Mary Godwyn

Ethics and Diversity in Business Management Education

A Sociological Study with International Scope

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A Sociological Study with International Scope

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Preface

This is a qualitative study of business ethics programs in 17 countries. The purpose of this study is to engage a variety of cultural perspectives to evaluate the current state of theory and practice in ethics and diversity in business management education. The research gathered includes surveys, in-depth interviews, and participant observation. I interview business school faculty, students, and graduates and review pedogogy, curricula, and course materials to explore how business management educators around the world are responding to the growing diversity in student populations and the dual crises of environmental destruction and lack of ethical stewardship from much of the corporate community. Respondents are from the USA, Canada, the UK, France, Denmark, the Netherlands, Italy, Germany, Turkey, New Zealand, Australia, India, China, Lebanon, Ghana, Swaziland, and Togo.

The research focuses on the following:

1. Ethics versus Business Ethics: Are there different definitions and expectations for business ethics and socially normative ethics, and if so, how do they differ?
2. Business Ethics versus Business Practice: How much does business ethics education affect business practices?
3. The Impact of Cultural Context: How do larger cultural values impact the presentation and interpretation of business ethics?

Using Hannah Arendt's concept of the banality of evil and Émile Durkheim's definition of solidarity, I found that ethical behavior is not just relative to historical time and geographical place, from culture to culture, or from individual to individual. Ethical behavior is *relative within each individual and depends upon the group with which they are currently identifying*. When students identified with business interests, their ethical positions were different than when they identified as consumers, employees, or citizens. This inconsistency in ethical positions did not seem perceptible to students and could change in a matter of minutes.

This study also found that the business ethics programs reviewed here in India, Ghana, and New Zealand made the biggest effort to include a diversity of perspectives in course objectives and in student and faculty member populations.

Additionally, the institutions studied in these countries also made a conscious effort to prioritize humanistic values rather than focus chiefly on profit and productivity.

This research points to two general changes that must happen within business ideology and practice in order that business decisions become routinely associated with ethical standards consistent with those directed toward long-term social and environmental good:

1. Businesses must serve people rather than people serving business. Rather than a parallel and often times opposed set of standards governing the business realm, ethical social interactions must be the larger context in which businesses operate. Businesses that harm people and the environment have to close. The extinction of a business should not hinge on whether it ceases to generate profit, but on whether it fails to contribute to widespread and long-range social good. In other words, quality of life issues must be primary in the evaluation of business success with quantitative considerations secondary—otherwise there is no meaningful distinction between ethical and unethical business practices or between the goals of legal, legitimate businesses and their illegal counterparts.
2. The theoretical and practical assumptions that undergird the economic template of business must serve and represent populations equally and fairly rather than privileging certain populations on the basis of culture, gender, race, class, sexual orientation, or other foundational sources of identification. The current lack of diverse perspectives, experiences, and opinions minimizes alternative views and therefore obviates the ability to define and execute ethical behavior.

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Chapter 1
A Qualitative Study of Business Ethics: A Sociologist Walks into a Business School

1.1 Introduction and Methodology

In the twentieth century, elite business management programs were heavily concentrated in the United States, and the U.S. financial sector was unquestionably the most powerful and influential in the world. U.S. culture, which is relatively individualistic and materialistic compared to Asian or European cultures (Crane and Matten 2010) had set the tone for business management education, business practices, and therefore, for the field of business ethics. A 1991 European graduate of a U.S. business school comments:

> The nature of teaching as I experienced it had a strongly U.S.-centric bias despite the class being perhaps 30% foreign students. As far as I can remember, all my professors were from the U.S. I believe that the consequent inevitable biases around cultural values are a problem. Over and above the fact that professors are teaching their own beliefs—there is no standard model of business, no generally accepted canon, no intellectual framework to speak of—they are also imparting a set of culturally dominant and accepted views.

But, there is evidence that this is changing: recently U.S. business schools have been confronted with some sobering statistics. According to *Businessweek,* full-time MBA applications are down in at least 12 of the top 30 U.S. business schools. Some have had double-digit declines in applications for their full-time MBA classes, including Columbia Business School and New York University's Stern School of Business. The challenges confronting U.S. business schools include:

- Slow-growing or stagnant economies in the U.S. resulting in higher unemployment rates, while at the same time, India, and China's economies are expanding;
- A dip in reputation and confidence as many blame U.S. business managers for rampant malfeasance and resulting social, economic, and environmental devastation;
- Course material often predicated on a Western, White male protagonist in a time when international business interactions are growing exponentially and business students are increasingly non-Western and increasingly female;

- Climate change and other environmental issues becoming acknowledged as a threat to human species survival, intensifying the need to rethink the Western quantitative model of profit-driven business and replace it with a more holistic model that prioritizes social justice and ecological concerns.

As a result, there is evidence that U.S. cultural assumptions are being reconsidered and perhaps even replaced. Kurt Badenhausen of *Forbes* writes that while U.S. MBA graduates saw a 9 % rise in salary from 2006 to 2011, "The story is even better if you look at only schools based outside of the U.S. Graduates from the 24 non-U.S. schools in 10 countries... examined had annual salary gains of 11.5 % in local currency" (2011). A Dean at one U.S. business school shared that in 2012, only 33 % international students at his school were interviewed for internships, but in 2013, that number had almost doubled to 62 %. Clearly, the business landscape is becoming more diverse and employers are increasingly interested in a workforce that represents a the global variety of viewpoints and experiences.

Hence, current circumstances offer an unprecedented opportunity to redefine business ethics and reexamine the goals of business education and of business practices. Engaging a variety of cultural perspectives is an essential component of any ongoing evaluation of theory and practice. In this research, I interview business school faculty, students, and graduates and review pedagogy, curricula, and course materials to explore how business management educators around the world are responding to the growing diversity in student populations and the dual crises of environmental destruction and lack of ethical stewardship from much of the corporate community.

Economic, environmental, and demographic changes also provide an opportunity to bring together liberal arts and management perspectives to focus on ethics and diversity in business education. In order to explore how management education both reflects and in turn influences larger social and cultural contexts, I rely on frameworks in the humanities and social sciences, specifically ethics and sociology. These disciplines provide alternatives to economic theory—most often used as the disciplinary lens in business education—and economic considerations—most often used to evaluate the success of business school graduates. Ethics contributes structures to identify and evaluate the moral justifications and assumptions of applied systems. Sociology provides empirical and theoretical traditions that explore social goals and social change, quality-of-life concerns, power dynamics, diversity, and inclusion. Together, these disciplines engage aspects that are often marginalized and underdeveloped in business management education.

1.2   Brief Summary of General Research Findings and Theoretical Perspectives

Running throughout the research presented here is evidence that business culture, and those who identify with it, hold the sphere of business to separate and different ethical standards than that of the normative ethics governing interactions in the larger society. Ethics are not just relative to time and place, nor do some individuals have a core ethical character while others have none; instead, individuals manifest definitions of ethical behavior that fluctuate depending on the group or groups with which they are currently identifying. Their behavior is also judged as ethical, or not, by standards based on group identifications.

I theorize that the realm of "business" in capitalist economies is allowed, even expected, to maintain different and separate ethical standards from those of other social interactions. The indulgence and forbearance granted the business realm is a reflection of its control over material exchanges. As material, quantitative calculations come to be valued over symbolic, qualitative definitions, the business realm increasingly controls government policies, educational curricula, interpersonal relationships, and ultimately, the development of consciousness and self-identity. Using concepts introduced by Hannah Arendt and Émile Durkheim, I argue that because of the social solidarity ritualized in part by identification with the ethical values associated with the business world, business ethics and the resulting behavior often remain hidden and evade critical examination. Arendt's theory of the banality of evil; that is, that ethical behavior among ordinary people can be eroded away and diminished over time under the weight of unexamined social conventions, is borne out in a multitude of experimental research. Some of that research, relevant to the new data presented here on business ethics education, will be discussed in detail, including Stanley Milgram's experiments on compliance with authority and the implementation of Hans Monderman's idea of Shared Space.

By interviewing respondents from around the world, this manuscript details and explores numerous perspectives and pedagogical techniques. Those I interviewed who were struggling to revitalize business ethics courses were often cognizant of the compelling strength of solidarity reflected in noncritical acceptance of the current ethical standards ruling the business domain. These respondents provide narratives of resistance to 'business as usual' by offering alternative frameworks wherein the precepts of corporate capitalism are questioned and critiqued. Narratives include descriptions of different visions of business and business ethics education as well as descriptions of the rewards and challenges of resisting current conventions. This process underscores Arendt's point that critical thinking is the best defense against blind obedience to social convention and to the compelling, almost irresistible, force of solidarity. Arendt concludes, "The manifestation of the wind of thought is not knowledge; it is the ability to tell right from wrong, beautiful from ugly. And this indeed may prevent catastrophes" (1971: 446).

The first part of this introduction describes the methods used and the second part provides a detailed explanation of the theoretical orientation applied to the empirical research.

1.3   Methods

I use qualitative methodology to analyze narratives about business ethics. The data includes surveys and in-depth interviews with business school faculty, students, and graduates from 17 different countries. Unlike systematic studies of business management curricula such as the Aspen Institute's *The Sustainable MBA* (2009) or Datar et al.'s *Rethinking the MBA* (2010), or studies about the relevance and flaws of graduate and undergraduate degrees in business (Colby et al. 2011; Khurana 2007; Moldoveanu and Martin 2008), the focus here is on first-hand accounts of experiences with business ethics and how respondents reflect and act on those experiences. I also conducted classroom observations and examined course materials from a range of business ethics classes.

This study explores how business school curricula is influenced by larger cultural values, how programs differ from place to place, and how business ethics education might impact normative business practices that affect the distribution of wealth, opportunity, and prestige in local and global economies. Respondents are from the U.S., Canada, the UK, France, Denmark, the Netherlands, Italy, Germany, Turkey, New Zealand, Australia, India, China, Lebanon, Ghana, Swaziland, and Togo. Interviewees were gleaned through snowball sampling (Weiss 1994: 25). I began by contacting colleagues through academic conferences and professional organizations who had taught or taken business ethics courses or who knew others in that situation. This technique led me to populations of business students and graduates willing to participate in the study.

Everyone interviewed knew of my status as a sociology faculty member at a business school who was doing research on how business ethics was taught at different institutions around the world. My central questions were whether and to what degree larger cultural values impacted on the presentation and interpretation of business ethics and whether and to what degree business ethics education affected business culture and practices. When possible, I made on-site visits to schools and conducted participant observation by attending classes. Other times, interviews were conducted by phone or video conferencing. All interviews were tape recorded and transcribed. Because most business schools have very few faculty members who teach business ethics courses, identification of the business school would be tantamount to identification of the faculty members. Therefore, to protect the anonymity of the respondents, I refer to them only by countries rather than institutional affiliation.

As mentioned, this is a qualitative, text-based study rather than a quantitative numerically-based study. Qualitative sociological research in the tradition of Weber and Blumer holds that human behavior can only be understood from the individual

respondent as she/he is interpreting and constructing meaning in each social situation (Levin 1994: 50). Therefore, narratives that unfold in conversation and describe experiences are not separate from the experiences themselves; instead, experience is negotiated, constituted, and reconstituted as the narratives develop in the process of repeated conversations with various others (Ely and Padavic 2007). The narrative approach can reveal how individuals make sense out of their experiences of business school and in business culture, while also illuminating the larger social, cultural, ethical, economic, and political assumptions and expectations of business practices and management education (Miller 2005: 6).

I used open-ended questions (see Appendix for examples) tailored to elicit narratives: the interviewer listens and responds by asking for clarification of the respondent's descriptions of her/his experiences. This interactive and relational approach creates further opportunities for the respondent to develop interpretations and build on existing narratives. Consistent with grounded theory (Charmaz 2001; Emerson 1983), I used an iterative process to identify developing themes and to search for key words and patterns in interviews and in course materials (Charmaz 2001; Yin 1984). In relating the interview data, I attempt to "convey the subjective realities of those studied" (Emerson 1983: 105) as those realities are described to me. The focus then is on subjective experiences, perceptions, and interpretations rather than on questions of outcomes, policy, curricula, or relevance of business courses and degrees.

Qualitative researchers recognize that the narrative is affected by the process of conversation and is therefore shaped by both the researcher and the respondent. My own personal views, experiences, and biases also necessarily play a part in the interactions described in the data. In evaluating the landscape of business ethics and management education, I became increasingly aware of my own potential for ethical and unethical behavior and the myriad of complications that affect behavioral outcomes. With this in mind, during interviews, I attempted to limit my emotional responses and cognitive judgments in the service of facilitating a space for open expression and reducing superficial, dishonest, and/or defensive responses. Having said that, it is also important to realize that the focus here is on how business ethics is taught and how it impacts on business practices. Hence, I attempt to explore moral and political dimensions of the data.

Additionally, as a sociologist, I employ a particular disciplinary lens that can fairly be characterized as critical and problem-oriented (Levin 1994: 14). Classical sociologists include Karl Marx, who pioneered a scathing critique of capitalism as necessarily exploitative and ultimately destructive, and Émile Durkheim, who contends that societies are primarily built on a trust, a non-rational basis, and only once trust is established can rational contracts be dependably fulfilled. Even Max Weber, a classical sociologist who is often credited with promoting the bureaucratic structures necessary for modern capitalism, had deep misgivings about how the bureaucratic and rational structures of capitalism would impact on social relationships and aesthetic, emotional, and spiritual dimensions of human experience (Weber 1958/1904: 181–182).

In addition to the focus on business ethics courses, I investigate whether and to what degree ethical theories and practices are incorporated into business management education generally and whether and to what degree a diversity of values and worldviews are represented in course materials, and in student and faculty member populations. I pay special attention to discourses around gender, nationality, race, class, and to the larger cultural context surrounding each management school. Finally, I focus on whether and how alternative and critical perspectives function within business schools, how business schools are adjusting to increasingly diverse populations, and how they are addressing the mounting anxiety about the balance among economic demand, ethical concerns, and environmental issues.

1.4   Theoretical Framework: The Banality of Good and Evil Rests on Solidarity

I employ Hannah Arendt's concept of the "banality of evil" (1963) augmented by the sociological concept of solidarity as a way to begin to unravel the influence of group conventions on individual behavior. Arendt contends that most individuals are likely to become unthinking followers, carried away by the momentum of the conventional standards manifest in their immediate social surroundings, regardless of what those standards are. To obviate that outcome, Arendt suggests that individuals apply critical scrutiny, that is, that they apply multiple and conflicting perspectives to analyze conventional practices and the assumptions underlying them.

Yet, good and evil are merely ways of characterizing the behavior of groups and individuals, and as such these qualifiers are subject to time, place, and a multiplicity of viewpoints. The banality of evil assumes, but does not make explicit, the sociological concept of solidarity. Solidarity describes the coherence of any group. It is the force that holds any group together and is manifest in members' behavior informed by the ideals associated with that group, whether characterized as good or as evil. Solidarity is banal; so mundane that it is often invisible and taken for granted. But solidarity is also the crucible for beliefs, conventions, and rituals, and is essential to understanding and predicting behavioral outcomes. Without solidarity, groups disperse, and the ideals identified with the group lose their power.

Understanding solidarity helps explain why people do not routinely engage in the critical scrutiny that Arendt maintains is so important for ethical behavior. The conscious examination of our emotional attachments to any given ideology, familiar conventions, and social networks creates the critical distance necessary to judge whether we actually agree with them or not. However, this critical scrutiny also reduces the feelings of closeness, safety, and comfortable familiarity that our group affiliations provide.

An appreciation of the concept of solidarity also suggests that Arendt's theory is applicable to a wide range of human behavior—not just the darker aspects;

altruistic, self-sacrificing, and compassionate behaviors are also banal. Broadening the application of Arendt's theory in this way helps illuminate a wide range of assumed but often unexamined rituals, practices, and worldviews encompassed in group culture. That is to say, combining the concept of solidarity with Arendt's theory works "to enhance awareness of and 'unfreeze' attachment to that taken-for-granted system," (Maier 1997/2013: 493). It then becomes easier to identify the associated behavioral outcomes and possible paths toward rehabilitation and improvement. For these reasons, Arendt's construction is helpful to examine the culture in business management education. Additionally, her focus on how group culture guides human behavior is supported by several sets of experiments in a variety of groups and endorsed by much of the data gathered here describing experiences and observations on how ethics and diversity are represented in business management school curricula.

Arendt first coined the term the banality of evil in the mid-twentieth century to explain both the complexity and simplicity of Adolf Eichmann's crimes against humanity. This application gives the theory an emotional context that can be so jolting as to obviate its deployment elsewhere. However, in the early twenty-first century, it is no secret that corporations and business culture generally are widely suspected of and associated with evil behavior.

In fact, corporations have such poor reputations, that hoping to distinguish itself from other large businesses, Google, the American multinational corporation founded by Larry Page and Sergey Brin, adopted "Don't be evil" as their informal corporate motto. This slogan appears as the opening line of Google's Code of Conduct (http://investor.google.com/corporate/code-of-conduct.html) and is repeated as "You can make money without doing evil" on their website explaining the founding beliefs of the company (http://www.google.com/about/company/philosophy/).

1.5   Why Do People Do Good and Bad Things?

The sad truth is that most evil is done by people who never make up their minds to be good or evil.
    —Hannah Arendt (Arendt 1971: 438).

