, or CSR and if they know something, then it is mostly some perverted conception of BE-CSR (for instance how to use CSR in order to increase sales, or to cover CSI in some departments). (Sims 2002:59-79) This is both correct and incorrect. Ethics can be taught, but morality in terms of manifesting positive moral values by one’s daily routine actions, in terms of moral understanding, courage, and similar, cannot, at least not by business school professors of BE-CSR. Surely, a BE-CSR course has some positive influence on undergraduates and graduates in business schools (it is verified over and over again all over the world), but this influence is minor. One can believe that an action A is a right thing to do, but belief without understanding in basically incomplete, as it was already suggested by Plato. (Duska 2007:7)

“Teaching practical (or applied) ethics invites reflection both on teaching methods and the ethics of teaching.” (Davies 1999:175)

To repeat the same thing in other words, the very course of BE-CSR needs to be the finest example of BE-CSR as closely connected to the school’s core business. This will surely influence students in the right way. Now, the question for teachers concerning the ethics of teaching – how much of influence and what kind of it one will take to be necessary and sufficient if one wants to maximally influence students of BE-CSR course? Yes, we need to teach them something, something useful if possible, one could say, but do we have the right to change someone’s mindset, worldview? Because, sometimes that’s all that is needed, and all other things will come naturally, meaning that students will learn know-how, acquire a decision-making process by heart, know the theory and how to collect, interpret and act upon the interpretation of the data, understand the value system and the worldview (as shown in Table 1).

To scratch the surface: an example of Zagreb School of Economics and Management in period 2002-2012? The context of BE-CSR course introduction at ZSEM

To present a case of a well-established business school in highly ethically sensitive and developed culture and society would be easy. But to do the same with a young business school in transitional culture and society is interesting thing to do for several reasons. It is useful to see how a business school starts in not so friendly environment (politically, educationally, socially, and culturally speaking), it is illustrative to see how it developed and managed its BE-CSR course. Finally, how the course itself functions is only a part of school’s ethical aspirations consistent with its mission. Zagreb School of Economics and Management (ZSEM, see http://www.zsem.hr) started in 2002 and now 2012 the school celebrates its 10th anniversary.
The general external environment for private business schools in 2002 was not good. The public was suspicious of their quality and their motives besides profits of course. The problem of their legal status was and partly still is the case, especially concerning the motion of the new Law on higher education (which in one of its drafts, for instance, suggests that private business schools cannot have graduate and doctoral studies, only universities will be allowed to do so). State universities, especially faculties of economics were partly envious, and partly angry, especially in capital of Croatia, city of Zagreb, where most of private business schools started. The ironic end of this unfortunate debate was that in 2008 some professors from University of Zagreb and especially from Faculty of Economics, Dean included, were accused and found guilty of corruption and bribery in faculty business (the news was not small and it was reported even in New York Times).

Internal environment was also complicated. In these days there were only few private business schools competing for students, and ZSEM made few crucial moves that positioned the school as the leader not just among private business schools in Croatia but also in comparison to state schools of economics at universities. The first important move concerning the whole school's overall quality and especially BECSR education was entering the process of AACSB accreditation (for comments on CSR see George 1987). The second important move was to have BECSR course. These moves were connected and gave ZSEM a substantive comparative advantage. This advantage consists in the fact that there is some probability that ZSEM will be the first Croatian business school (state schools included) that will be fully accredited with the AACSB, and in fact that it developed its curriculum with the strong impact of BECSR, from its mission down to its day to day practices by students, administration, and faculty. Quality, transparency and assessment of learning (AOL) become day to day practice of the school. It was not just the matter of teaching students but previously to that of convincing faculty and administration of importance of BECSR for the whole school and indirect benefits toward the society and culture. Nowadays, almost ten years after, these benefits are showing in various ways.

So, at that time there were few important tasks regarding BECSR course in the described context: (a) Concerning mentioned internal and external obstacles for introducing the whole idea into the ZSEM curriculum, (b) And concerning the very course of Introduction to BECSR. Concerning (a) the following were the most important: (a1) Implementing the idea of BECSR into the curriculum and informing the faculty and the public about it. (a2) Informing and educating the faculty about the importance of the BECSR for the whole school, on the level of a course, of a BE centre, and on the level of the school which then should implement its own standards to itself.

