Curriculum Vital: Ethics Courses in Business Schools

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Enron. Global Crossing. Arthur Andersen. WorldCom. By now, these company names and the recent financial and ethical scandals associated with them are known to most of us. Numerous reforms have been proposed in the wake of this crisis of confidence in American business. "Independent Auditing" and "Ethics Officers" are among the new buzzwords heard in corporate boardrooms and among market analysts. A Wall Street Journal/NBC public opinion poll indicated that, "57% of the general public believed that standards and values of corporate leaders and executives had dropped in the last 20 years" (Ferrell and Ferrell). Moreover, a survey by ABC News and the Washington Post showed that "63% of the public felt that regulation of corporations is necessary to protect the public" (Ferrell and Ferrell).

In the summer of 2002, Congress passed new legislation, with more stringent requirements for corporate reporting of financial information. The level of attention and concern given to issues of corporate accountability has increased significantly, along with corresponding employment opportunities for those equipped to address these matters. With all of this in the works, one would expect that colleges and universities would be positioning themselves to train ethical leaders and provide a dependable supply to fulfill this commonly acknowledged need. However, individuals having those expectations are likely to be disappointed. Throughout the 1990's and continuing to this day, institutes of higher learning in the United States have been and are dropping business ethics courses from their MBA programs. In some cases, ethics courses have been dropped from the requirements list, while at other schools, they are being dropped altogether. Now, more than ever, we need to include ethics in the business curriculum.

William Frederick, interviewed for an article in Business Ethics Magazine, says that the required ethics course in the full-time MBA program at the University of Pittsburgh's Katz Graduate School of Business (where he is an Emeritus Professor) "has been under pressure for either elimination or downsizing almost from its inception in the early 1960's" (Kelly, 17). In
addition, the article reports that the course "was reduced from five to three credits in the 1980's, then cut again to one-and-a-half credits in the 1990's" (17). The ethics course has been removed from the requirements list, for the 2003-2004 academic year. While business ethics coursework is still required for the undergraduate, part-time and executive MBA's, one has to wonder what the elimination of ethics courses from the full-time curriculum will ultimately mean for the other programs. This is but one example in a notable decline of ethics requirements and course offerings in the business school curriculum across the country. Why would it be, that in light of all of the publicity of corporate misdeeds, and with a clear public desire for an improved corporate ethical environment, we would see a decrease in ethical course content? The answer lies in an absence of a uniform standard for business ethics teaching and in a basic disagreement as to how ethics should be taught.

There are two schools of thought on the issue of how students should learn about business ethics. One side proposes that we should integrate ethics into the business curriculum. The other side states that individual ethics courses are needed for a more in-depth review (including case studies) of these matters. Those who favor the integration of ethics into the curriculum believe that with this approach students are guaranteed to have ethical content in numerous courses, resulting in more and varied opportunities to experience an ethical point of view. Proponents also point out that by restricting ethics content to one or two courses, the student will be exposed to only one perspective, likely taught by an ethics instructor, with no additional business, accounting, or marketing content. They also observe that there can be "turf" issues, between the College of Business and the Philosophy Department. Mindful of the variety of students' course requirements, as well as the competition among Colleges and Universities to keep from increasing the credit requirements for graduation, proponents of the integration method believe that their approach is a very practical one.
Those who promote the idea of stand-alone ethics courses assert that no amount of "integration" of business ethics issues will allow the student to dig deeply into the individual case studies from which many ethical lessons can be learned. Moreover, they believe that overworked instructors are poorly prepared (and possibly not motivated) to add ethical content to their courses, resulting in an "integration of nothing." Their concern is that in the absence of a core ethics course, the additional ethical content provided in the other business courses will have no foundation upon which to be constructed. To rely upon the teaching of ethics "on the margins" will result in a weak and ineffective framework for students' future consideration of the ethical component of the situations in which they find themselves.

Against this backdrop of different approaches to the teaching of business ethics stands the Association to Advance Collegiate Schools of Business. The AACSB, formed in 1916, is an organization of over 400 educational institutions, corporations and other organizations with a mission "devoted to the promotion and improvement of higher education in business administration and management" (AACSB). Over the years, the AACSB has implemented a number of different requirements related to the teaching of business ethics. These policies have, in many ways reflected the differences of opinion regarding how ethics are taught in the business school. In the early 1970's the AACSB adopted standards of accreditation requiring some sort of specific course offering, in business and society. However, in the 1990's the organization, believing that the requirements were too stringent, adopted a more flexible approach to the curricula, allowing business schools to meet the requirements in any format, as long as ethical perspectives of business were included.