Why do people do bad things in business? I can tell you from a business owner's perspective; it's usually because I haven't thought it through. Should I apologize or just go on? Business goes on. That's the harsh, harsh reality. [Business owners] haven't thought it through or put themselves in the position of the hire. It's not personal; it's just the business decision that needs to be made. It's the nature of the beast.
    —Recent Graduate of a U.S. Business School

What demands would I place on a factory manager in China—to give me cheap t-shirts or to challenge society? At the end of the day, most people will say, 'Give me my t-shirt.'
    —Business Faculty Member at a UK Business School

Discussions of business ethics—and codes of conduct generally—must necessarily include discussions of unethical, deviant, and criminal behavior as well as admirable and laudatory actions. Arendt introduces one of the most egregious examples of how a powerful group can create its own self-serving definitions of ethical and unethical behavior, and how these definitions, even when they are opposed to larger social values, dictate behavioral outcomes of the group members. She writes that Eichmann's defense held that "under the then existing Nazi legal system he had not done anything wrong," what he was accused of were not crimes, "but acts of state... for which you are decorated if you win and go to the gallows if you lose (Arendt [1963]2006: 21–22).

Compare this description of Jeffrey Skilling, the infamous former CEO of the Enron Corporation, from a fellow graduate of his alma mater, Harvard Business School (HBS): "When Skilling visited HBS, he was greeted as a hero, given standing ovations and hotly pursued by professors wanting to write fawning cases about him and his marvelous money-making machine. Beneath him, inside Enron, were scores of other Harvard MBAs built in his mold. When everything was going well, they were geniuses. When it all collapsed and Skilling went to jail, the reputation of the school suffered" (Broughton 2008: 157).

Further comparisons can be made with the case of Lance Armstrong's long-time denial of using performance enhancing techniques. Below is an excerpt of a 2013 interview when Armstrong is asked whether he felt he was doing the wrong thing, whether he felt he was cheating:

[Interviewer] *"Was it a big deal to you, did it feel wrong?"*
[Armstrong] "No. Scary."
[Interviewer] *"It did not even feel wrong?"*
[Armstrong] "No. Even scarier."
[Interviewer] *"Did you feel bad about it?"*
[Armstrong] "No. The scariest."
[Interviewer] *"Did you feel in any way that you were cheating? You did not feel you were cheating taking banned drugs?"*
[Armstrong] "At the time, no. I kept hearing I'm a drug cheat, I'm a cheat, I'm a cheater. I went in and just looked up the definition of cheat and the definition of cheat is to gain an advantage on a rival or foe that they don't have. I didn't view it that way. I viewed it as a level playing field." http://www.bbc.co.uk/sport/0/cycling/21065539.

As Armstrong saw it, the standards of the group culture (that is, the culture of Tour de France competitors) with which he identified had tacitly endorsed drug enhancements; in fact, Armstrong contends, cyclists could not compete and win, that is, could not achieve the highest fulfillment of membership, unless they complied with this standard:

[Interviewer] *"Was it humanly possible to win the Tour de France without doping, seven times?"*

[Armstrong] "Not in my opinion. Not in that generation. I didn't invent the culture, but I didn't try to stop the culture."

[Interviewer] Was it hard to live up to that picture that was created?

[Armstrong] "Impossible. Certainly I'm a flawed character, as I well know, and I couldn't do that."

[Interviewer] "But didn't you help paint that picture?"

[Armstrong] "Of course, I did. And a lot of people did. All the fault and all the blame here falls on me. But behind that picture and behind that story is momentum. Whether it's fans or whether it's the media, it just gets going. And I lost myself in all of that. I'm sure there would be other people that could handle it, but I certainly couldn't handle it, and I was used to controlling everything in my life. I controlled every outcome in my life."

[Interviewer] "You said to me earlier you don't think it was possible to win without doping?"

[Armstrong] "Not in that generation, and I'm not here to talk about others in that generation. It's been well-documented. I didn't invent the culture, but I didn't try to stop the culture, and that's my mistake, and that's what I have to be sorry for, and that's what something and the sport is now paying the price because of that. So I am sorry for that. I didn't have access to anything else that nobody else did." http://www.bbc.co.uk/sport/0/cycling/21065539.

Armstrong, like Broughton, refers to the momentum of the culture and the high status received by those who embodied the cultural ideals. In Armstrong's case the cultural standards demanded that athletes divorce themselves from human limitations in order to successfully compete in the compelling, highly prestigious races. Tyler Hamilton, a teammate of Armstrong's who also admitted to using enhancement techniques writes:

> I realized, that's my story. Not a shiny, pretty myth about superheroes who win every time, but a human truth about one normal guy who tried to compete in a messed-up world and did his best; who made big mistakes and survived…I want to tell it to people who think that dopers are bad, irredeemable people. I want to tell it so people might focus their energy on the real challenge: creating a culture that tips people away from doping (Hamilton and Coyle 2012: 276).

Advancing a sociological thesis, Arendt insists that if we want to understand seemingly inexplicable immoral behavior we must see beyond individual ethical agency to the social system where the behavior is rooted. To understand how unethical acts can escape critical scrutiny and become normalized and routine, and how individuals who perform them might feel no compunction, but instead take pride in and be rewarded for their behavior, we must recognize that ethical standards are not immutable and innate; they are dynamic, arise within and rule over particular social contexts. If this analysis holds, then it is also true that if the standards of the social system shift, so, too, will the behavior of those individuals who identify as part of the social group.

Arendt disavowed the fantasy that great evil is usually committed chiefly by exceptional social outliers: criminal geniuses, psychopaths, and fanatics. She wrote

that most people are loath to admit "that an average, 'normal' person, neither feeble-minded nor indoctrinated nor cynical, could be perfectly incapable of telling right from wrong" (Arendt 2006, 26). But just as Arendt argued that evil behavior is so banal, ho hum, and bland, that it is so interlaced with the daily experiences of all people that it no longer draws attention to itself, so, too, good behavior is as often equally mundane, common, and expected that we hardly take notice. In both circumstances, the authority of socially-endorsed standards empowers people with a degree of strength and conviction that far exceeds their individual capabilities. So powerful is the haven of conventional behavior, it serves to dull critical scrutiny and creates a momentum that replaces a sense of individual responsibility and individual vulnerability. Depending on the social context, behavior might be defined as villainy or heroism. As Arendt notes, ordinary individuals routinely reach these extremes.

1.6   Solidarity Is the Constant: Behavior Is the Variable

Arendt's thesis was initially so controversial, and is still so frightening, because it defies reason. That is to say, it defies a basic cultural assumption present in most Western societies: that reason, individual free will, rational consideration, and inherent compassion, the essential traits we associate with being human, will automatically produce ethical conduct for most people, most of the time. Arendt forces us to acknowledge what a flimsy premise this is. In fact, her analysis contends that most individuals, including ourselves, are more likely to follow standards manifest in the immediate social surroundings, regardless of what those standards are, than we are to submit, evaluate, and ultimately challenge convention through critical examination. This is the power of authority, yes, but the power of authority rests on solidarity.

In *The Division of Labor in Society* (1893) Durkheim defined solidarity as the unifying connection among individuals that determines the strength of cohesion in any particular group. He identified two distinct types: mechanical solidarity and organic solidarity. Mechanical solidarity is defined as group coherence based on similarities among members—for instance, because they are related though kinship ties or by having the same interests, values, talents, duties, experiences, or geographical location. Identifying with a nationality, heritage or with fans of the same sports team are examples of mechanical solidarity. Organic solidarity is coherence around difference, specialization, and individuality. This occurs when group members are valued because of their unique perspective and diverse talents—for instance, being the person in the group able to translate an arcane language, perform a difficult piano sonata, or run a four-minute mile. Mechanical solidarity tends to be stronger and more durable, and this makes sense: even if we *depend* upon those who have different and complementary skills, we *identify* with people whom we perceive as like ourselves rather than as different from us. Durkheim's concept of

mechanical solidarity is consistent with the largely *unthinking and automatic* obedience to social convention and authority.

According to Durkheim, solidarity (membership in and identification with groups), is not primarily a rational choice. The strength of group coherence does not rest on the benefits provided to self-interested individuals, nor is it based on a cost/benefit analysis of the ideals, tenants, and conventions. Instead, individuals are primarily motivated to join groups by powerful feelings of belonging, identification, trust, and sentimental attachment. Solidarity is emotional; it is faith, deeply-held beliefs, and the suspension of critical thought. Only after solidarity is established can rational contracts be dependably fulfilled: "One of the central discoveries of sociology is that rationality is limited and appears only under certain conditions. More than that, society itself is ultimately based not upon reasoning or rational agreement, but upon a non-rational foundation" (Collins 1992: 3–4).

1.7   Milgram's Experiments, Solidarity, and the Banality of Evil

There are no dangerous thoughts; thinking it-self is dangerous.
    —Hannah Arendt (1971: 435).

I personally believe the bigger the money we earn for ourselves the lower the values. I work with American partners, and basically what has happened is, we have stopped thinking. Jeff Skilling must have taken business ethics at Harvard. He learned ethics. But I believe the thinking stops.
    —Faculty member at an Indian Business School

In an attempt to apply experimental method to Arendt's theory, an American contemporary of hers, Stanley Milgram, tested obedience to and defiance of authority in what became one of the most famous sets of psychological experiments in the twentieth century. Like Arendt, Milgram was fascinated and horrified by how the systematic extermination of millions of people could be accomplished "with the same efficiency as the manufacture of appliances" (Milgram 1963: 371). In his groundbreaking study, he found that 65 % of his subjects were willing to administer what they believed to be dangerous and severe shocks to innocent people. That is, if the subjects were instructed to do so by lab-coated experimenters holding a clipboard—in other words, the subjects had to be instructed by those whom they presumed to have the authority, expertise, and status of a scientist.

Part of the confusion about people willing to inflict such harm is how rarely their behavior is predicted. When Milgram asked colleagues and students from Yale to predict the rate at which dangerous and severe shocks would be inflicted on others, "All respondents predicted that only an insignificant minority would go through to the end of the shock series" (Milgram 1963, 376). The estimates ranged from 0 to 3 %—over 20 times lower than the actual 65 %.

Many use Milgram's experiments as proof of the universal propensity for ordinary people to be evil (to harm innocent others), or as an indication of the essential malevolence of "human nature." Because of the focus on either nature (biology) or individual pathology (psychology) crucial aspects of the social context (sociology) of Milgram's experiments are not widely discussed. When Eichmann's behavior and that of the subjects in Milgram's experiments are interpreted through the lens of the sociological concept of solidarity, then a key element of group membership is made visible and constant and the incidental behavior necessary to maintain that membership can correctly be interpreted as variable and changing, rather than as an essential and stagnant aspect of human nature or element of individual psyches.

Therefore, examining mid-twentieth century values, attitudes, and beliefs helps explain the evil behavior of the subjects. During the post-war period in the United States tremendous confidence, prestige, and high social status were granted to both scientific experimentation and hierarchal organizational structure. The military and economic strength of the West, especially the U.S., was associated with the characteristics of modernity, scientific prowess, technological implementation, and bureaucratic hierarchy. These cultural elements were assumed essential to organization, progress, and economic growth. In this social context, hierarchy was largely accepted as efficient and benign rather than challenged as either unfair or prejudicial, and scientific experimentation, even when verging on the barbaric, was often justified as necessary to advance knowledge and improve human lives. For instance, invasive and largely harmful procedures such as lobotomies, insulin coma therapy, and electroshock therapy were prevalent in the first half of the twentieth century in the United States (Shorter 1997: 212). This often neglected social context then provides the backdrop for obedience to and identification with scientific authority demonstrated in Milgram's experiments.

Milgram admits that he does not focus on social contexts generally: for instance, prior to developing his experimental method, he admits he did not examine the devaluation of the Jews that provided the culture of hate and prejudice leading to their systematic extermination. However, Milgram does note that part of the obedience to authority obtained in his experiments rested on the cultural values and assumptions in the United States at the time:

> Most subjects...see their behavior in a larger context that is benevolent and useful to society—the pursuit of scientific truth. The psychological laboratory has a strong claim to legitimacy and evokes trust and confidence in those who come to perform there. An action such as shocking a victim, which in isolation appears evil, acquires a totally different meaning when placed in this setting. But allowing an act to be dominated by its context, while neglecting its human consequences, can be dangerous in the extreme" (Milgram 1974: 9).

Milgram takes advantage of the legitimacy and authority automatically and uncritically conferred to scientists and notes the appalling consequences in his experiments. However, he stops short of indicting the social solidarity manifest in the blind faith in science as the culprit, and unlike Arendt, he does not call for

on-going critical scrutiny of even our most sacred institutions and social values as a possible solution.

The common interpretation of Milgram's experiments has been that those subjects who agreed to shock the victims were acting unethically; that they were acting from the deep-seated potential for evil present in most individuals. Their behavior is often interpreted as analogous to the Nazis following orders to kill innocent people. Milgram's experiments then are used as evidence of Arendt's theory that evil is routinely found in ordinary individuals.

However, following orders that reflect mechanical solidarity, as aptly demonstrated by the quotes from Lance Armstrong and Tyler Hamilton, can be perceived by individuals as ethical behavior, even loyal, altruistic and self-sacrificing behavior. That is to say, when followers acknowledge the legitimacy of an authority figure, group or system, they often have a strong sense of solidarity with the group with which the authority is associated. They belong to the group and the group belongs to them. As individuals act out the values and beliefs of the group, the group becomes an extension of themselves providing rituals and familiar patterns of interaction that give security and definitions of reality to individual members. Group affiliations are a necessary for individuals to develop a unified and coherent sense of self and relation to others. Authority figures become the embodiment of the group's power and prestige, and followers become protective of and biased toward the interests of the group and the authority figures associated with it.

The experience of being part of a business ethics course and comporting oneself as a faculty member, student or graduate of a business management program impacts group affiliations and therefore affects individuals' consciousness, sense of self and behavior. For instance, HBS students and faculty members were protective of Jeff Skilling and bias in his favor discouraged critical inquiry into Enron's affairs. Throughout this manuscript, there are numerous examples wherein identification with the business community values created a sharp disparity from larger social values. For example, one U.S. faculty member observed that by virtue of their membership in business culture, business students have a perspective on corporations that differs from those who do not identify with this culture:

> There is a distinction commonly made between moral agents and moral patients. Agents are active: they do good or do wrong; patients have good or wrong done to them. A baby is just a patient. Companies are generally seen as being as agents, but not seen as having good or bad done to them. But business students also seem to see companies as patients. I have students vehemently argue this. So they seem to be using business as an extension of themselves.

Those who strongly identify with a group will often subordinate their conscious, deliberate, individual decision-making processes and instead comply with the conventions of the group culture because they agree with the overall vision, the end goal. They then tend to deemphasize the means by which the mission is achieved, even when the means are unjust or cruel. In this way, torture can be deemed necessary if it seems to lead to winning a war, or unequal pay is tolerated when interpreted as promoting general economic health. Milgram writes: "It is clear from the remarks and behavior of many participants that in punishing the

victim they were often acting against their own values. Subjects often expressed disapproval of shocking a man in the face of his objections, and others denounced it as stupid and senseless. Yet many followed the experimental commands" (1974: 40).

Addressing this paradox, Randall Collins talks about power and authority as resting on a "complex social manipulation" (1992: 60). He writes that the main way people exercise power over others is "by influencing what they take for granted" (1992: 72). Resonating with Arendt, Collins writes that this influence prevails to the degree that "people avoid questioning it" (1992: 74). In this way, authoritative community standards can take the lead in defining ethical action, even when those standards differ radically from any given individual's personal ethics or even when community standards threaten the safety of an individual, as they do when societies require that civilians become soldiers or when communities impose dangerous and painful cultural conventions such as female genital mutilation. This explanation in no way relieves the actor of blame for wrong doing or credit for heroic acts, but sheds light on a process that is often interpreted as impenetrable, confusing, and unpredictable.

The conflict between personal ethical standards and the orders of legitimate authorities can be viewed in the widely available films of Milgram's experiments, and Milgram notes that many subjects reported feeling moderately to extremely tense and nervous (1974: 42). It is clear when watching the film footage that the subjects inflicting the shocks were under tremendous physical and psychological strain and showed obvious discomfort, anxiety, and upset. They were not gleefully imposing pain on others, but instead willing to endure emotional anguish themselves to maintain tangential membership in the scientific community with which they identify. They therefore sacrificed their own comfort and personal values for the good of the group and might also have felt deserving of some degree of the same respect and status.

Solidarity brings validation, legitimacy, and safety. The experimental subjects supported the larger vision of scientific discovery and were therefore willing to maintain solidarity through pursuing that goal despite the (perceived) grotesque imposition of dangerous shocks on innocent others. Doing their part for scientific advancement, the subjects were not necessarily evil, though their behavior is fairly characterized as such. The views and opinions of all individuals are influenced, and sometimes distorted, by the dominant ideals of the groups with which they identify. This in turn affects behavioral outcomes.

As the group is an extension of self, conventions of the group often escape rational, critical scrutiny and are followed without deliberation and contemplation. These conventions therefore become a type of ideology, that is, a belief system that is so deeply held and has such emotional power that it evades critical examination. Using this interpretation, Eichmann, Skilling, and Armstrong were exceptional only in their intense devotion to ideological goals and their success in advancing those goals. In fact, Eichmann described himself as an "idealist," someone who is willing to put the purity of a cause before his or her own feelings. He famously claimed he would even kill his own father should the Third Reich require it (Arendt 2006: 42).

