

Incorporating Ethics into the Business Curriculum

GARY ATKINSON, JEANNE BUCKEYE, ALBERT TROSTEL

College of St. Thomas

Few observers of the American scene are likely to deny that sensitizing business students to the ethical dimensions of their profession is currently a hot topic.¹ There might be considerable disagreement, though, about the merits of this increased attention over the long run. Cynics suggest that it is little more than a fad whose popularity has already begun to wane, and that its principal value has been to provide job opportunities for out-of-work ethicists. Even those who sense a need to deal explicitly with ethical issues within the undergraduate and graduate business curriculum may question what can reasonably be expected from the classroom. Teachers in all disciplines commonly complain that today's students seem interested only in acquiring the immediate expertise and skills they think necessary for getting that first job. They appear oblivious to longer-range concerns that pertain to a fully satisfying career and its successful integration within a rewarding life.

A full defense of the important role of ethics within the business curriculum is beyond the scope of this paper, but a couple of points can be mentioned briefly here. The first of these is that to examine clearly unethical decisions is to be impressed (generally) with how really stupid they are. It is the mark of intelligence to take account of *all* the relevant considerations before coming to a decision about how to act. By definition, an unethical decision is one in which some of the ethically relevant considerations were either ignored or at least inadequately addressed. But ethically relevant considerations, when ignored, have a way of returning to haunt the individual, firm, industry, or broader society. Once the student has gained an understanding of precisely what counts as an ethical consideration, he can be brought to see, during the process of analyzing cases from a business perspective, how ethically insensitive decisions tend to damage long-term prospects. Unethical decisions ordinarily result from an overly narrow focus, a concentration on this quarter's bottom line, or the foolish belief that the harmful consequences can be ignored, obviated, swept under the rug. The student can be led to see, if he is willing to see, how acting ethically is nothing other than acting intelligently, facing the unpleasant decisions now in order to avoid the even more unpleasant consequences tomorrow.

A second point is simply a specification of the first. Students in the 1980's are unlikely to appreciate how profound has been the shift in society's attitudes towards business over the past two decades. They commonly tend to assume that the presently pro-business climate is a stable and unvarying feature of the social map, and find it difficult to imagine the depth of the hostility towards and suspicion of business that was common in the mid-sixties and is present today throughout much of the world. Even if hostility towards the free-enterprise system is relatively latent in the U.S. of the mid-1980's, it nonetheless remains a potentially destructive force needing only a change in economic conditions or shift in values to be called forth as an adversary to be reckoned with once again. If the student can be brought to look past the benign aspect of the present to the uncertain and potentially hostile possibilities for the future, he can come to see that if business chooses not to police itself, there are forces waiting in the wings ready and eager to step in, forces that do not have free enterprise's best interests at heart. Business *will* be regulated, the only question is by whom. By ethically sensitive business people concerned to preserve free enterprise while respecting legitimate expectations of the broader society, or by people who equate a concern for profitability with greed?

But if we grant the need for introducing business students to the more-than-economic social dimensions of their profession, we may still be uncertain about what we can reasonably expect from the study of business ethics and how we can best go about achieving the desired result. In the first place, we must reconcile ourselves to the fact that classroom conversions are probably even rarer than those on the deathbed. A student who lives his life looking out for number one, focusing on short-term considerations, fixed on the pursuit of money or pleasure, is unlikely to be swayed by ethical argument, no matter how cogently presented. Fortunately, such students seem to be no more common in business than in most other disciplines, and in any case are the clear exceptions. We can presume that the average student is open to a presentation of the ethical dimensions of a business case, and is often even eager for the fuller analysis that only an examination of the ethical aspects can provide. What is likely to turn off such a student, though, is a preachiness that is perceived either as a hostility to business in general or as an arrogant disdain for the ethical sensitivity and good will of the average business person.