- The first task (a1) was hard concerning the previously mention public's suspicions, while much easier thing to do concerning the faculty. Since Croatia only 20 years ago exited from the communist political and economic totalitarian systems such things as BECSR were mostly unknown. On the other hand, most of the faculty was educated internationally so therefore they were acquainted with the idea and part of them had a course in BECSR during their scientific and business formation.
- The second task (a2) was a little bit harder. It implied that BECSR should be positioned at the core of ZSEM curriculum and that it should be manifested at all levels of school's core business. This task was principally achieved by formulating the mission, vision, and core values of ZSEM and in practice by a series of processes and results. (AACSB standards were and still are of utmost importance here.) This led the school naturally to the second task (b).

Introducing BECSR course was just a part of these processes (b). Some internal activities were important, such as starting ZSEM Business Ethics Centre which organized four BE international conferences the last of which was the 9th International conference on Corporate Social Responsibility in collaboration with Social Responsibility Research Network (SRRNet) with more than 150 participants from all over the world. Parallel with such conferences there were books published (mostly conference proceedings). Concerning the external influence and activities, from 2005 ZSEM started measuring Corporate Governance and CSR among Croatian companies. Presentation of the results every year regularly attracts majority of companies listed in the survey.

For a small private business school in a small society and transforming culture to create a BECSR textbook is no easy job to do. Additionally, the school was in Croatia, Europe, so the translation of the US textbook was not what the school wanted. The developing history of teaching BECSR in EU showed to ZSEM that they need to take what they can from the best practices of teaching BECSR course in US and EU and to accommodate the content consistently to the Middle European and Croatian business realities and cultures, legal systems, public policies, values, and cultures. That meant creating a whole new model. The textbook was created with classical topics from ethical theories, social ethics and policies, applied ethics, principles of BECSR, to the main theories (such as the stakeholder theory/approach), and applications to disciplines and sectors of business administration.

Teaching and learning BECSR at ZSEM
Since the course Introduction to BECSR was planned for the 8th semester (given that the undergraduate studies last for four years), already mentioned risks were solved in the following manner. From the first generation there were few courses which are non-core courses of
business administration curricula but which are quite important such as legal courses, sociology, social psychology, and so on, and among these the Introduction to philosophy course as well. The course was meant to introduce students to broader context of social and cultural environment of business. In practice it was executed as a combination of classical philosophical issues and disciplines (such as ontology, epistemology, and ethics) and some new (such as applied ethics, business ethics, bioethics, environmental ethics, social ethics, philosophy of economics and social sciences, scientific methodology, and so on.). In this part the task was quite easy since in Croatian high schools have ethics course (religiously or otherwise taught), and gymnasium schools beside these have logic and philosophy courses as well.

In addition, the course was made in order to prepare students for non-core business administration elements of their core courses, especially to focus their attention on BE-CSR during the second and the third years of study. So, at the fourth year of their studies there is the Introduction to BE-CSR so the students are not completely unprepared or ignorant of the subject. This is a nice example how it is with minor changes in curriculum possible to get great results at least in terms of continuity of ethical issues without major interventions in core business administration courses. The process of teaching and learning BE-CSR includes many things.

On the side of faculty working on the course it is required that they are: Professionally prepared for the classes and other activities, can accommodate the syllabus and therefore the process of teaching in the light of interest of the subject, and of students (mostly concerning current Croatian business cases), and that they discuss, research, participate at symposia, and conferences, and write on the topic.

On the side of students the following activities are required: Attending classes during which lectures, discussions, and oral exams are held, attending online colloquium concerning basic principles of BE-CSR, learning from the textbook, especially basic texts (such as the stakeholder model), participating in discussions, exercises, and presentations in terms of small ad hoc cases or short essays, preparing a case study in form of document and in form of a in-class presentation (in group but with strictly separated assignments (say research, writing, presenting, format proofreading, and so on:) because the earned points can vary among members of a group).

