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Business & Professional Ethics Group

1 October 2012

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Ethics in Business Education

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Business school students usually rank among the first to value their education for its instrumental purpose (Pfeffer, 2007). It is almost a cliché – but one with more than a just a grain of truth in it – that a business student’s litmus test of the value of a subject is “how will this course help me enhance my career prospects?” or, more bluntly, “how will this course help me earn money?” This career-oriented, instrumental attitude towards education gives rise to special challenges for business ethics (McCabe and Trevino, 1996) – a subject, which in the eyes of many business students, adds little value to their education. After all, employers usually ask for a strong work ethic, not for strong ethics.

It is no surprise, then, that the problem of student disengagement is especially pronounced for business ethics. Anecdotal evidence suggests that many business school students perceive business ethics as nothing more than a distraction from what really matters (Rhode, 2003). In an attempt to overcome this, business ethics is now commonly taught in a very practical way (Cagle and Baucus, 2006). But doing so fails to recognise the particular moral environment of business schools.

In very simple terms, business ethics deal with the relationship between business and society and how – in terms of overlapping or diverging interests, conflicts and tensions – this relationship should look. In the classroom, it also deals with the question of how business school students, as future managers, shape and become part of the social contract governing this relationship. These are very substantial questions, yet if attempts to answer them are too applied, they become ‘concretised’ and the answer becomes superficial, no longer doing justice to the question posed. The teaching of business ethics runs the risk of a ‘practicality versus substance’ trade-off. Sometimes it is abstraction, not ‘concretisation’, that makes a problem accessible and interesting, and this is particularly true for business ethics.

To effectively teach ethics in business schools it is important to establish the very purpose of business ethics – the inclusion of business ethics as a subject in many business schools’ curriculum is an attempt to make future manager generations more socially aware (McCabe, Dukerich and Dutton, 1994). Of course, no class on business ethics can directly make its students more ethical; no class can instill ethical behaviour. This would be too ambitious and too dangerous a goal because it would be tantamount to moral indoctrination. Rather, business ethics should be a platform where

students are confronted with ideas and theories that challenge their preconceptions about the purpose of business in society.

The current focus of business school studies is growth: how can any given functional business area help a company grow its bottom line. Naturally then, the growth paradigm is what informs the choices of many managers nowadays; and the *homo economicus*, the idea of the self-interested utility maximiser, is the embodiment of this paradigm in business education (Giacalone and Thompson, 2006). Business ethics should challenge this growth-driven mindset. How can it do so? Not by discussing typical examples of the ethical dilemmas faced by businesses, such as a profit–environmental protection trade-off. Not by teaching tools, such as stakeholder mapping. But rather by teaching theories, which explore the hollow pursuit of growth for growth's sake.

Education in business ethics could mount a formidable challenge to the relentless pursuit of growth if it is rooted in theories opposed to today's received economic wisdom. And there are plenty of theories to draw on. As Robert and Virginia Shiller (2011) argue, only in recent years have economics and business become largely technical fields of inquiry. Correspondingly, they are taught in a technical, that is, value-neutral fashion. Business ethics, by definition, clashes with this account of economics and business because it tries to establish values in a world of self-perceived technocrats – people who are known for their absence of moral sentiment (Jones, Parker and ten Bos, 2005). Just how detached this account is from the origins of economics and business studies can be appreciated by looking at their history. It was not without reason that Robert Heilbroner (1986) bestowed economists with the label 'worldly philosophers' because ultimately, economics is a moral science.

Business ethics should attempt to balance the lopsided account of the interaction between business and society taught in business schools. Think of Goldman Sachs selling almost worthless financial products to their clients or bankers manipulating LIBOR – what drove these people to do so was not a lack of awareness of the existence of stakeholders but rather total disregard of their stakeholders' interest. Such ethical shortcomings thus cannot be rectified by a set of tools, because they do not stem from a lack of tools in the first place. They are rooted in a very particular way of thinking about the relationship between business and society, in which one side is almost pitted against the other. The question of how to incorporate stakeholders' interests in the decision-making process of the business thus is not one of simple awareness or having the right tools at one's disposal. It is a question of prioritisation and paradigms.

The economy is a system made up of agents who make economic choices and business ethics should be concerned with what paradigm motivates or informs these choices – what our priorities are. If business ethics is taught in this way, it will not directly attempt to change students' values. But it should make student question the underlying premise of the relationship between business and society. It would explore the moral limits of the market and take students on a journey through the history of their academic field. This should be the ultimate purpose of business ethics: exposing students to the breadth of knowledge that makes up economics and business studies. If it succeeds in doing so, it will also teach students that not everything can be valued in monetary terms – including their education.

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