

“Let’s Hear It For These Accountants and Business Ethicists!”

Advancing Business Ethics Education
Diane L. Swanson & Dann G. Fisher (eds.)
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A Commentary by William C. Frederick, June 2008

This will be a commentary—not the usual critical review—on this sparkling collection of thought pieces about improving ethics education in business schools. The two Kansas State University editors—Swanson an ethicist and Fisher an accountant—make a unique combination. Because of my close professional relationship with them and with most of the authors and my authorship of one of the chapters, an arms-length perspective would be hard to come by. But there are good reasons why you and your library should acquire this book, so let me tell you why.

The core of the book—and the fervid view of the editors—is an explicit criticism of U. S. business schools for failing to prepare their students to understand and deal in an informed way with on-the-job ethical issues and problems they are likely to encounter during their professional careers. As practitioners, these graduates will be the ones to set company goals, formulate policy, design strategy, execute plans, organize people and resources, supervise outcomes, motivate a work force, evaluate results, explore new markets, introduce new technologies, find loyal customers, interact with governments and host communities. *At every point of this business agenda, ethics issues arise.* That is not true of most of the core topics taught in business schools—accounting, marketing, finance, economics, organization, information technology, government relations—each having its own specialized niche but not embracing the whole company. ***Normative issues—questions of right and wrong—are perhaps the only universal, ubiquitous component of business activity.*** Why then should ethics instruction be so widely absent among the majority of U. S. business schools? Deans and faculties would not omit accounting or finance from their curricula, so why is ethics so infrequently a central part of business education?

This volume’s authors—all of them seasoned and well known specialists in their own respective fields—identify a range of factors that, collectively, have marginalized ethics instruction.

- Failure of the business schools’ accrediting agency (AACSB) to require ethics courses as a condition of accreditation
- Fixation on behavioral models derived from neoclassical economics orthodoxy that emphasize rational self-interest at the expense of other-regarding behavior
- Dean and faculty indifference, skepticism, or opposition to the feasibility of influencing the values or ethical orientations of adult business school students
- Protection of faculty vested interests in conventional topics in the business curriculum
- The ineffectiveness of conventional principle-based ethics instruction

- Perpetuation of an amoral sense of self through failure to recognize bio-neurological normative impulses
- An agency-based conception of professional responsibility that omits consideration of complex sociocultural factors influencing business decisions.

What to do? The answers—imaginative, innovative, and path breaking—go far beyond the usual ones offered by past critics of business schools. Without sampling all of them—after all, the idea is for you to read them for yourself—the foremost ones *place the burden on the students themselves*. One proposal is to rely on “wisdom circles” or their variants—circles of trust, learning circles, horizontal evaluation, peak learning experiences—which are dialogic devices enabling participants to discover, reveal, and acquire from other participants the nature and meaning of their deeper values. Organized as classroom instruction or on-the-job exercises, the goal is greater awareness and a holistic sharing of values that are present in, but not always acknowledged by, a company’s culture. The same goal animates the proposed expansion of the self concept through acceptance of sociocultural differences encountered in global markets, while making room for open-ended definitions of the business firm that decenter its profit-making activities as the be-all and end-all of business purpose. Drawing on cognitive science, one author argues that the moral self is literally embodied within the brain, and its imaginative capacity is released and expressed through metaphors and narratives reflecting our lived experiences.

Self-discovery as an opening to a more socially generous concept of right and wrong is explicitly demonstrated as a realistic goal of business ethics instruction by three proven, empirically-based programs.

- On one MBA and undergraduate campus, students are immersed in environmental responsibility and sustainability issues through explicit involvement in self-designed projects to lessen the carbon footprint of local businesses (sometimes their own employing firms). Based on The Natural Step concept, student projects include recycling, energy-efficient lighting, reducing hazardous wastes, conserving water, while applying these activities to campus buildings and student dormitories. As the author and organizer says, “These environmental service-learning activities have contributed to fostering a Business School and college culture that embraces environmental innovations. Students want to make a difference and these projects enable them to do so.”
- Another comprehensive, already-functioning, full-scale business ethics program—requiring ethics courses, providing electives, integrating ethics into functional courses, encouraging ethics research, and sponsoring outreach services to local firms—clearly demonstrates the feasibility of going the whole way at both undergraduate and MBA levels. A key to its success is strong support from the university’s president and the business school’s dean, plus the university’s mission as a Catholic institution.
- Yet another author-professor corralled an immense base of research on moral development, cognitive decision making, affective behavioral tendencies, and moral integrity—including their active presence and operation in business-management contexts—from which he developed an empirically-testable way to

identify and cultivate a sense of strategic integrity in students. Applying the concept, called the Business Integrity Capacity model, he found it entirely possible “to document statistically significant improvements in business ethics competencies . . . within a stand-alone, required, foundational [business ethics] course.” The message to doubting faculty: Don’t say it can’t be done.

Other practical, practiced-based reforms of two key functional areas are presented, one on how to infuse ethics into the education of accountants, another to expand ethics awareness into human resource management courses. These proposals are not pie-in-the-sky ideas. They are clearly doable, offered by experienced professionals concerned about the future of their students and the firms they will serve.

And don’t overlook these last two goodies. One chapter presents some scintillating and highly revealing survey data about the prospects of improving business ethics education. Check it out. Among other findings: “overwhelming belief [among corporate CEOs, business school deans, and business faculty] that a business ethics course should be required of all business graduates.” But guess what? “CEOs are considerably more likely than either faculty or deans” to favor required ethics courses of MBAs. Deans, while supporting the ideal of more ethics in the curriculum, turn out to be weak reform reeds to lean on, inasmuch as their influence on powerful faculty blocs is limited, their tenure is on the short side, and their main job has become fund raising, not academic leadership. And, oh yes, don’t forget that business school deans comprise the membership of the weak-kneed, cronyist accrediting organization whose official title—Association to Advance Collegiate Schools of Business—belies its role in truly advancing the cause of business ethics education. Deans—yuck! (I used to be one.)

And perhaps the most glittering gem of the entire book: Most of the heavy lifting here is done by accounting faculty, numbering five of a total 26 authors. This is not meant to denigrate the business ethicist contributors. But if you—as I have, I must admit—tend to think of accountants as “bean counters” devoted entirely to amoral or immorally pursued bottom-line goals, admit that you’ve been a disciplinary snob. These accountants, along with many of their accounting colleagues, manifest a true spirit of accountability—toward achieving an ethical standing for both business and society.

More could be said, as always, but this much gives you a flavor. This is not your usual boiler-plate stuff. You’ll find out-of-the-ordinary ideas here, some of them even radical. Imagine that! From the denizens of business schools. My, my! Abolish the MBA? Enhance emotion in management decision making? Adopt Native American tribal pathways to moral wisdom? Accept that morality is an embodiment of bio-neurological belief and action? Convert double-entry accounting into a morality scale? **Require ethics courses!?** Ah, truly the sky is falling