Similarly, Milgram's subjects were told that they were jeopardizing the lives of those who were receiving shocks, but most subjects continued to administer harm in order to serve a larger social ideal: the scientific goal of the experiment. Arendt explains, "The perfect 'idealist,' like everybody else, had of course his *personal* feelings and emotions, but he would never permit them to interfere with his actions if they came into conflict with his 'idea'" (Arendt 2006: 25, emphasis added). Eichmann reported "as for his conscience, he remembered perfectly well that he would have had a bad conscience only if he had not done what he had been ordered to" (Arendt 2006: 25).

Individuals subordinate their personal judgment, and deemphasize any conflicting feelings, ethics, and morals they might have, so they can experience and contribute to a cause larger than themselves; this provides them with the safety and power of the group. Whether this behavior is ultimately characterized as heroic or unconscionable depends on the social context, that is, on the values of the group manifest in the behavior of the individuals and how those values change over time and place.

1.8   Critical Examination of Cultural Conventions

Arendt believes our best recourse to blind compliance to the conventions of the social groups with which we identify is ongoing critical examination that engages in constant comparison and cross referencing among social systems, cultures, and subcultures, and among theories and practices. For Arendt "the activity of thinking as such, the habit of examining and reflecting upon whatever happens to come to pass, regardless of specific content and quite independent of results" (Arendt 1971: 418) is the best insurance against uncritically following the values of the group and perhaps doing evil in the process. The danger is to accept the authority of any single group with smug certainty. As Collins states, the danger is to take social arrangements for granted.

Arendt's position seems to be borne out experimentally. Over the course of a decade, Milgram did a number of permutations of his famous experiment testing variables such as the gender of the participants and the proximity of the subject to those who were receiving (false) shocks. Two of the variations in his experiments are especially relevant here as they indicate how to short-circuit blind obedience and engage critical thought: Experiment 13, where an "ordinary man" rather than a lab-coated experimenter gives subjects the instructions to shock the victim; and Experiment 15, where two lab-coated authority figures gave the subject contradictory instructions. Each of these scenarios significantly reduced the subject's willingness to shock victims.

In the first relevant permutation of the experiment, Milgram replaced the lab-coated experimenter with an "ordinary man" (1974: 93). Since the ordinary man had no trappings of scientific authority, this change had a pronounced detrimental effect on the obedience of subjects: only 20 % of subjects were willing to

administer severe shocks. In this case, the competing social standard of not harming innocent people dominated the subjects' behavior and 80 % refused to comply with the instruction to shock the victim. Therefore, if the authority figure does not command the endorsement of the powerful group (in this case the scientific community) they lose their authority, or if the authority figure is perceived as having no more expertise than those he or she is trying to control, the authority loses legitimacy. Cyclist Tyler Hamilton wanted the status of the ordinary, the status of human, to be restored to him (Hamilton and Coyle 2012: 276). Behaving as the authority figure, the embodiment of group values, the exceptional actor, the superhero without human limitations, can be exhausting and dangerous. It is a sacrifice of an individual self to a larger cause—one that bestows power, but also devours individual deliberation and autonomy.

Experiment 15 exposed subjects to two authority figures giving contradictory commands. This permutation demonstrates the most profound effect on obedience. Beginning about midway through the experiment and after the subject thinks he has administered several low-level shocks to the victim, one lab-coated authority figure instructs the subject to continue administer increasingly severe shocks while another lab-coated authority figure tells the subject to stop. Milgram explains: "The experimenters appeared as two bosses who disagreed and were equally convinced of the correctness of their respective positions. Rather than arguing with each other, however, the experimenters focused their remarks on the subject. The subject thus found himself confronted with conflicting and equally authoritative commands" (1974: 105–106). In this circumstance, *not a single subject administered a severe shock to the victim*. Milgram reminds us that in every other variation, nothing else—"no pleas, screams, or any other response to the shocks—produced an effect as abrupt and unequivocal" (1974: 107).

Milgram's explanation is that the subjects were "paralyzed" by the conflicting messages of the authority ([1974]2009: 107). I offer an alternative to Milgram's interpretation. Perhaps the subjects were not "paralyzed" by the conflicting authorities, but the conflict reminded them that they could, and should, respond based upon their own judgment of the situation. In their disagreement, the authority figures demonstrated mutual critique and invited the same of the subject. The two experimenters and one subject no longer composed a group held together by solidarity around the value of scientific pursuit; they were separate individuals invited to make they own decisions without the guidance or burden of the group affiliation. Perhaps then refusal to shock the victim was not, as Milgram contends, inaction and passivity, but instead a consequence of the subject's individual assessment of the situation. Once the hierarchy was disrupted, as in Experiment 13, the subjects' self-evaluation resulted in choosing among several behaviors and ultimately the decision to identify with the humanistic values of the larger culture, rather than with the pain-inducing subculture of the lab. In each variation that reduced obedience to the lab-coated authority figures, the subject's critical thinking was ignited because the solidarity of the subculture was destabilized. Subjects were then able to reject the cruel methods of the lab and use their membership in the

larger culture and their personal ethics to determine the values that should direct their actions.

One important reason then why multiple perspectives, including oppositional perspectives, are so valuable is that viewpoints from outside the community are more likely to critically examine unfamiliar values and behaviors and to note if they are harmful, unjust, or prejudicial. Fomenting heterodoxy can also provide novel solutions and insights. Outsiders do not take social arrangements for granted; even if they are willing to be assimilated into a new group, they must consciously study and be aware of the values and conventions of the group in order to ultimately comply and achieve membership. This argues for groups to support and encourage diverse and critical perspectives and to proactively endorse the liberal use of questioning conventional assumptions and practices. Of course, this process is often resisted by current authorities who get their power and prestige from the unexamined status quo.

Ongoing critical assessment of any given situation, though demanding and perhaps laborious, can lead to better behavior outcomes in a wide variety of decision-making and human interactions. Hans Monderman, a Dutch traffic engineer, pioneered the idea of Shared Space: a concept of urban traffic design that removes traffic signs and lights and instead depends on the attentive judgment of drivers to navigate and share the road with pedestrians, cyclists, and animals. Shared Space was meant as a corrective to the usual complacent, mechanistic, and automatic dependence on following traffic signs and signals. Monderman hypothesized that dependence on taking orders through reading the signs lulled travelers into a false sense of security and actually caused more accidents. In a Shared Space model, drivers must continually critically evaluate the traffic and cooperate in real time with one another through communication such as eye-contact and hand signals. This replaces the rule-bound, and sometimes adversarial relationships among those who share the road. It turns out, Monderman is right: Shared Space reduces car accidents by about one half. By changing the social context through the disruption of usual driving conventions, Monderman changed the behavior of drivers making them safer and more responsible.

In an interview with Monderman, Tom Vanderbilt writes, "Traffic signs, for Monderman, were an invitation to stop thinking, to stop acting on one's own volition. In streets designed to safely handle the actions of the riskiest participants, everyone slips into riskier behavior" (2008). And echoing Arendt, Monderman contends, "When you want people to develop their own values on how to cope with social interactions between people, you have to give them freedom" (Vanderbilt 2008). Monderman further explains, "I don't want traffic behavior, I want social behavior" (Vanderbilt 2008).

The idea that freedom to decide makes people take more responsibility for their behavior and to identify the outcome of actions is also evident in the research here on business ethics courses. In these cases, solidarity is formed horizontally with like others rather than vertically with the rules of a bureaucratic hierarchy and the authoritative figures that expound them. A faculty member from Lebanon comments:

> When you are around human tragedy it actually makes it easier not more difficult to talk about ethics and to act from the power of doing the right thing. There is a certain amount of freedom you feel when you are under siege. Even in the peaceful times in a developing nation there is a level of chaos because you don't have an infrastructure or dependable government. When I am in traffic and there is a one way road and there is no one on that road, I will go up it. When I am in North America, it would be unfathomable to me to go the wrong way. And another thing is red lights. If I stop at a red light here, the person behind me will get out of the car and walk up to me and check and see if I am ok because they can't imagine any other reason to stop except something is wrong. So there is this level of freedom available to you so you have to think more critically about what are the implications of this behavior. Who gets affected? Who are the stakeholders? You have more opportunity to critically reflect on these things.

The next chapter will explore the idea that business behavior, governed by rules forged within the context of competitive commercial exchanges, may not always be consistent with what is typically considered pro-social behavior.

1.9   Outline of Subsequent Chapters

The following chapters present the qualitative empirical data of the study organized around emergent themes from interviews. To maximize the readers' access to direct quotes, I focus on providing responses and insert theoretical interpretation only when needed to provide meaning. Chapter 2 focuses on how assumptions prevalent in management theory influence business education and business culture, how this theoretical orientation affects the ethical development, standards, and conduct of those who identify with business culture, and the social impact of the resulting business practices. Chapter 3 considers the connections and disconnections between business ethics as taught in business schools and business culture and practice. Chapter 4 explores the demographics and diversity of business schools: students, faculty members, authors, course materials. Chapter 5 examines alternative perspectives manifest in course materials and pedagogical methods employed to critically evaluate the theoretical assumptions and common pedagogical techniques that are prevalent in business ethics. Though Arendt's work emphasizes how the momentum of culture can result in the banality of evil, it is also true that cultural practices and conventions that become automatic and assumed can produce standards of behavior that are civil, altruistic, and cooperative. In Chap. 6, I examine how various cultures and subcultures have adopted elements of virtuous behavior, how these behaviors can become normative, and how this is relevant to business ethics and business culture.

Appendix: Survey Questions on Business Ethics Courses

This survey is part of a study to gather information about ethics curricula at business schools around the world.

Unless you give separate permission to have your name used in publication, your name is kept strictly confidential and known only to the researcher.

Your participation is completely voluntary: you are free to ask any questions concerning the procedure and to discontinue your participation at any time. If you would like more information about this research, please contact Professor Mary Godwyn, Associate Professor of Sociology, Babson College, (USA) at (01) 781-239-5603 and mgodwyn@babson.edu. Thank you very much for your participation in this project!

Name_____

Would you be willing to participate in a follow-up interview (in-person, email, phone) at your convenience?

_____

Email Contact_____

Business School affiliation(s) _____

If you identify with a nationality, please state _____

If you identify with a race, please state _____

If you identify with a gender, please state_____

Please answer questions below about your specific experience of business education. If any questions are not applicable to you; please answer with "Not Applicable" or NA. Thank you.

What is your relationship to business management education? (Examples: faculty member, administrator, student, graduate, a combination, etc.)

When did you become involved in business management education?

Why did you become involved in business management education? (i.e., what motivated you?)

How long have you been (were you) involved in business education?

Please describe some of your most memorable experiences in business management education.

Do you remember any specific course materials in your business management experience? If so, please describe why they were memorable.

Do you see connections between your business education and business as it is practiced? If so, can you describe these connections?

How would you describe the culture at business school?

Does (did) the business curriculum cover ethics? If so, please describe.

If you took (are taking) or if you taught (are teaching) ethics courses, do you remember any specific course materials in these classes? If so, please describe why they were memorable.

If you took (are taking) or if you taught (are teaching) ethics courses, do you see connections between your ethics courses and business as it is practiced? If so, please describe these connections.

If you took (are taking) or if you taught (are teaching) ethics courses, did this experience help develop and/or clarify your personal and/or professional code of values/ethics? Please explain why or why not.

Does (did) your business school curriculum offer information on economic systems other than capitalism? If so, please describe.

Does (did) your business school curriculum discuss critical perspectives on capitalism? If so, please describe.

Describe the strengths and weaknesses of your business school education. How would you improve it? What would you like to stay the same?

Chapter 2
Management Theory and Business Education: Is Business Behavior Anti-social Behavior?

There is no such thing as a neutral education process. Education either functions as an instrument which is used to facilitate the integration of generations into the logic of the present system and bring about conformity to it, or it becomes the 'practice of freedom," the means by which men and women deal critically with reality and discover how to participate in the transformation of their world.

—Richard Shaull, drawing on Paulo Freire[1]

You can say it's just business, that it's not personal, but it's always personal. There's a right way to do everything... Sometimes that requires sacrifices and that includes doing something wrong to someone else.

—A Graduate of a U.S. business school

Charles H. Ferguson, director of *Inside Job* (2011), the Academy Award winning documentary on the financial crisis, began his acceptance speech by saying, "Forgive me, I must start by pointing out that 3 years after our horrific financial crisis caused by financial fraud, not a single financial executive has gone to jail, and that's wrong" (http://www.huffingtonpost.com/2011/02/28/charles-ferguson-oscar-speech-inside-job_n_828963.html).

Scandal is certainly not limited to business and not all business practitioners have a business degree, but most corporate executives do. As corporations begin to surpass the power of laws and governments to curb their dishonesty and as economies become more interconnected, understanding and addressing the corruption in business exchanges is increasingly both difficult and urgent. Business school education, and perhaps particularly business ethics classes, is a logical place to start. Some questions explored in this chapter are: What are some of the values, attitudes, and behaviors associated with the culture of business management? With the goals of financial success and maximization of individual wealth? How much do business ethics courses impact on business culture and therefore ultimately business practice? Is there a divide between business ethics courses and real world business

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[1] http://www.infed.org/thinkers/et-freir.htm

practice? Between official corporate ethical codes of conduct and actual conduct? Are there two parallel "ethics" in business, with one being the official doctrine taught and the other being the doctrine followed? How can we learn from various business management ethics programs around the world?

2.1 Business Ethics, Business Practice, and the Importance of Solidarity

In the majority of business schools, the study of ethics is mandatory. Sometimes this takes the form of free-standing ethics courses and other times ethics is woven throughout the curriculum. Many schools market their ethics program as a central and distinctive component of the business management education they offer. Yet, few people have trouble immediately naming 10 cases of major corporate corruption. Enron usually makes the list; World Com, Tyco, Libor and Exxon, maybe Washington Mutual or Lehman Brothers and Bear Sterns, AIG, Satyam Computers, and Anderson Little. Examples seem to be added on a weekly basis.

Two important questions then are: (1) How much do business ethics courses impact on business culture and therefore ultimately business practice? and (2) Are there two parallel "ethics" in business, with one being the official doctrine taught and the other being the doctrine followed? Relevant to these questions is the disconnect noted by a business school professor from the UK who comments on the marginalization of business ethics courses within management curricula:

> It has been widely recognized that business ethics courses have been limited by their separation into a self-contained domain, which in turn has remained secondary in the core curriculum. Although international accreditation agencies, such as the AACSB and EQUIS, have insisted that business ethics is made a compulsory element of the curriculum, the outcome has been that it has been added but remains a subsidiary aspect of study confined to the margins of undergraduate and postgraduate programs.

Part of the problem is one of checks and balances: the line between industry and non-profit business education is becoming increasingly blurred as profit motives begin to cannibalize critical scholarship (Butler and Spoelstra 2014). Not surprisingly then, it is difficult to separate business educators from business practitioners, and business management education culture from business culture. The rising emphasis on practice and action rather than on theory and contemplation is now spreading from business schools to liberal arts colleges; many non-business schools are hard-pressed to demonstrate their relevance in a social milieu that increasingly determines educational value by short-term, bottom-line quantitative measurements (Godwyn 2009). *Money* and *Forbes* magazines, along with private companies like PayScale, rank colleges and universities, as well as undergraduate majors, by return on investment (ROI) and salary rather than on holistic qualitative measurements of educational excellence. Bill Gates, a college drop-out and a generous investor in education reform, underscored this trend in a message he delivered at the National

Governors Association encouraging Governors to fund educational programs proportionate to their connection to employment opportunities:

> In the college area, everybody should have a sense of which of the colleges—both community and four-year institutions—are doing very well... You can even break that down by the departments. It's actually very interesting when you take higher ed and think of it in that way. The amount of subsidization is not that well-correlated to the areas that actually create jobs in the state—that create income for the state (Kolowich 2011).

Ferguson (2012) explains the deep reach of business objectives into academe, the impact upon business management education, and the resulting increase in business experts to determine government policies:

> Many people who saw *Inside Job* found that the most surprising, and disturbing, portion of the film was its revelation of widespread conflicts of interest in universities, think tanks and among prominent academic experts on finance, economics, business, and government regulation...Over the past thirty years, in parallel with deregulation and the rising power of money in American politics, significant portions of American academia have deteriorated into 'pay to play' activities...Most of the time, these professors do *not* disclose these conflicts of interest in their public or media appearances, and most of the time their universities look the other way. Increasingly professors are also paid to testify for defendants in financial fraud trials, both civil and criminal" (Ferguson 2012: 240–241, emphasis in the original).

Even as the line between business education and business practice becomes blurred, there is evidence presented here that the difference between business ethics and normative ethics might be increasingly pronounced. Normative ethics focuses on degrees of pro-social behavior and cooperation and the conduct applauded within the business domain is largely competitive and profit-oriented. Therefore, business has been considered by some as a subculture of its own ruled by the "ethic of the marketplace" (Starkey and Tiratsoo 2007: 8) or by a "bureaucratic ethic" (Jackall 2010: 2). In his study of corporate managers, Robert Jackall saw a similar sharp delineation between business ethics on the one hand and personal or normative ethics on the other that I did in management education. He writes:

> As a former vice-president of a large firm says, 'What is right in the corporation is not what is right in a man's home or in his church. *What is right in the corporation is what the guy above you wants from you.* That's morality in the corporation'...What matters on a day-to-day basis are the moral rules-in-use fashioned within the personal and structural constraints of one's organization (Jackall 2010: 4–5, emphasis in the original).