This more flexible approach to the teaching of business ethics is inadequate, and has met with the disapproval of many business and ethics faculty members across the country. In a letter
to the AACSB, urging a change in standards for ethics course content, Duane Windsor, Professor of Management at the Jesse H. Jones Graduate School of Management at Rice University wrote:

The accreditation standards of the early 1970s, whatever the defects of rigidity, at least plainly pointed business schools in the direction of some kind of required course in business and society (or social issues in management), or one of its main components (e.g., business ethics, legal environment, public policy). I have long been concerned that the subsequent change in accreditation standards adopted in the early 1990s devalued coursework in this area, and led over the years to a slow deterioration in the role of business and society in MBA curricula in favor of functional fields, strategic management, and field experience courses. (Jermier, 3)

Other critics have not been as subtle. In an article posted on Duquesne University's Beard Center for Leadership & Ethics website, Diane L. Swanson of Kansas State University and William C. Frederick of the University of Pittsburgh wrote, "An MBA can spend two years and never take a course in business law, public policy, government regulation, organizational ethics, or corporate social responsibility---and AACSB will say it's OK. Each business school is allowed to make its own decision about how, and how thoroughly, ethics and social responsibility are to be covered" (Swanson and Fredrick).

The AACSB has been in the midst of revising all of its accreditation requirements for the first time since 1991, and was expected to consider the matter of ethics at the April 2003 Annual Meeting and Conference. In anticipation of this review, those desiring reform organized a project - Campaign AACSB - where, "Over 100 business school faculty members and concerned professionals have endorsed a letter asking the Association to Advance Collegiate Schools of Business to switch from its flexible requirement for Business Ethics curriculum to one that mandates having a required course exclusively dedicated to the topic" (Benner). It appears,
however, that this was simply a cursory review on the part of AACSB and there has been no
indication that there will be a return to the previous standard. No opportunity was provided for
supporters of Campaign AACSB to present their proposal at the April 2003 meeting.

How does the University of Akron approach the teaching of ethics in the business
curriculum? Under the leadership of Dr. Stephen Hallam, the former Dean of the College of
Business Administration, the CBA has utilized a number of methods. The University requires
that students take the course, "The Legal and Social Environment of Business,” which is
described in the 2002-2003 Bulletin as a study of, "the legal system, public and private law, and
contemporary social and ethical issues" (University, 253). In the fall of 2002, the CBA
encouraged students to take a Business Ethics course offered by the Department of Philosophy.
While this would appear to place the University in the camp of the stand-alone ethics course
advocates, Dr. Hallam, long an advocate of business ethics issues, has written in favor of the
integrated approach. He expresses concern that in allowing ethics to be taught in stand-alone
courses, by either the Business or Ethics Professors:

the danger is that other business professors may decide to leave the coverage of ethics
to those specialists, thereby creating what some at AACSB have called “The Ethics
Ghetto.” The topic of ethics gets isolated within the separate course taught by the
“Ethics Expert” but not applied sufficiently in areas such as accounting, investments,
management, marketing, and business policy. The other business professors feel
justified in skipping ethics in their areas because it is being “covered” by the Ethics
Expert in the dangerous Ethics Ghetto. (Hallam, 1-2)

Whether one is in agreement with Dr. Hallam or not, University of Akron students are fortunate
in that they have a choice to take a course specifically related to ethical business issues.
While there are certainly a number of reasons to be concerned about the place of ethics in the business curriculum today, there are nonetheless, some very positive developments. In the wake of the numerous corporate scandals, many schools are developing "ethics certificates" programs, similar to a business minor. Duquesne University's John F. Donahue Graduate School of Business in Pittsburgh plans to offer a two year Masters of Science of Leadership in Business Ethics, in partnership with the School of Leadership and Professional Advancement (Kelly, 18). Baldwin Wallace College in Berea, Ohio, one of the first business schools in the country to establish an endowed chair in Business Ethics, has developed a variety of public events focusing on ethical leadership and business practices, attended by many citizens and business people in the surrounding Northeast Ohio community. Perhaps these efforts will inspire other institutions to consider how they might also contribute to an academic environment of improved ethical leadership.

We must give special and renewed attention to matters of business ethics in our business school curricula. While the two approaches to ethics training -- integrated into the curriculum, or individual courses of case studies -- can be expected to assist the student in the development of an ethical consciousness in matters of business, they must be implemented in tandem if we are to succeed in graduating effective ethical business leaders. In addition, the Association to Advance Collegiate Schools of Business must take a more proactive role in requiring that these two tracks be followed. Any attempt to propose a simple mandate that "ethics be included in the curriculum" is not only inadequate, but also irresponsible. A Business Ethics course should be mandatory for all students seeking an undergraduate degree in Business. We must understand the correlation between the emphasis (or lack, thereof) on ethical business practices, and the resulting behavior by those involved in the business world. If we fail to address ethical business issues in our institutions of learning, we will surely have to account for it, in the future.
Works Cited