There are a number of different ways of inserting an ethics component into the curriculum of the business student.² One of the most common is to offer a course devoted exclusively to business ethics and taught by a trained ethicist. Such an approach can be most effective, but it is likely to face several limitations that make it an imperfect solution at many institutions. First, even if such a course is on the books, it may be taken by only a small percentage of business students, and by those least in need of exposure to the ethical dimensions of business. Second, if such a course is required for all business majors, that requirement can place a heavy teaching load on the departments whose training is in ethics. Few of the members of those departments may be interested or competent in business ethics, and finding sufficient numbers of adequately trained

teachers can be quite difficult. Third, even if the course is required and adequately staffed, the course may appear to be highly peripheral within the business curriculum, a course mandated by the powers that be but having little to do with the really important courses of marketing, finance, accounting, strategy. Fourth, the professor of business ethics, particularly a trained ethicist with no business background, may at least initially be viewed by the average business student with suspicion, either as having some ax to grind or as lacking any knowledge useful to the business student.³ On the other hand, a business person without formal training in ethical analysis but concerned about the ethical dimensions of business often feels called upon to preach conversion to the congregation of students. Finally, a course in business ethics is likely to encounter a suspicion common to all ethics courses, the notion that ethics is simply not a rational enterprise at all, and that ethical discussions are ultimately nothing better than expressions of feeling.

At the College of St. Thomas we have attempted to avoid these difficulties by directly integrating an ethics component within several sections of the senior-level business policy course required of all majors. The advantages of such an approach can be cited as a point-by-point response to the difficulties encountered by a traditionally taught course in business ethics. First, if all professors teaching the capstone policy course are willing to participate, all majors can be exposed to an ethics component simply by taking a course already required for the business major. Business minors can also be included within this approach, and it can be adapted for any required course that is suitably general in its scope. Second, because the trained ethicist is not the principal teacher of the course, he need be present for only six to ten sessions in each section, and while receiving credit for teaching one course he may be working with three or four sections. Third, the insertion of an ethics component into an otherwise-required business course counters the tendency to see ethics as peripheral to legitimate business concerns. Particularly where the business strategy course proceeds by the case method, an analysis of a case using business concepts can be seen to be *furthered* and *deepened* by the introduction of ethical concepts such as moral rights, social utility, and economic fairness and justice. Fourth, the presence of a trained ethicist within a *business* course provides the ethicist with two vital commodities: *experience* (if only classroom and textbook) of business issues, and *legitimacy* through the tacit recognition by the respected professor of business of the value of the ethicist's particular expertise. Lastly, by showing how similar and complementary are the methods of policy and ethical analysis, the student can be brought to see the truth of Aristotle's remark that it is the mark of the educated person to demand the level of precision appropriate to the individual subject matter. If ethical analysis can be quite imprecise, so can strategic analysis, and while neither has the level of certitude possible in accounting, neither is simply a matter of shooting from the hip.

Immanuel Kant wrote that concepts without precepts are empty, precepts without concepts are blind. What he meant was that a nice, systematic conceptual scheme is worthless without experience to fill it in and give life to its bare bones;

but also that without the understanding provided only a scheme of conceptual analysis, the mere data one gathers will lack significance or meaning, and one will fail to discern the relevant and important in what is right in front of one's nose. This is particularly important when the business strategy course is one, like ours, which emphasizes cases. Techniques of business analysis provide the student with a categorial scheme, a set of concepts for making sense out of the raw data, for organizing it into an intelligible whole, for sifting out the relevant and important facts from the mass of distractions. This is true for all forms of conceptual analysis, and ethical analysis is no exception. A trained ethicist can provide business students with an analogous set of concepts that permit them to discern ethically relevant aspects of ordinary business policy decisions, aspects that ultimately will have important consequences for the successful conduct of the business but which are too often neglected because they seem to have little direct effect on profitability. The goal here is not to see to it that students arrive at the right conclusions, but to familiarize them with the modes of ethical analysis, to sensitize them to the often unseen issues lurking in the background, and to provide them with an appreciation of the level of rationally appropriate to ethical discourse.⁴

The process of collaboration in our program at the College of St. Thomas proceeds in four stages, with no set time limit being assigned to any of them. The first is the period of familiarization. The ethicist attends all lectures and class presentations, perhaps offering observations or presenting occasional lectures, but generally remaining in the background. the course taught is simply the course the business professor would have taught had the ethicist not been present. This stage serves two purposes. It permits the two professionals from different disciplines to grow to know and have confidence in one another. Conversation between the two outside the classroom is particularly useful here. A second important function served by this preliminary stage is to provide the inexperienced ethicist with some notion of the business profession, teachers, students, methodology, and issues.