However, according to Ann Crittenden, there was once a sense where the most respected and revered economic management was determined by dimensions of social good and community impact rather than the accumulation of wealth:

> The very word 'economics' derives from the Greek root: *oikonomia,* the management of the household. Aristotle had the highest regard of oikonomia and made an important distinction between it and *chrematistics.* Oikonomia referred to the management of a household so as to increase its use value to all of its members over the long run. Chrematisitics was the manipulation of property and wealth so as to maximize short-term exchange values...One activity enhanced future productivity to the ultimate benefit of the community, while the other sought short-term gain for the individual. The [person] who practiced oikonomia was

highly respected, whereas the chrematistic speculator was held in low esteem. (Crittenden 2001: 67).

Perhaps by way of excusing the excesses of business practitioners or the curricula at business schools, Broughton writes, "No matter how hard it tries, business can never escape the fact that it is the practice of potentially thieving, treacherous, lying human beings" (2008: 157). Of course Broughton is right: potential thieves are practicing the lessons of business school, but that is a wrong-headed and backward way of thinking about the situation—it blames the students rather than the cultural values and educational system that create, or help to create, a validating context for such thieves. There are undoubtedly some students who choose to study business because they have limited and largely self-interested goals. However, I would venture that for many if not most students, the choice of business school, or of a business or management major on the undergraduate level, is largely driven by the desire to be employed in jobs that allow graduates to pay their student debt and support themselves and their families.

Every school, every institution, begins with people who are potentially treacherous and presumably, potentially virtuous. As mentioned, exposure to the culture of business management education affects people's group affiliations, consciousness, sense of self and resulting behavior. The institution, ideals, and culture behind the practice provide a structure and an identity for the student and the professional that not just maximizes or minimizes but defines moral conduct.

If business culture primarily promotes self-interest and profit maximization, then students might self-select for those values. However, as liberal education is increasingly subverted to vocational training, many students (and their parents) choose business because they understandably believe that a business degree is the most practical way to ensure employment. From this perspective, studying business is a responsible and mature choice rather than a self-indulgent one.

Business schools teach skills that can be used to create harm, but so do most vocational and professional programs, even in those fields we consider to be trustworthy and altruistic, from firefighting to medicine. In fact, both business schools and medical schools teach a set of skills to students that have potential for tremendous good and incalculable damage—the educational and professional cultures powerfully influence the ethical standards and behavioral outcomes of members.

As discussed, membership in powerful and prestigious groups such as business or medicine, or exclusion from those groups, creates our social identities. Group affiliations determine social status, individual identity, and self-esteem: how others see us and how we see ourselves. Affiliations also affect the opportunities, or the "life chances" that individuals have. That is, whether or not an individual has the resources available to them to be healthy and safe long enough to develop their talents over the course of time. Social identities are not trivial. Group affiliation impacts us at every level from the most superficial, such as our preference for red or blue, to the most profound, such as our life expectancy and that of our children's. For instance, the wealthiest people in the UK live on average about 20 years longer

than the least wealthy (Bingham 2014), and according to the Center for Disease Control, in 2009, White women in the United States lived on average about 10 years longer than did Black men (Arias 2009).

Group affiliations also measurably shape the performance of individuals. There is extensive documentation that individuals perform better when they experience the encouragement and endorsement of powerful groups and considerably worse when they do not (Steele 1997, 2003). Support in a community is experienced as solidarity and "identity safety," the sense of being "welcomed, supported and valued" (Davies et al. 2005). Claude Steele puts it this way:

> Our social identities can strongly affect things as important as our performances in the classroom and on standardized tests, our memory capacity, our athletic performance, the pressure we feel to prove ourselves, even the comfort level we have with people of different groups—all things we typically think of as being determined by individual talents, motivations, and preferences (Steele 2010: 4).

In William Whyte's well known ethnography, *Street Corner Society,* he vividly recalls the positive changes in his own individual performance at a bowling alley when he enjoys a high status within a well-respected group; he refers to this as "the relationship between individual performance and group structure" ([1943]1981: 319):

> I simply felt myself buoyed up by the situation. I felt my friends were for me, had confidence in me...I felt supremely confident that I was going to hit the pins that I was aiming at. I have never felt quite that way before—or since. Here at the bowling alley I was experiencing subjectively the impact of the group structure upon the individual. It was a strange feeling, as if something larger than myself was controlling the ball as I went through my swing and released it toward the pins (Whyte [1943]1981: 319).

As with Lance Armstrong and Jeff Skilling glorification by a prestigious group can cause people to crave the spotlight and to seek celebrity status at almost any cost. In a study of involving 15 celebrities, Rockwell and Giles note that fame is addictive:

> The lure of adoration is attractive, and it becomes difficult for the person to imagine living without fame. One participant said, 'It is somewhat of a high,' and another, 'I kind of get off on it.' One said, 'I've been addicted to almost every substance known to man at one point or another, and the most addicting of them all is fame' (Rockwell and Giles 2009: 182).

Group affiliations are very often based on a combination of economic and demographic privilege or disadvantage. Powerful group affiliations do not just affect preference and performance, they affect life and death. From this vantage point, it is easy to see why individuals work so hard to establish and maintain memberships in powerful groups.

2.2   Business Ethics and Practice: Taken-for-Granted Assumptions

As vocational training, management education teaches students to be practitioners of business. Businesspeople are expected to follow the rules and conventions within the business culture (business ethics) to maintain their membership in and promote the goals of the business community. In identifying the "taken-for-granted" attitudes in business management culture, Maier writes that business culture encourages members to follow orders and develop an uncaring perspective: "The managerial viewpoint stresses instrumental rationality, orderliness, conformity to the requirements of authority, and respect for the chain of command" (1997/2013: 493). Maier quotes Belansky et al. that in business culture, one is expected to "exclude your own concerns and adopt a perspective that your adversaries may respect, as in their own self-interest. It means to exclude all feelings, including those of the adversary, examining the issue from a strictly pragmatic, strategic point of view" (Belanky et al. 1986: 109 quoted on Maier 1997/2013: 497).

The ethics associated with the business community dictates the subordination of personal and social values for the greater good of business, exchange, capital, production, employment, and other quantifiable economic benefit. In addition to creating a hierarchal bureaucratic culture that discourages or even obviates the type of critical and autonomous thinking that Arendt and others deem necessary for ethical behavior, this emphasis on quantitative measurement affects quality-of-life considerations and power dynamics in a plethora of ways. Effects include environmental damage, gender, race, and class discrimination, and privileging a Western, Positivistic cultural view.

For instance, the mainstream economic indicators such as the Gross National Product (GNP) and Gross Domestic Product (GDP) are based on quantitative rather than qualitative measures; they ignore many important considerations such as "how goods and services. . .are distributed and how this impacts people's lives (Eisler 2007: 37). Therefore, even ecological disasters such as the Exxon Valdes oil spill are counted as economic positives as they can be interpreted to increase productivity and profit:

> So unrealistic are these measures that instead of providing a full-cost accounting that shows the environmental and economic costs of uncaring economic habits, measures like the GDP and GNP make these costs look like economic profits. For example, the costs of cleaning up the damage from toxic industrial spills are included in indicators of economic productivity, rather than subtracted from them (Eisler 2007: 37).

Another result of exclusively employing quantitative measurements is the absence of economic value attributed to caring work. The neglect and devaluation of caring work disproportionately harms women, as they do more "unpaid, but unavoidable, tasks of daily domestic life, such as childcare and housework" (OECD 2012); it also harms those they care for, often children, the infirm, and the elderly. Shirley Burggraf comments:

> The feminine economy has operated mostly outside the system of explicit prices and contracts that characterize the market economy. Women's work has never even been seriously measured or counted as an important part of economic output. As far as economic statistics are concerned, our grandmothers who bore numerous children and labored from dawn to dark caring for their families did nothing valuable within their time…Even if the gross domestic product is going up, we feel that our standard of living and true state of well-being have declined (Burggraf 1997: 10–11).

Karl Marx's interpretation is that which is quantifiable, such as money, has coopted qualitative experiences, such as emotional attachments, self-expression, and creativity as the goals and outcomes of labor. Money, then, is the manifestation of the process wherein "social relationships between individuals were transmuted into material relations between things" (Zelizer 1989: 345). Marx explains that the "relations of capitalist process of production, therefore, seen as a total, connected process, i.e. a process of reproduction, produces not only commodities, not only surplus-value, but also produces and reproduces the capital-relation itself (Marx [1867]2010: 723–724). Quantitative considerations infiltrate and seek to define non-material aspects of life including consciousness, self-identity, and interactions with others. As Jackall writes, business culture shapes people's consciousness in decisive ways by putting "a premium on functionally rational, pragmatic habit of mind that seeks specific goals; and it creates subtle measures of prestige and an elaborate status hierarchy that, in addition to fostering an intense competition for status also makes the rules, procedures, social contexts, and protocol of an organization paramount psychological and behavioral guides" (2010: 4).

A further ramification of the focus on quantitative outcomes is that profit generated becomes the definition of whether a business is successful or not. This is a Positivist interpretation that reflects the notion that there must be measurable, concrete evidence in order to identify success (Appiah 2006: 24). This bias toward quantification has gone well beyond the business domain and has become the way to define success generally. One worker explains how limiting the quantification of value is:

> I work for a nonprofit that supports students who are at risk of dropping out. We track data on attendance, behavior, and course performance, and we speak the language of reformers. But what our school-district partners seem to value most is how we help kids form a strong, positive, sense of self and stay engaged with learning. These efforts, known as identity formation, are harder to quantify; we rarely talk about our work in these terms, because it's often considered squishy and 'nice, but not necessary,' Students, and the adults working on their behalf, would be better off if we had more nuanced definitions of what is means to be valuable and successful" (Axelson 2014: 5).

Because abstract values and quality-of-life issues are not easily captured in quantitative measurements, business culture does not include a mandatory dimension of social good as do many professional cultures such as medicine, law, police work, firefighting, and teaching. Imagine if medical schools promoted the same quantitative evaluation processes as business schools too often do. The equivalent quantitative logic in medical school would be the idea that most successful surgeons are those who perform the largest number of high cost surgeries regardless of the

benefit to patients. Without a mandatory qualitative difference, Jeffrey Skilling and Muhammad Yunus could both be characterized as innovative businessmen just as Jonas Salk and Josef Mengele could both be considered enterprising medical researchers.

In addition to the emphasis on quantitative measures, the current orthodoxy within capitalist economies is that businesses must continue to be competitive and serve stockholders by optimizing short-term profit regardless of long-term social and environmental impact. Pointing out an example of and conflicting ethical standards between normative ethics and business ethics, Yunus, economist and winner of the 2006 Nobel Peace prize, notes that in the culture of business management, people are judged "irresponsible" if they choose social good over private profit. One fundamental idea of capitalist business practices dictates that when immediate, short-term profit for a private company is at odds with social benefit, profit must come first. Share-holder interest rather than public good is the ethical standard of the corporate community. Yunus writes:

> Since managers of a business are responsible to owners or shareholders, they *must* give profit the highest priority. If they were to accept reduced profits to promote social welfare, the owners would have reason to feel cheated and consider corporate social responsibility as corporate financial *irresponsibility* (Yunus 2007: 17, emphasis in the original).

This dichotomy is evident when a business ethics professor in Canada recounts a student who said that social responsibility "would be a good ethical decision, but not a good business decision."

Acting in the interest of stockholders might also be used as a cover for eschewing social values in favor of self-interest. When asked if attending business school provided any insight into the high degree of corporate malfeasance, one MBA graduate from Canada replied:

> I think it did. You come to look at the capitalist economic system in terms of the profit objective. You come to realize that profit gets prioritized over so many other issues in business. It makes you realize that companies act in a self-interest and don't think of the other stakeholders except maybe for the shareholders. But then I wonder, is it individual self-interest or the company's self-interest? I don't know. Might be that the two, the company and the executives, get conflated.

Corrupt CEOs like Jeff Skilling act against the interest of the shareholders, but given the frequency of misconduct, it is not clear that individual gain at the expense of company stability is always inconsistent with the business community cultural and ethical standards—as long as the CEO does not get caught and the shareholders generally perceive that they benefit. As Broughton explained, Skilling was touted as a hero and given standing ovations at HBS. For a while, Skilling achieved fabulous personal wealth as well as shareholder profit. He was hailed at HBS and became a role model for business students and practitioners everywhere—until he was indicted. Reflecting on CEO compensation, Broughton writes, "It was one thing for a good CEO to pay himself well for a job well done. But increasingly, in the United States and Europe, mediocre CEOs paid themselves as if they were sports

superstars or technology entrepreneurs, essentially robbing shareholders to do so" (2008: 162).

In practice, the standards of the business corporate community seem to indicate that compensation for CEOs no longer depends primarily on value delivered to shareholders, but instead more heavily reflects the prestige of this executive office and contributes to the personal wealth of the executive. In fact, according to a 20-year analysis of CEO salaries conducted by the Institute for Policy Studies, high CEO salary does not positively correlate with high productivity. Andersen et al. write:

> Our analysis reveals widespread *poor* performance within America's elite CEO circles. Chief executives performing poorly—and blatantly so—have consistently populated the ranks of our nation's top-paid CEOs over the last two decades. The report's key finding: nearly 40% of the CEOs on these highest-paid lists were eventually "bailed out, booted, or busted" (Andersen et al. 2013).

Some communities are individualistic, that is to say, the members value personal gain above all else and are, paradoxically, admired within the community should they be successful at maximizing their own self-interest. Identification with the cause, with the values of the group, even if this cause is individual enrichment at the cost of others, empowers each member with the strength far greater than themselves. They become empowered by fulfilling the ideal of the group. When MBA classes at Harvard applauded Skilling's success, his methods were not widely questioned or substantively challenged by this high status community, but celebrated, which likely made him more bold and aggressive in his pursuit of ever increasing personal wealth. Sharron Watkins, the whistleblower credited for exposing the corruption at Enron comments:

> I don't think Enron International had poor values, but I do think the culture was horrible...Enron's values systems were not enforced. The core values were respect, integrity, communication and excellence. But if an employee was a good revenue generator, but did not have any of the values, it did not matter—he would be promoted and paid big bucks. It told the people that making money was the be-all and end-all. Enron turned out to have a really rotten culture where people were out for themselves and not for the company (Bhupta 2003).

2.3 Business Behavior and Anti-social Behavior: The Inverse Relationship between the Valuation of Money and Social Attachment

Wealth is a leading indicator of power, and class is a demographic category that indicates certain social and economic group affiliations. Class membership is associated with norms, values, attitudes, and behavior. Not only are managers expected to put shareholder benefit (and perhaps individual wealth) above social good, but multiple studies conclude those identified with powerful groups

generally—that is, the wealthy, upper-class elite, are more inclined toward narcissism and self-interest as well as hypocrisy and cheating.

Paul Piff, a psychologist at the University of Berkeley who has done extensive research on behaviors and attitudes associated with the wealthy, found that social class affects personality development such that members of the upper classes were more self-interested and less socially-oriented: "Relatively abundant resources and elevated rank afford upper-class individuals increased control over their lives, reduced exposure to external influences, and more personal choice, all of which promote...greater self-focus..." (Piff 2014: 34) and reduced focus on others. Consequently, upper-class individuals are "less motivated than lower-class individuals to build social relationships" (Piff 2014: 35). Piff also found that upper-class individuals tended to be more narcissistic and have more psychological entitlement (2013: 34).

However, like Milgram, Monderman, and Steele, Piff found that behavior, in this case, entitlement, can be modified in short order by changing the social context. When participants were asked to list three reasons why regarding others as equals was beneficial, their levels of entitlement were significantly lowered. Therefore, by temporarily shifting the subject's affiliation from an individualistic, self-interested set of cultural assumptions to an affiliation with egalitarian cultural values, Piff successfully reduced the narcissism of upper-class individuals, at least temporarily. This demonstrates how ethics are not merely relative to historical time and geographical place, or from individual to individual, but change within individuals depending on the group with which they are currently identifying. Abiding by multitude and sometimes contradictory definitions of ethical behavior is common because the force of group solidarity depresses critical scrutiny and therefore individuals often remain unaware of the inconsistencies in their definitions of ethical behavior and the behavioral manifestations of those inconsistencies.

In another experiment measuring attitudes and behaviors, Lammers et al. found that powerful people demonstrate more moral hypocrisy than those in less powerful positions (2010). They also tend to be more opinionated and show anger more frequently: "the powerful are more focused on the potential rewards of any action than the powerless are and therefore tend to follow their self-interest more...Normally social disapproval acts as a check against self-interest, but feelings of power reduce sensitivity to social disapproval" (Lammers et al. 2010). As a result, powerful people were more likely to condemn cheating, but also more likely to cheat than lower-power participants (Lammers et al. 2010: 738). In fact, those who identify as low in power tend to be more tolerant of the transgressions of others and less of their own:

> In none of the low-power conditions did we find signs of hypocrisy...in two experiments, we found an unexpected significant effect in the opposite direction ($p = .03$ and $p = .04$), indicating the low-power participants were more lenient in their moral judgments of others' transgressions than of their own transgressions (Lammers et al. 2010: 740).