The structure of the standard lecture is the following (there are 15 weeks, 3 hours each week, and therefore 45 hours of lectures per semester): Two hours are composed of (50 + 50 minutes): oral exam (15 minutes), repeating the previous topic, (15 minutes), and lecturing the new topic, connecting it to other parts of business administration, and presenting various typical cases (70 minutes). The third hour (50 minutes) is composed of: the new topic, connecting it to other parts of business administration, and presenting various typical cases (70 minutes). The third hour (50 minutes) is composed of: practice of decision making process (in the simplest model students invent a case, determine scarce resources, determine stakeholder groups interested in particular decision and action, then they formulate the decision, justify it, and divide the resources accordingly), presentations of small ad hoc made cases (based of information from daily mostly business newspapers), with short explication of dilemma between values, possible courses of action, and advantages and disadvantages of such courses, and commenting and discussing current economic and business situation in Croatia and internationally. Traditionally, lecture weeks are separated from weeks of presentations of big case studies by watching various parts of documentary movies or others and commenting and discussing about them (perhaps it is interesting to mention that their interest in these movies ranges from movies like “The Corporation” and “Erin Brockovich” to the Charlie Chaplin’s “Modern Times”).

During first weeks of the course students are repeatedly acquainted with their tasks and especially with elements of final case studies which are graded somewhat rigorously (with Fatal Error Policy included). Additionally, they are introduced into the world of values, not just material values, but cultural, and especially ethical and moral values. Each of these elements has its justification consistent with students’ needs, and requirements of the course.

So, generally speaking, teaching BE-CSR at ZSEM is a combination of: lectures, case studies, decision making exercises, discussions, and a lot of work by students. Yet, the question is – is this enough, or is this the most one can do by means of one course? Well, yes and no. Surely, the lectures and the students’ participation will be of significantly lesser quality if there were no other courses helping the goal of BE-CSR course, and if there is no general climate that BE-CSR is important as much as the core business itself. In future, realistically speaking, this climate should be even more manifested in every part of the school’s core business. Idealistcally speaking, one can be quite happy if all of these problems and the course itself is removed only if we successes in changing our way of life (as a colleague of mine would say). Realistically speaking, on the other hand, a business school can be happy if its students at their workplaces aren’t engaged in violation of BE-CSR standards.

What one can research are overall numbers and percentages (as shown in Table 2). Table 2 in terms of illustration since this is no quantitative research, shows that 91,1% percent of graduate students (after eight semesters / four years) are working, or continuing studies (in most cases they pursue MBA degree), or working and continuing studies (statistics are available on demand). Concerning first two columns in table 2 they show extremely high percentage of exit on both undergraduate
and graduate levels in Croatian terms. Concerning third column in Table 2 the exact percentages are: working = 42%, continue studies = 25,9%, and working and continuing studies = 23,2%. Therefore, 42% percent passed the BE-CSR course at undergraduate level. Concerning entrance, it should be mentioned that in last three academic years (from 2009/2010 on) at least 3% of students entering are coming from gymnasia which are of highest quality high schools in Croatia.

Table 2 shows some results of ZSEM (data supplied by Ivana Krolo, MBA, Head of the Career Center at ZSEM, first undergraduates finished in academic year 2005/2006) Undergraduate level means 8 semester study in period of four academic years. Exit means graduated from earliest deadline possible to two years after the end of 8th semester.

Concerning the high percentage of entrance and exit this will surely be the challenge to maintain since: ZSEM in 2012 (second year in a row) earned the title of “3 Palms” meaning „Excellent business school, nationally strong and/or with continental links“ with the rank 97 by Eduniversal (available at http://www.eduniversal-ranking.com/business-school-university-ranking-in-croatia.html, accessed 28. 11. 2011), and since ZSEM is in the final stage of AACSB accreditation process. On the other hand, in Croatian high school education system all students in high schools have courses of logic, philosophy, ethics/religious studies, and politics and business and that makes the job of BE-CSR course professors much easier. These results can be encouraging, but one must be cautious since nothing guarantees that this trend will continue.

Namely, it is only the question of time, risk, and probability when certain amount of graduates at their workplaces will be engaged in some violations of BE-CSR standards. The course itself, no matter how it is carried out, cannot help much in order to prevent such unfortunate yet highly probable outcome. Among a series of various CSI excuses the course itself eliminates only one excuse, that is to say – the claim of ignorance in form of “I do not know what is it and how to do it.” All other moral excuses for CSI are completely available, for instance: the transfer of responsibility (It wasn’t my job to do it), transfer of scope of the issue (What I did was legal), transfer of person responsible (It was him not me, It was the fault of machines), the irresistible pressure (You don’t know the pressure of co-workers and/or superiors), and so on. (see McDowell 2000:27-47)

BE-CSR course – alone in the dark
A pessimist’s remark II
Concerning the Table 1 from the beginning of this short conceptual and case study and the Table 2 one can ask – are these means and goals mention at the end of the previous section sufficient and realistic?