In the second stage the ethicist assumes a more active role. The course may be tailored somewhat to highlight the ethical dimensions. Cases that raise ethical issues in an interesting way but are also useful for business analysis are particularly helpful. They permit first one and then the other professor to examine the same case from different perspectives, to show how the analysis presented from one perspective complements, enriches, and deepens that made from the other. Again, analyses do not seek to bring the student to the right conclusion but to develop in the student the ability to do similar thinking on his own.

In the third stage the business professor once again assumes the more active and the ethicist the more passive role. But in this stage the business professor raises the ethical issues and discusses them. In both the second and third stages the business professor is the student of ethics, but in the second he learns by observing and in the third learns by doing. The ethicist may add comments or offer critiques either within or outside the classroom, but the goal is to prepare the business professor for the fourth and final stage.

In the fourth stage the business professor is once again alone in his classroom, but he is raising ethical issues with a confidence and sophistication gained through his exposure to the ethicist during the first three stages. The two professors should have continued contact with one another, but it would not be within the classroom. The entire process is to educate ultimately an entire business strategy faculty in the techniques of ethical analysis. It is unlikely that the business professor alone could achieve as careful an analysis of the ethical issues as he could in tandem with the trained ethicist, and continued discussion and reading outside insure that the business professor's ethical education does not cease with the ethicist's withdrawal from the classroom.

The following are our brief individual comments reflecting the experience of several years' cooperation.

Jeanne Buckeye (Business Administration):

Prior to this experience, I hesitated to introduce discussions of ethical issues in the business classroom because they were difficult to manage. They ended in one of two ways: either students freely expressed their *feelings* about an issue, which resulted in a sort of group catharsis, or one or two students dominated the discussion to the point of inhibiting, even intimidating, those who held different views. Students may have left the first discussions feeling relieved, but I doubt whether any real insight had been gained. Even a temporary catharsis, however, was preferable to the second situation, where students often left angry and frustrated—even those who had tried, noisily but unsuccessfully, to impose their views on others. I considered both results unacceptable because I could detect little or no real learning. Students usually develop such strong emotional attachment while defending their positions because morals touch at the heart of a person's self-worth. For this reason, it is often difficult for objective appraisals to penetrate barriers to entertaining new ideas. Worse yet, the lesson the students probably *did* take away was that "one person's opinion *is* as good as another's." If all opinions have equal value, what does it matter whose prevails? To me, this actually represented a *regression in learning* and a setback in students' progress toward dealing with ethical issues openly, with their best reasoning powers, and with the expectation that acceptable, responsible decisions were possible. I imagined that the next time they confronted an ethical issue in a group setting they would either abstain from participation, comply with the group's opinion, or attempt to force the group to accept their views by over-powering it with sound or fury.

Aside from concern for my students, I experienced my own frustrations. I had strongly held views on some of the issues we discussed. It was difficult for me to listen, nonjudgmentally (in a moral sense) to students' opinions. I found myself wanting to enter the discussion as a participant. I didn't, but I've no doubt that students suspected I stood with one side or another, which must surely have influenced their trust in me as the teacher.