Based on these findings, Lammers et al. conclude that both those in power as well as those who are not contribute to social inequality. Accordingly, the authors

assert that the powerful "intuitively feel they are entitled" to take what they want, while those who are relatively powerless, "intuitively feel they are not entitled" to do so (Lammers et al. 2010: 743). The only way to curb the entitlement of the powerful was to reveal the illegitimacy of the power distribution. If those in power were tainted and sensed that their lack of restraint could undermine their authority, they "may be inspired to bring their behavior back to espoused standards" (Lammers et al. 2010: 743).

Extrapolating from these experimental findings, corporations deemed "too big to fail" or those that hold a virtual monopoly on goods and services are most at risk for unethical behavior that can be beyond the reach of ethical inhibitions, social disapproval, and even national and international legal sanctions. Organized efforts that question and critique the legitimacy of the current power distribution, as Arendt notes, is crucial to affecting the ethical behavior of those in power and realigning it with more widely held standards of social behavior. To be effective, critique must of course demonstrate a source of social legitimacy, which can be difficult to establish and maintain against dominant power structures. An excerpt from an interview with Sherron Watkins explains the difficulty of challenging authority:

> Whistleblowing is something I wouldn't advise for anyone...Consider your own family, get yourself [another] job, and then on your last day speak out... It's uncomfortable to be on the pedestal...after 6–8 months people take potshots at you...Whistleblowers (will) get treated like rape victims...I was treated like a pariah (Bhupta 2003).

Money is a talisman of status in an individualistic culture characterized by self-interest and too often money is accumulated as an end in itself rather than used as a means to happiness. Dunn et al. found that the focus money does make people happy, but paradoxically, when they spend it on others, not when they spend it on themselves. Dunn et al. write, "Ironically...the mere thought of having money makes people less likely to help acquaintances, to donate to charity, or to choose to spend time with others, precisely the kinds of behaviors that are strongly associated with happiness (2008: 1687). Therefore, if, as Piff and Lammers found, there is an inverse relationship between wealth and social attachment, wealth might quantitatively extend an individual's life expectancy, but reduce the quality of the days lived.

2.4 Group Solidarity as a Motivation for Ethical and Non-ethical Behavior

In her article, "Living in the Gray: Lessons on Ethics from Prison" (2013), Jana L. Craft's undergraduate business ethics students construct and administer a questionnaire to incarcerated business executives asking them to describe the lessons they learned about business ethics. Craft points out that many of the white collar prisoners explained that making as much profit as possible was key to the values touted in their organization, "The majority [of respondents] replied that the

corporate values were vague or unwritten and values such as growth and profit were paramount" (2013: 332) and, "[These] Responses led the students to believe the organizational culture supported advancement and profit over ethics" (2013: 333). Half of the respondents related that senior leadership referenced the official company code of ethics, "but the growth of the business and performance expectations clearly contradicted that code" (Craft 2013: 331). Craft quotes a respondent as he makes the distinction between the company's official ethical position and the actual values expectations:

> I am ashamed to say that yes, I believe the decisions I made were consistent with the values of my company. This acknowledgement may strike some as absurd. I was a stockbroker, and a decision I made resulted in my being charged with securities fraud. Yet, I am referring to the company's core values as I perceived them, not to the company's published values... [which] touted the importance of ethics, integrity and honesty. My decisions were unethical. Unfortunately, I also feel they were consistent with the unethical culture in which I worked (Craft 2013: 332).

Short-term considerations also played an important role in the unethical behavior of incarcerated business executives, "Half of the respondents indicated they chose to go against their deeply held core values in order to maintain their lifestyle. They said they made decisions for short-term gain and immediate gratification" (Craft 2013: 329). Craft emphasizes that the respondents had abandoned their personal beliefs and adopted the ethical code of the company that employed them:

> Numerous respondents explained that many of their employees made choices that violated their personal beliefs on a regular basis. Employees *knew* [emphasis theirs] right from wrong but were under pressure to perform. In essence, employees knew better but greed clouded judgment (Craft 2013: 333).

The tendency to abandon personal ethics grounded in a humanistic social values is evident in the subjects in Milgram's experiments as well, yet instead of attributing the process to obedience to authority or to the potential for evil as Milgram did, Craft, and some of her respondents, repeatedly conclude that unethical behavior is attributable to individual greed (2013: 330, 331, 333, 336, 335, 339). The explanation used in the Lance Armstrong debacle, from Armstrong himself, the press, and those athletes Armstrong bullied into doping, is neither obedience as in Milgram, nor evil as in Arendt, nor greed as in Craft, but instead competition. In the Armstrong case, unethical behavior is blamed on control and winning at all costs. On the other hand, Piff concludes that it is the narcissism of the upper-classes (2014), and Lammers et al. credits personal "intuition" of power status (2010) for the ensuing unethical behavior. Viewing incidents of unethical behavior as unrelated and attributable to different individual human characteristics speaks to the widespread tendency to concentrate on the particular individuals involved and the episodic organization of analysis. That is, most of the time, the unit of analysis in unethical behavior is the individual psyche rather than the values and culture of the group. Consequently, individuals are penalized and stigmatized for their behavior, but often we do not undertake the difficult, but arguably more important, task of

restructuring the cultural values and expectations that produced the behavior. In the face of such passivity, or perhaps tacit support, the behavior continues.

Introducing the sociological concept of solidarity allows us to find a unifying force that runs through these diverse examples. Perhaps it is not individual greed, narcissism, intuition, competition, or evil that was the cause of the unethical behavior in each instance described, but instead the strong desire to be part of a prestigious and powerful community. As noted, group solidarity gives individuals the strength of the larger cause; the safety and respect of the group allows them to feel more self-esteem and confidence, and this has measurable effects on their performance.

The values of profit and individual wealth have become so prevalent that they transcend the narrow population of the business community. As business culture has become increasingly dominant, prestigious and powerful, business perspectives, verbiage, and viewpoints that stress self-interest over attention to public good and environmental stability have become more widely accepted and integrated into many societies. Newspaper, radio, and television newscasts feature business sections, often including quantitative information on stock prices, but there is no specific "labor" report, or quality-of-life index regularly disseminated through media outlets. In English, we have incorporated business into common language idioms: we want people to "buy into" ideas; we want to know what the "bottom line" is; when we are serious, we "get down to business," and we compliment well-rounded people by saying they are "the whole package."

Business values reverberating through societies are reflected in trends such as the increasing polarization of wealth (Stiglitz 2013; Freeland 2012; Liu and Hanauer 2012: 96–97), and have been blamed for much of the dishonesty within business transactions. If the values associated with business are profit maximization over the short-run—that is, to maximize earnings per quarter in order to manage the expectation of the capital markets, and profit and accumulation of personal wealth, then the behavior encouraged tends to reduce the focus on social relationships over the long-run.

In this way, business culture can be interpreted as promoting anti-social behavior, and these values seem evident to business students as well. **In a 2009 survey of over 1,800 students from U.S. and international business schools,** 90 % blame a focus in business on short-term results as a contributing factor to the global financial crises, only 16 % strongly agree MBA programs are helping them learn how to make business decisions that will avert similar financial crises, and 56 % strongly agree business schools should introduce financial models that consider long-term social impact (Net Impact 2009).

Despite Broughton's admonishment, there is no empirical reason to believe that business schools attract predestined thieves any more than medical schools attract drug dealers, firefighting attracts arsonists, or Milgram's experiments attracted sadists. Beliefs and behavior arise from adopting the values of the group, either sincerely or pragmatically, and prestigious cultures such as business and medicine are especially empowered to affect the beliefs and behaviors of their membership and the larger society. The safety and strength of powerful groups provide an

enormous impetus for people to subordinate their personal ethics to the code of group conduct, even if that means cheating, being less empathetic, and more hypocritical. Because business culture has become so accepted and authoritative in the larger social culture, changing these values is formidable. The next chapter explores how the ethics of powerful groups might be influenced by minority or outsider views and examines alternative and minority models represented in business ethics education and in business practices.

Chapter 3
Putting Ethics in Business

Beyond building skills, business training must be about values. As I write this, I know my M.B.A. friends are squirming in their seats. They've all been forced to sit through an 'ethics' course, in which they learned to toss around yet more fancy phrases like "the categorical imperative" and discuss borderline criminal behavior. . .but, as anyone who has studied Aristotle will know, 'values' aren't something you bump into from time to time during the course of a business career. All of business is about values all of the time.
　　—Matthew Stewart (2006).

I agree ethics should be woven in [to business management education]. But when it's just about ethics. . .the connection is not always made clearly. Sometimes you can describe it, but unless it's clear, you're thinking, this is BS—like Organizational Behavior. I treated OB seriously, but I should have treated it like BS. Students showed up without reading and the discussion is just so general. It seemed like a waste of time and money. In these 'soft' courses it's really easy to turn to general discussions.
　　—Graduate of a US Business School.

[Leadership and Corporate Accountability] was the subject of considerable scorn. For the hard-core financiers, it was precious time taken away from studying derivative structures. For the aspiring entrepreneurs, it had nothing to do with creativity or cash flow. The only ones who looked forward to it were the wafflers, the isolated individuals who loved to just talk and talk about nothing in particular. . .the cases tended to be short, with no numbers to run. They could easily be dealt with lying in bed or in front of a basketball game.
　　—Peter Delves Boughton, HBS graduate (2008: 158).

Students think with ethics, it will be easy. So if they skip a course, they skip ethics.
　　—Canadian Business Ethics Professor.

I found a bifurcated world in business ethics. Many business faculty members echoed Mathew Stewart's position that business is fundamentally about values, and the focus on quantitative measurements or "objective" facts is an attempt to mask responsibility. Some students and business school graduates held business ethics in very low regard, thought of it as easy, "soft," and inconsequential.

In addition to the continued exploration of the relationship between normative ethics and business ethics, this chapter considers the connections and disconnections between business ethics courses on the one hand and business culture and

practice on the other. Some of the questions explored in this chapter are: What responsibility, if any, do business educators have for shaping business culture and business practices? How do students, graduates, and faculty members describe their experiences in business ethics classes? How are dominant elements of the culture observed and reflected upon? What are some successful and not so successful pedagogical approaches to business ethics? What evidence, if any, is there that business ethics courses impact on students' business decisions? Are there different definitions and expectations for business ethics and socially normative ethics, and if so, how do they differ?

3.1　Ethics Versus Business Ethics

In their comprehensive and widely-used volume *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization* (2010) Andrew Crane and Dirk Matten define business ethics as, "the study of business situations, activities, and decisions where issues of right and wrong are addressed" (2010: 5). Versions of this definition are common among business ethics texts and might seem entirely obvious, straightforward, and unproblematic. However, to constrain ethics to the standards of the business domain is, the authors admit, to define ethics within a context often perceived as so rife with corruption and deceit that the very subject of business ethics is often considered risible—little more than oxymoronic fodder for ridicule and derision. Unfortunately, high-profile cases of malfeasance belie the fact that for the most part, businesses are constituted by many honest, dedicated people.

Yet, in both their definition of business ethics and in the explanation of why the subject is important, Crane and Matten, make the common assumption that business ethics is a separate and distinct category from ethics generally—business ethics is different from what they refer to as normative ethics—just as many make the distinction between social behavior and the impersonal, profit-driven, behavior that does not acknowledge human or ecological costs. The latter behavior is referred to as "just business."

Other authors offer more comprehensive definitions of business ethics. For instance, Marianne Jennings articulates a holistic contribution that business can make to the world, but notes that other business ethicists tend to ignore the moral imperatives internal to business:

> Business ethics means a great deal more than obeying the civil law and not violating moral law. It means imagining and creating a new sort of world based on the principles of individual creativity, community, realism, and other virtues of enterprise…Quite *internal* to business are significant moral hurdles that need to be jumped—before you even come to the ethical requirements imposed on business from the outside in, by the standards of religious convictions, moral principles, an adequate humanism, and human rights. Other business ethicists do not notice these internal moral imperatives (Jennings 2009: 500).

The theme of parallel and distinct ethical standards between business and normative ethics then is evident in assumptions about business ethics, in authoritative course materials, and perhaps not surprisingly, in many of the respondents' narratives as well as in the quote below from Broughton reflecting on his time at HBS. It is as if ethical behavior is what those outside of the business world do; business people, on the other hand, are taught how to figure out a way around ethical behavior and (preferably) still remain technically within the narrow constraints of the law. Broughton writes:

> The business class had become so used to the rules and language of its own particular game—the bluffing, the subterfuge—that it seemed to have lost sight of the honest, plain-speaking, and plain-dealing that non-business people expected in human transactions. When a business leader spoke of 'off balance sheet accounting,' was he aware that most non-businesspeople immediately thought 'fraud'?" (Broughton 2008: 161).

One Chinese graduate of a U.S. business school comments on experiencing a difference between ethics and business ethics:

> I think my ethics class from the liberal arts departments really delved deeper into issues. I think all the humanities, sociology, and philosophy classes I took raised real life cases that are related to business for class discussion. I think those ethics classes were a lot more helpful to me personally because I felt it was a safe and open environment that supports ethical behavior. When in a business class, I feel like the atmosphere was predominantly worshiping good business practices or money-making schemes. I like the idea of integrating business and ethics. But personally I feel like ethics is reduced and misrepresented in business class. I think ethics has higher and better purposes that require a more comprehensive study of human history, values, and needs. I think pushing ethics in business classes is great but NOT enough for students to truly understand the importance of ethics and make real impact on their behavior.

One faculty member from India comments on the distinction between ethics and business ethics:

> When we teach cases in every area of management, we should teach ethics. The mistake is to call it business ethics. It's not just business ethics, but ethical decisions in every area. Students need to know this.

A faculty member from Turkey agrees, "In every area what are the ethical issues and how should they be resolved? That is the route that it should be taught in my mind."

Crane and Matten do not confront the supposition from which so much harm has come, that some behavior is ethical in business, but might very well be considered outrageously unethical in other domains of life. Not only does business culture seem to have ethical standards that differ from the larger culture, but there are different ethics among types of businesses. A recent graduate from an Indian business school comments on the ethical relativism among industries:

> Being new in business (and currently in training) one piece we were taught a lot about was the difference between ethics/morality and legality. During my training across businesses, it became apparent that this is not the only difference. Each industry has its own norms for what constitutes ethics and what does not. Conditions considered fine in the coal industry would not be tolerated in the high tech industry.

An Italian graduate student comments on the lack of critical and multi-dimensional perspectives in the textbook used in her North American business ethics course:

> Sometimes when I look at [author's name] book, I say, "Oh my god!" I find it the theater of the roses. Very light. I understand why, but I would use more controversial cases and tackle more . . .there is so much. . . for instance when they talk about multinationals, they don't talk about the ethics except in a very superficial way. Like fair trade. So for fair trade coffee, they don't talk about the colonialism behind coffee. Ethical issues in the workplace are not described from employees' point of view. There is a list, but no explanation for any of the events such as sexual harassment. There is also no help for workers, no 'if this happens to you here is what you do.' So there is no effort to create empowerment in business students as workers or as consumers. I think that's because, when you understand the power, you don't feel ok. You feel ashamed. Business schools teach you that you should not be identifying as the employee. You should be thinking like the CEO. Everyone in business school is going to be a CEO. It's a corporate book. It's a mainstream book. But that they mention critical thinking is great.

Yet, the narrative is complex. One faculty member from the Netherlands with a background in humanities pursued an MBA in the United States to help her understand and teach business ethics. She finds that students are interested in being exposed to ethical frameworks that transcend the narrow scope of business ethics:

> I pursued a MBA degree because of my background in ethics. I was interested in business ethics, but, then you might as well go through the whole program. A whole host of issues come up. How is ethics integrated? Can it be it is just an oxymoron or does it exist? How do businesses try to integrate moral concerns into business decisions? The main thing that surprised me was the students were far less cynical than I thought. My stereotype is outdated. They have shown me that students are very interested in ethics generally and are very eager to talk about those things. . . Even if they are skeptical. Students are looking for frameworks, and it seems they are not getting what they want at this time. My experience is that if you present ethical theory to them, they run with it and apply it in classes.

3.2   Observations in Business Ethics Classes

There are many interesting and engaging assignments in business ethics classes from interviewing incarcerated former business executives, to classroom debates on highly controversial issues, to creating community service projects with a global reach. In the business ethics classes I visited, discussions and assignments focused primarily around case studies. Faculty members often tried to choose case studies that were of special relevance and interest to students. This included cases involving local companies and ones that had recently received news coverage. I often witnessed a tug-of-war where faculty members struggled to get students to read the cases and then to perceive the unethical decisions on the part of the industrial player or players involved. Many students had not read (or perhaps not fully understood)

the cases and many resisted the notion of managers taking responsibility for harm created by complying with company policies.

I noticed that when identifying with a corporate role, business students commonly demonstrated a protectiveness toward business culture generally and a reluctance to hold businesses, and especially individual decision-makers, accountable for unethical behavior that damaged people, the environment, animals, or other raw materials associated with products. Echoing the earlier comment by a U.S. business ethics professor, in contrast to the general public, business students speak about businesses as moral patients—entities that like people can have harm done to them. In these cases, there seemed to be an assumption underwriting student responses that individuals must make sacrifices to keep the company thriving, but businesses are not expected to sacrifice profit to benefit public good.