Means are sufficient and goals are realistic!
On one hand, it seems that means and goals (Tables 1 and 2) are sufficient realistic. In fact, at least majority of students pass the courses with certain amount of basic know-that and know-how which can be compared with knowledge of students of other business schools in Croatia and in EU and US, yet, the grades are different issue. However, no student is allowed to pass the course without basic know-that and know-how of BE-CSR, without knowledge of how to research a case, how to write it, and how to present it, how to apply an ethical code, and how to reach a balanced decision concerning many stakeholder groups. Last but not least, each and every student should know how to: reach and implement a decision (concerning many stakeholders’ interests) and how the results (of the implementation) measure. For the undergraduates who came to business school without any knowledge about BE-CSR this seems sufficient (perhaps it should be mentioned that BE-CSR course is introduced into curricula of high schools of economic and business type in Croatia, and that these circumstances will be changed in time).

Nevertheless, graduate students (master level, MBA) are a different story, especially if they have a BE-CSR course at the undergraduate level, and if they have some significant working experience, but this is topic for a different case and a different paper. The transition mentioned at the beginning of the paper was and still is not the easy one, say from one set of values to the other, but the hard one, from no-values to some values. In this way, any cultural, and ethical education, by a family, state, religion communities, NGOs, educational institutions from primary schools to universities, and others has to contribute systematically, consistently, and continuously, and perhaps in 25 or 50 years some results would appear. During this period any mistake will delay the change. This is not just the change from one set of routines to the other; it is a change into a new way of life, new mindset, and as such it requires a kind of cultural conversion to new (perhaps old) ways of acting and thinking.

<table>
<thead>
<tr>
<th>Table 2: Some results of ZSEM (data supplied by Ivana Krolo, MBA, Head of the Career Center at ZSEM)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entrance and exit variables at ZSEM</strong></td>
</tr>
<tr>
<td><strong>Undergraduate students Period (academic years) 2002/2003-2011/2012</strong></td>
</tr>
<tr>
<td><strong>Exact numbers and percentages</strong></td>
</tr>
<tr>
<td>Average enter number</td>
</tr>
<tr>
<td>250</td>
</tr>
</tbody>
</table>
Neither are means sufficient, nor are goals realistic!
On the other hand and concerning the starting question the answer is – means and goals (Tables 1 and 2) are insufficient and unrealistic, meaning that neither are means sufficient nor the goals are realistic, since BE-CSR course cannot change the lack of values in a transitional society (Croatian society is just a nice example). Simply, it can help to restore some values, to advance some values, and to teach how to critically examine offered values.

- Yet, education, especially higher education, is not and cannot be the sole determinant of moral aspect of human actions. Business schools are no exception. Consequently, the responsibility of business schools is highly overrated.

- Nonetheless, the influence of BE-CSR courses is also measured and results are interpreted as positive, but they are of lesser significance. This is so because the rest of the society must contribute as well. All data show that it does not help is any substantial way. Yes, there are major action plans and implementations, and some results concerning fighting corruption and bribery, there are some advancements concerning CSR, but there is no positive climate toward CSR and CSI sensitivity, or in short – there are no signs of culture change.

- If a business school doesn’t recognize the importance of BE-CSR course (not having the course, having it as elective course, as obligatory course, connected with other courses and vice versa, and so on.), and if the rest of the society and culture fails to create at least sensitivity and understanding for ethical issues and aspects of professional life, then it is innate, or even malevolent, to claim that business schools should correct the whole society’s condition for the better, because they cannot, and after all they shouldn’t do it by themselves.

And precisely this worries business schools in transitional societies. The dilemma exists and it is twofold, internal and external.

- Internal dilemma exists between a business school marketing in terms of introducing BE-CSR course, and creating some real results of incorporating CSR in schools’ mission and practices of teaching and learning.

- External dilemma says that on one hand a business school has to contribute substantially to a culture change, while on the other hand school’s means to do so are quite limited if the culture change isn’t supported by the rest of society.

Solving the dilemma on internal and external levels both seems to be the most important practical task of many business schools in transitional cultures.

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