Still, it seemed to me necessary to address the ethical issues of business decisions. For this reason, and because I felt ill equipped to aid my students in this area, I was eager to collaborate with an ethicist in teaching business strategy, and the experience has been positive for both me and my students. How did we benefit from this arrangement? First, the ethicist's very presence changes the situation. He enters the discussion with a weight of philosophical education behind him. He is a bona fide expert and, introduced as such, communicates three things to my students before a discussion

begins. First, there *is* such a thing as an expert in ethical reasoning; i.e., we are not all equally well-equipped to discuss ethical issues. Second, these issues are important—or why would someone devote a career to studying them? Third, this ethicist has prepared to teach, or help us learn, something of a rather specific nature. Ethical discussions need not be emotional free-for-alls, but logical, purposeful, and fruitful.

The ethicist also shows students that though we may be dealing with intangibles and immeasurable factors in ethical reasoning, those factors are discernible and can be described. They are, therefore, quite real. They will not disappear just because we choose not to address them. What's more, they may well affect organizational efficiency, managerial effectiveness, and the firm's long-term performance.

The ethicist also diffuses the "emotionality" of the issues by describing the ethical reasoning process and by giving students a "language" for discussing these issues. This effectively casts ethical reasoning in the same light as reasoning in finance, marketing, and other functional areas, demonstrating that while personal values play a part in ethical reasoning, they are not the sum total. He describes ethical reasoning methods, and calls on students to be consistent, to pursue the truth rather than accept their first impressions. Perhaps the most helpful factor here is the ethicist's ability to hear an opinion, to ask for the rationale behind it, and then to disclose the nature of the argument—an appeal to utility, rights, justice, etc. This process not only helps us avoid passing moral judgments on others' arguments; it also allows—demands, really—that we examine the basic values underlying the judgment, as well as its logical consistency. Focusing on the nature of the arguments we use to support our ethical judgments encourages intellectual honesty (what are implied or explicit values behind your judgment?). It also takes the spotlight off the individual and puts it where it belongs, on the intellectual process. Simply stated, the ethicist helps us distinguish between ethical reasoning and ethical judgment, or the process and the outcome. I am not interested in spoon-feeding "right judgments." I *am* interested in helping students develop the cognitive skills to address complex issues rationally and with a strong awareness of values, so that they can form their own ethical judgments.

The ethicist, with his understanding of both process and content helps us see that all judgments are not equal. Two people may reach the same conclusions, one through tenacious reasoning, the other by simply accepting the most obvious or expedient answer. The first person uses all available facts, analytical tools, and intellectual powers; the second simply engages in a ring-toss. The ethicist clarifies this point and demonstrates that one cannot "cop out" from such a decision simply by claiming it is too complex, emotional, or personal to discuss. As educators, we discourage managers from making random guesses about production standards or financial goals. Should we not also discourage them from using haphazard approaches to address ethical dilemmas?

Discussion of ethics in business often centers on issues such as pollution or bribery at the policy-making levels in the organization. This may give students the impression that ethical reasoning in the organization is reserved for large issues or for top management. Yet individual corporate citizens regularly face problems of a moral nature. Ignorance is no defense for making poor decisions or ignoring problems entirely. Learning to see and to accept responsibility for these decisions in lower levels of the organization prepares people for better judgments as they ascend the corporate ladder. By stressing this point the ethicist helps to shape better corporate citizens. The ability to engage in ethical reasoning is not conferred with the CEO's title or authority. It is, instead, something the responsible CEO brings to the job from lifelong experience. It

is also a skill which one might hope would make some individuals better suited to assume the most powerful positions in the organization. If our students lack the ability to engage in ethical reasoning, the college classroom is the ideal place—and may be the last chance—to develop it. I suppose this is the real reason I consider an ethics component so critical in the policy course. If we truly want students to become managers who will consider the needs and resources of the whole organization as well as the outside constituencies it serves, then we must help them develop the tools to do this. Ethical reasoning is one of these.