In order to make sense of business student responses, I employ terminology used by James Ptacek. The concept of "accounts" describes the process of negotiating controversial social positions and identities. Ptacek notes that when people are asked about something socially unacceptable, they give an account: a complex response that anticipates a judgment from others and is used as a type of face-saving negotiation that attempts to reduce or neutralize social disapproval (Ptacek 1988: 141; Scott and Lyman 1970). There are two types of accounts: excuses and justifications. Often accounts include euphemistic vocabulary that has been vetted by authority figures to deemphasize harm such as "outsourced," "collateral damage," "externalities," "casualties," and "layoff." Excuses deny responsibility while justifications explain why an act was necessary and inevitable. As will become clear in the examples below, student statements often contain a combination of each type of account thereby simultaneously absolving businesses of wrongdoing while also defending the behavior.

One such example is the ethics case study concerning the Pike Mine Disaster in New Zealand, an incident that killed 29 miners in November 2010 and was the single biggest loss of life in the nation since 1979 (Evans 2010). The Pike River Coal company did not admit wrong doing, but the subsequent government investigation found that safety regulations were not followed. Peter Whittall, the CEO, claims that Pike River Coal had developed a productive and safe mine, and the Royal Commission Report agrees that was the initial aim. However, according to the Commission's Report, "Unfortunately Pike lost sight of that aim as its drive for production intensified" (Panckhurst et al. 2012). The Commission states that soon after the mine opened, the company adopted a short-term focus, and given the need for cash flow, looked for quick solutions: "The board did not provide effective health and safety leadership and protect the workforce from harm. It was distracted by the financial and production pressures that confronted the company" (Panckhurst et al. 2012).

John Key, New Zealand's Prime Minister, admits that the lack of government regulations also played a part in the disaster. In particular, due to deregulation and lack of inspectors, the Department of Labour and Ministry of Economic Development was found to have systematically failed to protect miners: there were only two inspectors for 1,000 coal mines and quarries (Tait 2013). Valley Longwall

International (a subcontractor that lost three employees in the explosion) entered the plea of guilty to health and safety charges and was fined $46,000; however, no one from Pike River Coal or from a government agency was held accountable for the tragedy. This seemed to be the most difficult aspect of the outcome of the investigations for the families affected.

Addressing a business ethics class in New Zealand, the professor summarized the culpability in the case as follows:

> In terms of the primary responsible parties, the company [Pike River Coal] seems primarily responsible because they are supposed to provide health and safety, but also the government should have followed up. The company may have avoided required rules because of a focus on a short-term orientation. At that moment, regulators should come in and say this is not just about money, but also human health, this is about maintenance of the corporation as well—regulations don't just jeopardize companies, but also save them.

Despite this summary, in the class I observed, the business students did not believe that the Pike River Coal company or its executives should be held responsible for the deaths. This is in contrast to a survey taken of New Zealanders where 65 % held the company responsible for the deaths and believed the shareholders of Pike River Coal should compensate the families (Bennett 2014). In the following representative student comments, both excuses and justifications are evident:

- "The main responsibility is here is to the Department of Labour. They should have enforced regulations more. [Excuse] This is not so much a corporate responsibility because most people will bend rules if there is no enforcement. [Excuse and Justification] Pike River Coal won't have the mentality of 'We should make this safe.' It's like on the playing field: you will cheat if you can." [Justification]
- "Because it's a highly hazardous industry in the first place the Department of Labour should have been extra vigilant." [Excuse and Justification]
- "The relationship broke down in communication. [Excuse] Warnings weren't strict enough from Department of Labour. They should have put restrictions in place. They gave warnings but they weren't stern enough." [Excuse and Justification]
- "Everyone knows that organizations first and foremost look after themselves." [Justification]
- "Workers could have demanded more safety regulations as well." [Excuse and Justification]
- "The Unions should have helped the workers more." [Excuse and Justification]

Public desire to hold large companies accountable prompted the Corporate Manslaughter and Corporate Homicide Act 2007 in the UK. (Practically, however, such laws are difficult to implement because of the lack of accountability of any particular individual directly in charge. Since 2008, only three companies have been thus convicted.) When asked by the professor if a similar corporate manslaughter law should be implemented in New Zealand, students commented that though it might protect people, the possible application of corporate manslaughter

in New Zealand was undesirable because it would be bad for the business climate and ultimately for the economy:

- "Corporate manslaughter might improve health and safety, but undermine new ventures because companies don't know if they can afford the cost of health and safety or afford the insurance. So these demands can negatively affect the economy. Then we would have fewer forestry companies. It is not the company's fault if a tree falls on someone."
- "[Corporate Manslaughter] would positively affect workers' health and safety, but I don't' think it's a good idea because it sends a wrong message, and that could hurt the economy. Obviously [Pike River Coal] feels bad enough that these mistakes happened. The company has gone under. That's unfortunate. It's unfortunate that there was this accident. But the directors shouldn't lose their jobs and their houses. They can't be held responsible."

Since the Pike River Coal disaster, the New Zealand polity has passed a number of new regulations as recommended by the Royal Commission's report including appointing committees that concentrate exclusively on worker health and safety. Additionally, managers are now qualitatively redefined as "leaders" responsible not only for implementing and maintaining technical safety regulations, but for changing the workplace culture that resulted in the deaths of the miners:

> As a manager, you influence the safety culture by what you do, what you say and what you focus on…A cultural approach doesn't replace other approaches, like engineering and system improvements—but it underpins them and makes them more successful. When we talk about health and safety culture, we are talking about 'how we do things around here,' even when no one is looking. All our behaviours reflect how we think: our assumptions, beliefs and attitudes (Ministry of Business and Employment 2013).

However, the New Zealand government has also been perceived as not only taking pro-active steps to protect workers, but as making concessions to industry. For instance, the charges against Peter Whittall, the CEO of Pike River Coal, were not merely dropped, but discharged, meaning that he can never again face charges related to the deaths of the miners even if new evidence is uncovered (Bennett 2014). Compensation paid to the families was a result of the division of the funds set aside for Whittall's defense, and many voiced suspicions that the discharge of the case against him was a condition of the compensation. Since the Pike River Coal disaster, there has been a government restructuring with the Department of Labour and the Ministry of Economic Development having been subsumed by the new Ministry of Business, Innovation, and Employment. However, absent in the first two paragraphs of the Ministry's purpose is a mention of workplace safety; the emphasis is instead on "helping businesses to become more productive and internationally competitive" (http://www.mbie.govt.nz/).

Students' protective attitude toward businesses was a repeated theme regardless of location. In a group interview with a Canadian undergraduate business ethics class of 32 students, I asked what specific course materials or concepts they found memorable in business ethics. Reflecting on a case they had recently read, students initially seemed to identify as consumers who had been duped: their answers leaned

toward discussing the excesses and misrepresentations of the food service industry. Representative answers include:

- "I never knew that there were not real blueberries in blueberry muffins. I learned that manufacturers will just lie to your face basically."
- "As a consumer, it's your responsibility to know what you are buying, and it's also the company's responsibility to be honest, but profit motives inhibit a company's honesty."
- "Why not be transparent? Just tell people some muffins have no blueberries, but are less expensive and so more accessible to more people and some have real blueberries. But they don't say this because they want to maximize the buyers: they want the buyers too poor to afford real blue berries and wealthy enough to afford real ones. The only way to get both is to deceive buyers about whether there are real blue berries in the muffins."
- "I understand more about the connections of fair trade. I feel like it's my responsibility if I buy something to see how it's made and where it comes from."
- "I think I realize it is more about making compromises with reality. I used to think food in China was less high quality. But then I came here, and I see Canadian corporations produce food. Everything is just product. They make the chicken become a product and send them to the factory when they are really young. Usually chickens take 8 months to grow, but here they are only given 2–3 months so that they go to the factory sooner. Right now when I go to the grocery I go to the organic food. It's more expensive, but I go for my health. I also look at it from the farmers' perspective. If other farmers are only giving chickens 2–3 months to grow, then no one farmer can afford not to because they are all competing."
- "I think that businesses need to think about both making money and about what is the right thing to do. This makes for better relationships with consumers. Businesses have to look at the effects."

However, when I asked these same students a question that invited them to take the perspective of a manager making decisions for a business, the responses did not incorporate a sense of loyalty to stakeholders. Students were asked: If ethical behavior toward workers, consumers, the environment, and raw materials of products (e.g., chickens) were guaranteed to increase profit, would you behave ethically? Virtually all students (about 30) in the class raised their hands. However, when asked if there were no guarantee, if profit might be diminished, not lost entirely, but possibly diminished, would they also act ethically toward workers, consumers, the environment, and raw materials, only 4 of 30 students said they would take that chance. Not a single student answered in the affirmative when asked if they would act ethically toward the four stakeholders if doing so would lead to a certain reduction in profit.

Depending on whether students were identifying as consumers or as business managers, their opinions about how to behave shifted instantly and dramatically: Consumers want businesses to be honest and fair, but managers, students seem to be saying, must prioritize profit, even if it entails unethical behavior. This shift seemed

imperceptible to students. They did not remark on the contradiction in answers or give any indication that they were aware of the inconsistency. This response resonates with the experiments of Piff and Monderman and reflects the notion that when individuals change their group affiliation, based on largely unconscious and unexamined solidarity, their behavior also changes to conform to group ideals and beliefs.

I observed the same de-emphasis of corporate responsibility in a U.S. graduate class in business ethics. Sixty-five MBA students (23 women and 27 people of color) offered nuanced and erudite responses to a case based on Barclay's manipulation of the London Interbank Offered Rate (LIBOR). The LIBOR is the average interest rate a bank pays on a loan for a particular term in a particular currency. Barclays manipulated the LIBOR during 2005–2009. Initially the manipulation was used to gain advantage to Barclay's trading position; after the 2008 financial crisis, Barclays manipulation of the LIBOR was designed to give the appearance of a robust and dependable financial institution. The LIBOR is widely used as a reference rate for a wide range of financial institutions in both financial markets and commercial fields. In parts of the U.S. in 2008 about 60 % of the prime rate mortgages and nearly all the sub-prime rate mortgages were indexed to the U.S. dollar LIBOR (Matthews 2012). According to Dylan Matthews, manipulations to the LIBOR are so significant because of the wide range of institutions that rely on it to set interest rates and the huge amount of capital involved: "$360 trillion in assets worldwide are indexed to LIBOR, and much of those assets are consumer debt instruments like mortgages, car loans and credit card loans" (2012).

Answering an in-class survey that kept identities anonymous, between 69 % and 74 % of the US MBA students believed that Barclays' manipulation of the LIBOR was unethical. However, despite some interventions from the business ethics professor, many of the MBA students articulated familiar excuses and justifications for the unethical behavior that suggested they did not want to hold the bank or individual traders responsible for those who suffered from rate manipulations. The following are quotes from students and the professor:

- "If you work at Barclays, you can't change the system. That's not your job."
- "If everyone is doing it, is it a big deal? Some with mortgages might get screwed but. . ." (speaker trails off and shrugs shoulders)."

The professor intervenes: "A counterparty is always hurt. Systematic manipulation of the rate hurts anyone who would benefit from high interest rates on mortgages."

- "I am confident [the traders] knew that they were acting unethically. But once you develop a culture it becomes a very acceptable thing—people say, 'It's what we do. This is how business runs.'"
- "Don't under estimate people's desire to fit in, to be part of the community."
- "If you think everyone is going over the speed limit, you don't think it's wrong to go with traffic."

- "There are bigger ethical issues that trump a slight manipulation of LIBOR, so this is not so important."

The professor explains: "Trades are not typically huge trades that benefit Barclays. Individual trades are miniscule, but these add up."

- "We care less about individual traders making more money because traders are 'supposed" to make money at banks. But we might feel differently if this were a nonprofit."
- "Barclays thought they had to lie—they saw Bear Stearns and Lehman go under [which Barclays acquired], so they thought they had to do it."

Later in a follow-up conversation with the professor, I asked if students explain how they reconcile ethical considerations with survival of the business:

> I had this exact conversation with students. They thought manipulation of LIBOR was unethical, but also the right thing to do. You care about consequences [of the business's survival] so even though you don't like it, you think it's the right thing to do. So that it is your ethical perspective.

3.3 Narratives of Business Ethics Professors

I interviewed undergraduate and graduate business ethics professors from institutions around the world, and without exception they articulated a deep commitment to teaching ethics to business students. As a group, they also shared the tremendous emotional labor (Hochschild 1983), stress and uncertainty entailed in that endeavor. Though the majority of studies finds that a code of ethics in organizations is positively related to behavioral outcomes (Craft 2013: 332), most professors were tentative in their assessment of the impact of business ethics courses, and they were unsure if they were making a difference in students' lives. Many complained of trouble "reaching [students]" and keeping students "engaged" and "not hating the class." The most prominent narrative themes among faculty members were (1) The sense of feeling isolated from other faculty and from students; (2) The search for effective teaching methods, and (3) Insights into the connections and disconnections between business ethics classes and business practices.

3.4 A Sense of Isolation Among Business Ethics Instructors

As Craft observes: "The establishment of a code of ethics does not constitute a one-size-fits-all plan to combat unethical decisions. More recent research on codes of ethics has centered on embedding codes of ethics into the culture and the embracing of them by leadership" (2013: 333). It is not clear that business ethics professors can readily affect the culture of business management education and therefore the culture of business as practiced. Many business ethics faculty

members describe their positions as somewhat marginalized; if they are from disciplines other than business, they are often perceived as outsiders who are peripheral to the educational process. Even when they have a business background, business ethics faculty often hold a critical perspective on business culture and business practices. This sometimes sets them apart from colleagues and students. Though each professor voiced a strong ongoing commitment to teaching business ethics, the common sense of isolation was stressful. One faculty member recounts an experience in her MBA program:

> It was a case where a company is dumping the pollution into a river. So I raised my hand and asked, "What kind of government regulations are there for dumping?" and the professor said, 'I was waiting for it. When the left-leaning, bleeding-heart liberal was going to bring this up.' And this is when I decided to get a Ph.D.

Another professor comments on whether ethics is taught throughout business management classes:

> Depends on professor: Accounting faculty certainly does. I know that one of our Finance professors, he actually plans that certain ethical issues will come up. I was pleasantly surprised. But I know in some other classes faculty will say that is 'just an ethics issue.' If you want students to like a class, you don't talk about ethics. They used to hate it when I talked ethics. I used to get very low ratings. I now do student vignettes. I take out the material that feels artificial to them.

Another business ethics professor comments about feeling separated from colleagues, the laborious process of teaching ethics to business students, and the lack of emotional warmth and caring in a business culture:

> Most people say, 'Ethics? Who cares, that's so boring.' Even with academic people they say I don't want to touch that with a ten foot poll. But it never gets boring to me. It's like parenting a child. It's so exhausting and frustrating. With students, they are not getting what they should get out of ethics classes and they're just like, 'What's my grade?' The same struggle, and it's every semester. You just keep digging that wound. You have to step back and let them have their own journey. Meet them where they are. You don't hear people talk like this in business, the whole caring aspect. There doesn't feel like there are warm caring people in business; it's more like, 'Here's the business plan. Here's the spread sheet.' You forget there are real people. Why can't caring and business coexist? That balance is hard for people, especially for some faculty members.

Another faculty member mentions that some business course assignments in other subjects seem to undermine students' demonstration of ethical decision-making:

> There is a [faculty member] who does a simulation with student businesses and evaluates them on ethics and also on their profitability. But in practice, it is almost like being punished for being ethical. So I asked the question about priorities, and [the faculty member] said, 'Yes, they must be profitable.'

Another faculty member comments about push-back from students who are required to take a business ethics course:

> I remember feeling very unsure about how to position the introduction of this required ethics course. There was a lot of talk that students resented the ethics being required. They didn't see a need for it. Really a lot of push back from students. Before it was an elective

and those who took it were interested. Under those circumstances, it was a very good experience. When it was required, I felt apprehensive. I thought, 'How can get them to want to learn about the subject. How can I overcome those preconceived ideas?' So I went in making a case of why it's important. I told them how important it was for accreditation and in terms of the school and our reputation. We had to be able to demonstrate to our stakeholders that we were taking time to discuss ethics so students could take an ethical understanding into their decisions in the workplace. Then, on one of the student evaluations some student wrote, 'The professor indicated that they are only teaching the course so that they can say they covered their butts in case we do something wrong.' So I just went in after that and said, 'It's part of the program,' but I do not try to justify the inclusion.

This faculty member continues:

I think a lot of [faculty members] talk a good talk. I wish we could walk our talk. We are trying to do a good job, but there's not enough support or reinforcement to have an impact. When you ask business faculty members from other disciplines, 'Do you integrate ethics into your courses,' the majority say, 'No.' 'Do you use cases with ethics? Do your textbooks have ethical discussions?' We didn't hear from many faculty, but the small number we did hear from said they didn't have an ethics focus, so it makes you feel that what you're teaching is marginalized to some degree. Some of them believe it's a luxury or a little naive to surface ethical issues. That they are not very important. It is discouraging. I wish I would hear back from more students so I know that what we talked about had some impact. I don't know.

3.5   Reflections on Teaching Responsibilities

Many faculty members voice concerns about teaching methods, particularly whether their opinions, which they usually feel differ from students', could be dominating and overwhelming class discussion. One faculty member from New Zealand shares this perspective: "Should professors show students what they believe and how they feel? I tend to think that if I try to teach ethics neutrally, it is really stupid. Most students think that professors shouldn't have a point of view. When I teach the course, it is somewhat running against the grain of what students are expecting." Most professors try to refrain from telling students what they think is right, but suspect students have a sense of what their positions are. A Canadian faculty member comments:

Sometimes I think with me there listening, they won't be honest. Sometimes I think I'm just being chicken and don't want to hear what they say. Sometimes I leave the room. It's so different from teaching a course that is technical. It is a lot tougher to think about how you are going to maneuver some of these ethical questions. Students probably know what I believe. . .because I start with purpose and end with purpose. I let them know I think there is hope; we can turn this thing around. I think at the end of the day, they would say, 'I know what she would say is right or wrong.' But I don't want to put them in their place or call them out on their beliefs and attitudes. But yes, on their assumptions. I am constantly calling them on assumptions. When we discuss values—values change. My values are definitively different. It might have more of an impact then saying, 'You're unethical!'

Course materials and directing, or trying to direct, the focus of discussions are also ways that faculty members structure the class and attempt to influence students.

A faculty member from the U.S. comments about choosing course materials intended to force students into acknowledging there are trade-offs:

> I feel that tension [that students want everything to work out], but I think there is strategic CSR—one of the goals is to push back on this notion that you can win-win-win. That's great, but one of our fundamental goals in teaching ethics classes is students aren't allowed to assume away the trade-offs in the world. I could tell them a pack of lies—do CSR and save the environment, etc. But that's all strategic and ethics is beyond that. We're interested in the situations where acting ethically doesn't help your profits. I have the casual impression that other schools teach ethics that you can have your cake and eat it to. It would be an easy class to teach, but not honest. So, I teach a case where airlines need to reduce costs. The question is, 'Who are you going to fire?' I make it so you can't assume the problem away.

A faculty member from India agrees:

> I want students to have certain discussions and insights about the difference between an algebraic method of 'firing' people to convert balance sheet figures and the impact on the emotions of the family of the people who get fired. Perhaps we do not delve enough into the emotional intelligence of this aspect in business schools. Because I have been facing these difficult situations, I realize it is more important that we teach such things like the impact of these decisions on the social fabric. Business ethics should be more about knowing what happens to those who work with you because of your decisions and how to control the aftermath of your behavior! I use a case on child labor in chocolate factories to get students to wake up to some harsh realities they might not know about.

A U.S. professor puts the issue of inequality as central to business ethics:

> Inequality is a difficult topic for people to acknowledge. I try to make it very clear about the numbers re: wealth inequality. I think students agree that inequality exists, but a lot view it as no one's responsibility to deal with. Maybe it is the government's responsibility. But most students think they don't have responsibility toward customers or employees. They adopt a Milton Friedman perspective. It's a very convenient view. The right diagnosis is that students compartmentalize. The ultimate tone of companies in new tech industries is very flat. Relatively non-hierarchical. Most students buy into notion that once they get here, there are no class issues. I think when people are talking about doing social entrepreneurship they think this will have great consequences and be really important. But there is a substantial number who think that people do not have any responsibility to others. Students tend to think that we will solve the world's problems through clever entrepreneurship rather than that justice and distribution should be part of society. I think the sense is that if their government isn't doing stuff, well then, they shouldn't worry about it either. But maybe I am not giving students enough credit. Maybe I am just frustrated that they don't agree with me.

3.6   The Connections and Disconnections Between Business Ethics Classes and Business Culture and Practice

> There are times when I wonder if am I doing a good job. I could imagine I could be, but am not confident in my own success, but that might be a reflection of how hard this job is.
>   —Business Ethics Faculty member from the UK.

Given the diligence and thought that faculty members put into teaching business ethics, how do they explain the high levels of continued corporate malfeasance? As one faculty member from Ghana commented: "Jeff Skilling was a Harvard Business School Graduate of 1979; Raj Rajaratnam is a Wharton MBA; Kenneth Lay was a Ph.D. in Economics, and Bernie Madoff has a law degree! They all took classes in ethics!"

A U.S. professor comments,

> It is a hard question to ask about business schools contributing to this bad behavior; if anything, I think we fail to understand immediate situational factors. If you are the person in the Milgram experiments or at Abu Ghraib—to me the failure on the part of business schools is that we don't train people to think hard enough.

In yet further evidence that business culture has unique ethical standards, a U.S. faculty member compares the responses between business students and seminary students and finds remarkable discrepancies:

> I have collected data in a class called Principles of Management. I give students a scenario and ask how many would buy their bonuses. Eighty-five percent of management students say yes, they would buy their bonuses and the one reason is three words: Win, win, win. They think it is a situation where everyone wins. I can't even hear that phrase without it making me ill lately. Here is the fascinating point. Every once in a while, I would have a seminary student. Every time they would be the lone person in the class who wouldn't do it, and they would always be able to articulate why: because you are not doing the right thing for the right reason. So I connected with the seminary, and they gave the seminary students the business case and, guess what—totally opposite. Eighty-five percent of the seminary students said they wouldn't do it. So, I think the question is, how do we train our business students to be more like seminary students? If we could teach our business students to be more reflective or philosophical or maybe recognize that hitch in your gut and think, 'I don't know why this is bad, but it's bad.'

Another U.S. faculty member comments on the disconnect between business ethics courses and business practice. He concludes that even though there is no evidence that business ethics classes stop unethical behavior, it is still a worthwhile endeavor to teach students ethics:

> I have only had one former student who has made high profile news. There is some research that says we teach people about ethics and their own biases, and it doesn't make a difference. But I think it's still worth doing. There are just some things they should know. Even if this doesn't have positive consequences in terms of the high profile scandals. There is a lot of business in the world. But there is even more business done where there aren't scandals. Is there a whole lot more badness? I don't know, that could be the case. Or is there a lot of good stuff out there? But if we have 5 % or 1 % of companies doing bad stuff, we see that emphasized. In some industries almost everyone is engaging in corruption. I don't view my job as keeping them from doing bad things or to make them better people. Maybe because I am self-aware enough to know that I might fail at the job. But I think it is my job to give them a set of knowledge that they should have.

Though in the minority, there are professors who have had very positive interactions with students and colleagues, and who regularly hear from students after graduation that the ethics course has made a difference in their life choices. One French professor who is in charge of the basic ethics course that is obligatory for all business students explains that the school has a comprehensive approach to ethics:

> We have ethics across other courses from Accounting to General Economics to Resource Management—so we have ethical components across our curriculum. The mandatory course is short—15 contact hours. It is taught in an interdisciplinary way, so a Sociologist is invited, managers are invited. This gives students a broad idea about what ethics is. Philosophy is usually more abstract but ... we do invite senior executives from the defense industry. Students invariably ask them, 'How can you stand the idea that you are selling missiles?' They often say, 'If we don't do it, others will.' So then students have to figure out how to resolve those conflicts. How do employees survive these conflicts? We discuss the fact that you can also say no. You can resist. We make students aware they should take their own fate in to their hands. It is not just ethics, we also focus on sustainability and CSR [corporate social responsibility].

This professor was one of the few faculty members who seemed confident of the positive impact of business ethics courses on business practices and could make several connections between the courses taught and the trajectory of students post-graduation. Examples include:

> We have a Green business unit as well. We have made it possible for students to work in positions that are sustainable. We have alumni now in these businesses. We have changed best practices in some businesses. I see students change in terms of what they seek in employment. They are no longer willing to sell themselves to the company at any time and at any hour, compromising leisure and family time. The idea of job hopping is no longer up to date. You have a safe job. Students are choosing and accepting less salary and fewer amenities for the exchange of better work-life balance. They are taking positions where they are not under the pressure of the stock market. Students say they don't want that. They want to take humanistic aspects into account. They realize that if they are under the pressure of the stock market, they can't do that. So they will join a smaller company, maybe take a less prestigious job instead. I see students go to NGOS [Non-Government Organizations] knowing they won't be the big money makers.

In this case, the business ethics curriculum and student responses resonate with the larger values of French culture. France has a myriad of national social policies covering health, education, worker safety, family responsibilities, and retirement. For instance, employers must provide 30 vacation days per year in France, 16 weeks of paid maternity and 11 days of paid paternity leave for the first child, with increases for addition children (e.g., 26 weeks for the third child) and for multiple births, universal health care covers general and specialized medical and dental care, health insurance provides a daily allowance for those who are too sick to continue working.

Workplace safety legislation is the oldest social security legislation in France; it first dates back to 1898 and was then incorporated into the 1946 French law creating Social Security. Though only about 8 % of French workers are unionized (compared to 11.2 % in the labor-embattled United States) France, along with China and South Africa, leads the world with unions that possess enormous political power and influence (Groll 2013). According the *Economist,* French unions are so strong because they always have a seat at the table in decision-making:

> The real source of French union strength today is the statutory powers they enjoy as joint managers, along with business representatives, of the country's health and social-security system, and as employee representatives in the workplace. Under French law, elected union delegates represent all employees, union members or not, in firms with over 50 staff on both

works councils and separate health-and-safety councils. These must be consulted regularly by bosses on a vast range of detailed managerial decisions. This gives trade unions a daily say in the running of companies across the private sector, which accounts for the real strength of their voice (2014).

Demonstrating collaboration around common cultural values, the French government, in association with French trade unions and the National Association of Human Resources Directors, introduced three labels to acknowledge industries meeting or exceeding criteria in human resources. The Diversity Label (2008) recognizes companies that promote equal opportunities and non-discrimination. The Equality Label (2004) is dedicated to equality between women and men, and the Social Responsibility Label (2004) promotes excellence in customer relations.

In another country with a strong union presence and extensive social services, a faculty member from the UK reports very positive experiences with students in business ethics:

> Students do report that they think differently after the class. There was a marketing student who graduated and was put in charge of CSR for his company. What he began to realize as he was doing this, is that if the organization really wanted to help these children, they would do the CSR really differently. He realized that it was just a PR exercise. The good news is he was able to fashion a different initiative. He saw it from the perspective of the children. He contacted me afterwards to talk to me about this. When he told me that, I thought that's good. Something's working.

An exceptionally positive experience comes from a professor teaching in Lebanon. Despite, or maybe because of, the chaos and relative lack of infrastructure and dependable government enforcement of laws, students embrace the business ethics course:

> At the end of my undergraduate business class, the students organize a spontaneous party. It really catches me by surprise at the end of every semester because it doesn't happen in my other classes. They have their projects and present them. And I always leave 2 classes after the end of the semester and students often spontaneously say, 'Let's have a party!' I think it's because of the nature of what we cover in class. A lot of students share personal information or at least have heated discussions and share opinions. So there is that's a level of intimacy that's reached here and not in other classes. They don't celebrate in other classes.

This faculty member continues that a student who was really affected by the business ethics class ultimately had to leave business:

> I need to teach this course for that positive feeling I get by being in the classroom and changes in the students, and it's contagious through the class. I got nominated for a teaching excellence award and the reason I mention that is that there are a number of students who nominated me, and they wrote about their experience in ways that really touched me. I remember one student who was very cynical at the beginning. And then a year later I got a letter from him that he couldn't continue in business because of the impact the business ethics class made on him; he wanted to go into fraud detection instead. So they make you put together this whole portfolio for the award and there are quite of few emails like that from students.

The current U.S. domination of business narratives can produce a lack of community identification. American businesses and corporations are just

corporations, there is little sense that they represent the U.S.—they are generic. But respondents explained that this is not true for smaller and less developed countries where there is a sense of community and a self-conscious comparison to those nations that dominate the global economy. As a developing and somewhat unstable nation, Lebanon does not offer the political predictability and economic stability of France or the UK; however, there is a cohesive set of social values that include a strong commitment to solidarity with the community. This faculty member explains:

> There is a very strong sense of community. People say, 'We go to work in solidarity with our brothers who are being bombarded by bombs.' The sense of community and serving others is very much highlighted in classes like business ethics...There is a lot of the discourse around resilience, and that we the Lebanese must help each other.
>
> Instead of individualistic discourse around being successful or increasing profit, here the focus is to keep the company going. Keeping the light on or else the enemy has won. Workers would drive 5 hours one way to work to keep the community together and keep some level of normalcy. It is heartbreaking and heartwarming at the same time.
>
> In the classroom, it is common for students to bring up experiences about a war or about refugees. The accessibility to human tragedy is on everyone's fingertips. Child labor is the kid down the street. It's accessible. A lot of times when you teach ethics, it is theory on paper. They taste the human side less so the financials mean more. To speak about the war, it serves to make the human side real.

Many of the narratives here demonstrate that business students identify with the distinct and unique ethical standards of the business community and that these standards are often in contrast to those of the larger society. Business ethics professors often voice a sense of isolation and marginalization in their institutions and feel alienated from students and from their business faculty colleagues. They are generally uncertain that they are making an impact on students' business decisions, and it is questionable that they have the power or prestige to influence business school culture and therefore business practices.

However, this is not uniformly the case. In countries such as France with a history of politically strong labor and trade unions, a populace that identifies with unions and workers' rights, and strong social policies, business students are reporting more humanistic and quality of life motivations in career choices. In politically unstable countries such as Lebanon, there seems to be more solidarity and community identification from business students and business practitioners such that the idea of business has a component of social good.

The next chapter discusses diversity in business ethics programs and how the larger culture shapes the curriculum and pedagogy.

Chapter 4
Diversity in Business: Is It Still a White (Heterosexual, Christian, Western-Educated) Man's World?

Key questions of this research are whether and to what degree larger cultural values impact on the presentation and interpretation of business ethics and to what degree business schools are responding to and influencing the diverse global culture. Though a Western, White, male perspective still dominates, this chapter provides specific and detailed examples of how demographic and cultural diversity is increasingly challenging the tenets of traditional business management education. Because I found some of the most innovative and daring ethics programs in India and Ghana, I start this chapter with that data and give overviews of these programs. Given New Zealand's unique demographics, I also provide an in-depth examination of approaches to diversity and inclusion there.

On a scale where "0" is the *most corrupt* and "100" the *least corrupt*, New Zealand ties with Denmark as having the least corruption in the world with the highest score of 91; India has a low score of 36, and Ghana falls in the middle with a score of 46 (http://www.transparency.org/country). Therefore, the three nations surveyed in this chapter provide the additional benefit of illustrating a full range of challenges to business ethics across the globe.

Beginning with India, I present details of how ethics programs can reflect, incorporate, and develop the larger surrounding culture and provide alternatives to the current, dominant business cultural assumptions and standard practices. In each example, I also discuss the demographics of students, faculty members, and diversity in course materials.

4.1 India: Everything and Its Opposite

Unsurprisingly, corruption is a major concern in India in every sector from private enterprises to government policies to the implementation of NGO projects. There have been many efforts to reduce corruption for the welfare of Indian citizens, the good of the economy, and the protection of natural resources. The Lokpal and

Lokayuktas Act, a comprehensive anti-corruption legislation, was finally signed in 2013. Versions of the law had repeatedly been introduced since 1968. Credit for passing the bill has largely been attributed to the efforts of activist Anna Hazare who led an impassioned public campaign. There are at least six more pending anti-corruptions bills before India's Parliament covering issues such as protections for whistleblowers, judicial standards and accountability, and prevention of bribery (Zeldin 2014).

In 2012–2013, during the time of the interviews for this study, the much anticipated passage of the controversial Lokpal and Lokayuktas Act was mentioned repeatedly by Indian respondents. Several commented on how the new legislative changes might positively affect the perceived importance of ethics in management education and in business practices. One faculty member comments:

> Frankly speaking, no one is sure how much message does business ethics carry. The whole context is so vicious no one can get by without paying kickbacks. So there is that kind of lack of ethic in government and in the private sector. But, the heartening thing is the lid is being taken off. The countervailing force is coming into action and there is a large scale movement against corruption: The ombudsperson law [reference to what eventually became the Lokpal and Lokayuktas Act].

Another Indian faculty agrees:

> In this kind of environment there is cognitive dissonance where we teach them ethics and principles, but they know you can't get by without passing money. But the environment is changing. Even big corporations have been caught. The Supreme Court has turned against the high and mighty and those violating ethics. So there is no sparing the big fish, which means that so far teaching business ethics may not have had any effect, but now things are changing.

An Indian student comments: "Business ethics has become more relevant because a lot of enforcement is coming in. We also have laws compelling people to comply so the earlier license that people have taken is not accepted any longer."

Despite, or perhaps because of, India's reputation on the global stage, those I spoke with were particularly cognizant of ethics within business management education. They also seemed to feel the burden and the privilege of the great economic growth enjoyed by India as a nation. One Indian MBA student comments:

> All eyes are on India as the next world power. We are sitting on such enormous potential, and people feel that responsibility. We must do this. We have the technology, the education, the drive to succeed. People work so hard here; until they drop; they will not be denied the status and prestige that has eluded India until now. I just feel like we are turning a corner, and India holds so many answers for what comes next. The challenge is to spread wealth and education and to be careful about pollution. That is a huge. It is hard for people to slow down enough to recognize how progress is also creating a lot of waste and damage.

Throughout interviews with Indian faculty members, there was a consistent call for ethics training to go beyond the concept of "business ethics" and constitute a more fundamental, basic training in ethical behavior beginning early on in management education. Representative comments include:

- "This subject should not be confined to business. You need a specific subject on ethics only. Then we can go into business ethics."
- "Ethics as a subject should start very early in management education, and it should not be compartmentalized, it should be in marketing, finance, strategic management, everything. We should start it semester one and let it go through every subject. Because when they learn those [other] subjects, that is the point where they are when they give up their values. That is why they start from day one in medical education. You need to get this into the head of most of the managers: The argument is that [business] is not just to help people if you are making money; it's there to help people. That's Adam Smith."
- I believe limiting ethics to business clouds the mind. It has a lot to do with values of promotion and money and some people don't understand how they will hurt someone else. They have no empathy: 'I removed ten people and so my balance sheet looks good.' No one asks, 'Who does this hurt? How will they survive?' No one asks those questions. Do we teach them that?