Al Trostel (Business Administration):

The integration of ethical analysis into the business policy course proceeded very naturally, probably because of the fundamental similarities in the methods of analysis referred to above, the notion that concepts are important to perception, and the value of using a categorial scheme to distinguish important from unimportant facts. Secondly, since the avowed purpose of the course is to look at the *whole* business, it is quite reasonable to bring in these ethical issues too. They are especially relevant because they tend to be overlooked in discussions of strategy. Furthermore, the consequences of overlooking them can be very costly in the long run. The example of Johns Manville's going into bankruptcy because of the threat of asbestos-related suits is perhaps the most dramatic. Consequently, while there was naturally a need to provide time to develop the framework for ethical argument, time which had to come from some other subject, I was quite happy to make the accommodation.

The most helpful contribution of this integration has been: to take the heat out of what could be very emotional discussions and encourage ethical reasoning rather than knee-jerk judgment. Because someone has been hurt, one can easily build up a feeling of moral outrage at that painful result, but that emotional reaction takes little cognizance of the ethical dilemma the manager on the spot experiences. It surely doesn't teach anyone how to use reason to make ethically sound decisions. "Do no harm" is an inadequate guide. With these tools of analysis, we are able to defuse the emotional aspects of the issues and encourage reasoning.

My major concern with this integration is whether there is sufficient time to move the students away from a superficial consideration of these issues to some significant and rigorous ethical reasoning. The first time through many of the students' papers reflected simplistic "do no harm" and "do good" viewpoints and did not wrestle with the issues. However, as we refine the course and particularly as the policy professor becomes comfortable enough with the issues to be sure that there is a reasonable search for ethical issues in all the cases, the integration becomes more effective.

The students are interested. Student feedback at the end of the semester is rather uniformly favorable to the idea of incorporating this ethics component. Some of them, however, express a natural skepticism about whether such thinking happens in the "real world" and wonder whether it is a luxury. Perhaps inviting several people to visit the class might give the issues greater legitimacy. In that regard, I would avoid the chief executive who will expound in high-flown terms in favor of some middle manager who must face ethical dilemmas of more mundane, day-to-day nature.

I am most enthusiastic about what the integration of ethics has done for the course itself. In the first place, it provides a solid background for any discussion of social responsibility, lifting that discussion out of the "do good" area and allowing some important analysis of the pros and cons. Secondly, since the purpose of the course is to expand the students' ability to apply rational thinking to complex issues, having a

logician on the staff has been extremely helpful. I understand the structure of the reasoning that underlies the analysis of complex cases much better as a consequence of working with a professional in philosophy. For example, for years I have been trying in various ways to get across the idea of "defining the problem." Going to the logical roots of problems, the special domain of a logician, has given me very helpful insight.

In my own experience I am somewhere between stage three and stage four. I am attempting to take the full responsibility for the course. On the one hand, I find it exciting to attempt to carry that full responsibility, but I realize how thin my veneer of knowledge of ethical analysis really is. Not only must I accelerate my study, but I believe the ethicist should periodically monitor what I am doing. Surely that ethicist should remain in the wings to serve as a consultant.

Gary Atkinson (Philosophy)

As a philosopher I was impressed by two important similarities and one dissimilarity between the disciplines of business strategy and my own field of philosophical ethics. The similarities we have already noted. In the first place, both disciplines proceed using a technique of analysis that breaks up a complex whole (a situation) into its component parts in order that the significant or relevant features may be distinguished from the insignificant or irrelevant details. This can be a gradual process of disclosure or uncovering, since the truly important facts of a situation may not appear to be such at first glance. In order to achieve this analysis, it is indispensable that a set of concepts be developed as a framework within which this sorting process can go forward. Because both ethics and business strategy employ similar methods of analysis, it is surprisingly easy to assimilate them into an overarching scheme in which features of both ethical and strategic significance may be noted. Indeed, by combining them the business professor (even independent of the ethicist) is able to illustrate how attending to features of ethical significance may be invaluable in uncovering facts pertaining to the long-term success of the company. This may not be the best of all possible worlds, and there may be genuine conflicts between the interest of the individual firm (however intelligently conceived) and respect for the ethical requirements of the situation. But a case can be made for thinking that the conflict is not nearly as common as ordinarily thought, and that unethical conduct by business persons is almost inevitably hostile to the long-term well-being of the firm.

In the second place, both ethical and strategy analysis which use the case method attempt to introduce the student to the level of precision and certitude realistically attainable within their respective disciplines. Students in business, perhaps more commonly than in ethics, can become impatient with the seemingly interminable weighing of pros and cons, and seek to have the discussion of cases terminated by being handed the "right" answers by the professor. Students in both disciplines need to be shown that if few cases admit of a perfectly clear, unproblematic solution, there nonetheless exists a process by which better answers can be distinguished from worse.

The dissimilarity between the ordinary conduct of a business strategy course and one in ethics is equally striking. The difference lies in the fact that ethics as a philosophical enterprise is one of the liberal arts and that traditional business strategy as a form of technical expertise is not. The basis for this distinction is that the liberal arts are activities of a person who is free in a number of different respects: free from the constraints of limited time and resources for the making of decisions, free from the determination of ends or purposes set by others, and free from what has been called "the tyranny of the customary," the conventional or standard attitudes and ways of doing things. The

genuinely free person is one who is capable of detaching himself from his own and others' preconceptions in order to examine critically and at leisure the rationality and value of accepted notions and purposes. And the liberal arts are so-called because of their utility in developing this critical and reflective ability.

Courses in business strategy as traditionally conducted are ordinarily not in this sense liberal, but rather take as given and unquestioned the goals (whether stated or only implied) of the firm. Whether this goal should be pursued in all situations and by whatever means necessary is taken as a closed question seldom if ever examined. The image I carried away from first sitting in on a course in business strategy was of an attempt to think while wearing a cast-iron kettle for a hat: the sense of confined spaces, of trains of thought not permitted to extend beyond a very short range, was overwhelming. I should hasten to add, though, that this is a hazard run by many of the professional disciplines, law and medicine in particular, and is not a shortcoming confined simply to the business profession.

Of course, not all presentations of business strategy are (and *none* need be) like this. Indeed, one might claim that it is a disservice to the discipline of business and to its students to provide them with training fit only for glorified mechanics. The automobile mechanic to whom you take your car to be fixed is not *supposed* to question the value of fixing your car or the use to which it will be put. He is, in this respect, a "slave" in Aristotle's sense of the word, a "living tool" serving purposes not his and which he is not expected to be competent to question. The conviction underlying the insertion of ethical considerations into a program in business is that turning out well-trained slaves serves no one's real good, not that of the broader society, the institution of private enterprise, the individual firm, and most of all the students themselves.

Notes

1. The interest in business ethics within business circles, as measured by the number of articles on business ethics cited in the *Business Periodicals Index*, has been higher in the late 1970's and 1980's than it was in the early 1970's. However, that index appears to go through cycles with peaks that interestingly coincide with political events. Since 1958 the peaks have coincided with the early Kennedy years (1961-62), the 1968 election, the Watergate era of 1973-74, and the elections of 1976 and 1980. The all-time peak in this index coincided with the 1976 post-Watergate campaign that elected Jimmy Carter.

2. For a discussion of different approaches, see James Owens, "Business Ethics in the College Classroom," *Journal of Business Education*, April 1983: 258-62. An annotated bibliography on the teaching of business ethics is to be found in Steven Golen, Celeste Powers, and M. Agnes Titkemeyer, "How to Teach Ethics in a Basic Business Communication Class," *The Journal of Business Communication*, Winter 1986: 75-83.

3. David Hiley and William Layton report on their use of a similar approach, where a business practitioner and a philosophy professor team up to teach ethics, in "What Is a Corporate Executive Like You Doing in a Philosophy Class Like This?," *Liberal Education* Spring 1985: 77-80. See also, "Team-Teaching with the Corporate Executive," *Teaching Philosophy*, 8:1, January 1985, 27-31.

4. This is a controversial issue. John D. Long discusses the arguments for and against a school's taking a position on ethical issues in "The Responsibility of Schools of Business to Teach Ethics," *Business Horizons*, March/April 1984: 2-4.