Like in every country represented in this study, Indian business schools are too numerous and varied to yield useful generalizations. Many employ the common case method; however, others are startlingly ambitious in scope. One respondent, a faculty member and dean, provided a detailed description of the MBA business ethics program below. Addressing the persistent appeals to have ethics start from day one, be integrated throughout the curriculum, and perhaps most important, to commit substantial time and resources to reinforce and develop empathy in students, this program differs significantly from typical business management programs in both pedagogy and goals.

Students are placed directly in the communities affected by corporate business policies with the goal of building humanistic values that will guide their business decisions. As students are positioned to develop empathy and responsibility toward those less fortunate, the effects of inequality, so difficult for many business ethics courses to address, are boldly confronted.

4.2   In India: A "360 Degree" Learning Model

This MBA business ethics program is organized around students, faculty members, NGOs, and business and government leaders. Before beginning classroom studies, students devote one month to living in the community and working with an NGO on an issue of their choice. Leadership workshops and teamwork training are also part of the ethics program.

The origins and process of building this program are most vividly represented in the respondent's own words. Reflecting a culture of storytelling, the respondent gives a detailed, holistic description of the emotional, moral, and intellectual underpinnings of how and why the program evolved. Honoring the narrative focus of this study, I include the following descriptive quote:

I tell my students, you will work for multinationals, but you might be working in India. The problem is, you don't understand your own country. In many regions of this country there

has been no education and no employment, no industry, no organized sector intervention. By and large, there is agriculture and mining. These have been highly dependable for a long time, but lately the size has become much smaller; as the land got split, families got split.

You don't understand the young girl or the young boy watching TV and seeing great cars and fabulous luxuries and these poor fellows can't even manage two square meals. These young people want education, but there are no educational opportunities, no teachers, no infrastructure. The government institutions are poor, and the private sector is not willing to go there. Kashmir educational facilities are awful, and there is large strife.

But most Indian business students don't understand how the decision-making structure works in their country. They know little about the political bureaucracy and the community. The fact that [business people] don't understand this creates a kind of void in the understanding of the market. Imagine when a person of one community aspires to do things with another community. That's when the conflict comes about.

That's one part.

The second part comes because the values are so deeply engrained since childhood. If I don't understand why a community is behaving in a particular manner, I don't know why they do what they do. We teach marketing, management, economic theories, big finance, but we fail to teach this particular aspect, how to understand people and their behavior. So the meaning of diversity is not well understood by the business community.

In 2007, the president [of the university] said, "Let's look at the MBA curriculum and do something different. Let's spend some time.' First, I worked very closely with industry and with the government. Let's remember the financial crisis had not yet happened. Industry was gung ho with hope and aspirations and everything. I got feedback from these sectors about business school graduates. There were four parts:

1. They felt many management graduates had very poor relationship skills; the people skills were completely missing. They were good with numbers and analytics, but when they worked with teams, everything broke down. So the interpersonal skills were a very important need.

2. Their ability to apply knowledge and execute change was poor. They could not think for themselves or initiate action.

3. These students were very selfish. The values system was missing. There was no loyalty. No sensitivity. Business had become so much commission-driven and incentive-driven that if anyone offered more money [employees] left. There was burn out. People would start in the morning at about 8:00 am, be working till 1–2:00 am and sleep for just 2–3 hours. And this was creating social problems. But most were not able to see that part. Unhappiness, divorces, late marriages. Or husbands and wives living apart or even in the same cities but on two different work cycles. Money came first, relationships came second. So, there was a crisis of values.

4. There was little understanding and concern for society and for the poor. The whole sociological dimensions of economic liberation was unrecognized. It is important for economies to grow, but the whole balance of the society was getting lost. This was in 2007, and everyone was talking about India and saying one thing: expand, expand, expand.

In 2008, I sat down with the then Dean, who was incoming at that time. I was a professor, and we started to build a structure. A program. I said we need to get something better than what we have. We need ethics and CSR very early, and we need leadership. But first we had to figure out what leadership would mean. We also reduced credits by half. And everyone got up out of their seats, because each of us is possessive of our own areas. So we started cutting classes in my discipline first. There was a good deal of dispute. My colleagues started saying, 'Why should we listen you?'

Finally, we got to the place of trying to understand our goals. We decided on: To develop leaders that are problem-solving decision-makers with interpersonal skills. And this is what will make our school unique. We would prioritize the social skills so that students would be business people who are able to relate to the community, to their coworkers, to their families. Interpersonal skills, communication skills, caretaking skills, those come first.

We decided to start from day one. You can't develop these skills in a 3 month module course. So each trimester in the first year and in each subsequent year had leadership, ethics, communication and interpersonal skills as part. These were called Leadership Labs. And the very important thing was outbound training. You need to go out and take students out and get them into group situations.

Then you ask, 'What kind of behavior are you seeing? If an organization is a jungle, what kind of behavior are the students exhibiting? Are they tigers attacking? Elephants stampeding? Or team members?' So we had a very integrated model.

Then the next big question: How do we teach values? What can we do about them? This was one area where I was sick and tired of the way business ethics was being taught because it was mandated. All schools had business ethics. Books have been published; students take copious notes, but if you ask, 'Did this make a difference? Did you soak this up?' They didn't. If it doesn't get soaked in, then it is not internalized. I was the most vocal critic at the school and at the national level on the current states of business ethics.

So I said, let's build workshops around Indian values and management philosophy. We started around learning ethics through film and literature. Students should read the Indian literature. If they don't understand the literature and films, they will never be able to understand the social issues. So we looked at films from Bollywood and Indian films and literature from different eras and different places. This provides a history and sociology of what are the social challenges and the leadership challenges. Then we do creative problem-solving.

Let me tell you I wasn't satisfied after one year. But in 2008, the financial downturn happened, and there was lots of debate on rethinking the MBA at Harvard. So then people start asking, how are we going to handle this, the following year we showed how we intended to handle it.

We created a unique program of its kind. It is built on business, government, society, and the economy. Each and every student has to go through this whole process. First, they understand what the social issues are and why are they there. Then understand how the whole community connects with government, with industry, and with the economy. So each group of students had to identify one social cause: literacy, poverty, girl-child, untouchability, AIDS and other health problems, etc. They have to observe, analyze, and then recommend a solution or alternatives. They work and live with NGOs in the field for one full month understanding why there are problems, how to create a social economic model for their growth, and what more can be done to give people a better livelihood.

The first year there was huge resistance. The administration complained it was too much time—one whole month from a two-year program. The second kind of resistance was from faculty members saying 'I don't have the time for this. My interests are not in this area. This is not helping me professionally.' Students were saying, 'This is too much pressure on us' and 'We aren't getting credit for it, so why are we doing it?' I think not everything should be credit-driven. I told them, you will get credit on your transcript and credit in your work you don't understand now.

But now everyone now owns it. On the process part, the learning model from classroom changed to a 360-degree model of learning. Learn from society, from public groups, from the library and from professors. So today, we are on a very different path.

4.3   Demographic Diversity

Unsurprisingly, admission to this extraordinary program is intensely competitive. There are 69,000 applications for 600 spots. So far, the admitted students have been from all parts of India; there have been no international students. However, the school is seeking government support for international students, with the goal of

eventually having 10–15 %. Gender representation is about 70 % male, but the hope is that as business is associated with more humanistic characteristics, there will be an increase in female students.

Among diversity issues, the dean explains that the biggest disappointment is that 95 % of the class are engineers. He explains,

> It is a bad situation. I am missing out on students from film, humanities, social sciences, fashion design, the arts. You aren't getting the diversity of experiences. The faculty are concerned about this. That was the logic of bringing in literature and film. What I intend to do is have each program pick up at least one course from liberal arts: philosophy, literature, sociology. In India, we are facing the problem of unemployment, but in the process of developing employability, we are forgetting something much more basic: that society is the source of growth.
>
> That is why the management school graduates mercenaries. They are mercenaries *par excellence*. There is very little understanding of the impact they have on society, or the change they can create, which is critical in India. We need lucrative solutions, yes, but we need local solutions in India and America and Europe. The local solutions require the multiple perspectives, and those get lost. Why? Because we don't have sociology, anthropology, history. Undergraduate degrees in those subjects would have no takers here. So we have to design modules so the engineering student or the pharmacy student can take them. Then these subjects becomes viable, and they get employability, too.

This last quote resonates with Arendt's insistence that multiple perspectives are crucial in developing ethical behavior.

Regarding other aspects of diversity, the faculty at the school is roughly 50 % female and there is a conscious effort to include the cultural perspective of India throughout the course work. The dean explains:

> Each course brings in Indian cultural perspective. There are courses exclusively designed for various types of Indian philosophy; there are courses on family businesses in India. The HR course incorporates an Indian cultural perspective. As does marketing strategy and business analytics.

4.4   Synopsis of Business Ethics Program in India

This Indian business school integrates four discrete sectors: society, government, industry, and NGOs, thereby exposing students to a breadth of complex perspectives to enable them to better understand the purpose and impact of business. With the recognition that bureaucracies typically separate business actors from the human and economic consequences of their actions, the goals are to make business management students aware that businesses are situated within the history and values of the larger Indian culture and to teach them how to position business to be most effective through understandings of social convention, economic demands, and government bureaucracies. This program exposes business students to manifold aspects of inequality within and outside of India and positions students as responsible for larger social good as well as to those individuals who are less fortunate than themselves.

With a primary focus on ethics and empathy accessed through interactive leadership labs and informed by social science and humanities, the business program seeks to use the fieldwork experience as a vehicle to develop practical skills and theoretical knowledge that transcend the more typical managerial focus on instrumental, profit-driven economic goals. Courses that teach business skills such as finance and marketing are not free-standing, but always situated in a web of social values and an understanding of how to work with government agencies and non-governmental organizations. The goal is a "360 learning model" that allows students to develop a personal ethics within a relational context that renders them effective business people. Multiple perspectives offered here are in line with the critical thinking that Arendt insists is the foundation for ethical decision-making and ethical behavior. Though this program is labor intensive, currently, student applications far outnumber spots available.

4.5   Ghana: "Freedom and Justice" and an Ethical Renaissance

Ten years younger than India, Ghana is also a constitutional democracy with a political history marked by the values of freedom and justice. Fewer than 60 years ago, in 1957, Ghana was the first African country to declare independence from its European colonizer. Ghana's first president, Kwame Nkrumah, studied at American universities, worked for the global rights of Black people, and became a symbol of African political and intellectual achievement. Becoming the only African nation to adopt legislation giving Africa's dispersed a legal option to return, the Ghanaian parliament passed *The Right to Abode* (2001), a law allowing any person of African descent to live and work in Ghana indefinitely.

Similar to India, Ghana is plagued by corruption. Much of the corruption is attributed to social and professional networking that relies heavily on nepotism, on the taken-for-granted convention of bribing government officials, and of intellectual dishonesty in educational institutions. A recurring theme in interviews was the common belief that corruption was keeping Ghana provincial and backward, and therefore unable to compete on the world stage. Interviewees voiced awareness and embarrassment about widespread impropriety as many compared Ghana unfavorably to European nations, and especially to the United States. The goal of the Ghanaian ethics program examined here is to target disreputable behavior so that students can become respected global citizens and business leaders. A staff member sums up this objective, "The idea is to educate a new generation of African ethical entrepreneurial leaders for the African renaissance." Providing a context to the motivation for a strong business ethics program, below are some representative comments from faculty and staff members regarding the results of routine corruption in Ghana:

- "What if a foreigner goes to the market to buy a TV set? Will they get the same price as a Ghanaian? No. For a given model of TV there are different prices

depending on who is the customer. The West values consistency and a version of fairness. Everyone should all pay the same price or it is not fair. Here it is different. Being a vicious bargainer is good, and you get the lowest price. Or appealing to someone's mercy—'I can't afford it' or 'I am your cousin' will sway in a way that someone in the U.S. is not familiar with. In Ghana fairness is more flexible."

- "Ghana has a boarding school system and peers become like family. The system is based on the military, and so there are favors that reinforce unethical behavior. Students spend most of their lives kind of like prisoners—you do what you have to get by. Rules are all extrinsic, and nothing is internally generated. Students are not self-motivated or self-disciplined. Teachers at boarding schools will ask students to 'help' their friends. So helping—cheating—is not exactly considered a bad thing, as long as you don't get caught."
- "We had a lot of trouble with students being late. So I asked some students, 'Can you think of any one event in Ghana where you have to be on time? Can you name one?' They couldn't think of one. So I said, 'How about flights? Appointments to British and US embassies? In these situations there are major repercussions. Anything else?' And it was none, none, and dumb. So I said, 'Aren't you embarrassed? No one in Ghana has been trained for this. But we aren't training you for Ghana. We are training you for the world.' The whole discussion about ethics seems hard. But in the rest of the world there are high ethical standards. It is about adult behavior by world standards. One young woman got upset and said, 'I think we shouldn't be treated like kids by being shutting out of class because we are late.' But then another student said, 'We should have learned this already, but our system has failed us.'"
- "I tell students, everyone needs to find a moment when they have to make an ethical choice. Don't think there aren't ethical people in Ghana. They might be outnumbered. But the more you do it, and explain it; you will contribute to the ethics here. You are international beings not just local beings."

Students were similarly disappointed and preoccupied by the corruption in Ghana:

- "In high school you are supposed to fend for yourself. Your teachers don't help you at all. Some of us don't go to school. Why should you? I would go in at 9:00 and by 11:00, I still haven't see a teacher at all. To set up a tutorial you have to pay extra."
- "In the state institutions paying bribes is the norm. Passports take months and the land registry office can take years."
- "There are penalties for cheating in high school; if you were caught you would get in trouble. So, you got very skilled at cheating. There were signals with boys' buttons and girls' earrings."
- "I have lived the result of bribes. My issue is the passport office. If you don't give a bribe, you will not get your passport. If you don't know someone on the inside, you will not get your passport. I passed the exam 2 years ago and don't have a

driver's license. I have friends who never stepped foot in the driver's school; they give money, and they have their license."

- "Everyone wanted to help their friend not be in a C class. If you didn't help them, you are considered mean, and you won't have as many friends. You would identify with people who helped, cheated really, because they were nice."

Though there is a great deal of criticism leveled toward Ghana and a general overestimation of the prevalence of ethical behavior in the United States, there was critical pushback from one of the few students who had first-hand experience in the U.S. When asked why the U.S. was idealized and Ghana pilloried, one student from Togo replied:

> There is corruption all over the world, but we are not developed and powerful. If we were developed and strong, then the level or our corruption would be overlooked. I have lived in Togo my entire life until school. In African in general, people believe everything they see on TV, and it is fact for them. Something they can see, you can't convince them that it is a lie. They have never gone outside their boundaries before. They will tell you with strong conviction that the U.S. is the best place to be. As a child, you are being brought up with those beliefs. I think the U.S. is seriously good at marketing. Confronted with the facts, you are really shocked. I know uncles who live in North Carolina and Florida, and they tell me about their struggles. Their everyday lives are awful and pathetic. So I know the U.S. can be good, but there other things going on you don't see unless you get close. I was on an Alabama trip. That is the other side of America. The poverty I saw was worse than in Togo. I called my mom and said, 'Africa is better.'

4.6   The Honor Code

Like the graduate program in the previous section on India, the Ghanaian under-graduate program couples ethics with leadership training. A central pillar of the curriculum is the honor code. One faculty member explains:

> Clearly the honor code is about integrity, and we think this is important because we believe a corrupt society is a deficient one. Another value that we believe in is giving back to the community. Central for us is leadership, citizenship, and scholarship; all of these are joined together by integrity.

An attempt to give students a chance to generate ethical positions and take individual responsibility, the honor code is initially a very unfamiliar concept to most students. Recognizing this, a consensus-driven process of discussion, debate, and negotiation takes place over the course of students' first year. As a class, they then have time to decide whether to elect and abide by the honor code of conduct or whether they will have external proctors. A staff member explains the process below:

> Students begin to be introduced to the honor code during their first year. Alumni come and talk to them about the code, and what it means to live with it. They have numerous discussions with staff and amongst themselves. These first-year students are encouraged to live by the honor code to see what it is like. In their second year, at least 75 % of the class must vote to live by the honor code, and this number came from students. If there is any

exam malpractice where the whole class is involved in cheating or a particular course where there is massive cheating, then the whole class is taken off the honor code.

Educating students who would not only be global citizens and business leaders, but who would change the conventional ethical standards of Ghana seems an impossibly idealistic goal and herculean task. Yet, the comprehensive ethics program pervading each subject and the entire college experience has successfully created a culture of its own demonstrated by student pride and solidarity. A student from Swaziland comments:

Most high schools, and even primary schools, don't consider ethics at all. We helped each other when the teacher wasn't looking. Then we were introduced to the honor code here. It took an understanding of why we shouldn't cheat and lie. We looked at corruption in Africa. This school is trying to change that mentality. It is the sum of all the people. We always talk about great people who did the right thing. All these great people they *do*, they don't just *speak*. Aung San Suu Kyi, Nelson Mandela, Mohammed Yunus. Gloria De Souza. It is easy to complain about a corrupt system, but do nothing about it. In your own small corner, just do the right thing.

A Ghanaian student adds:

We have had an army of people here who are ordinary and do different things, so you realize that you can do things in your own way. You can contribute in small ways not just large. You can contribute even if you're not a big hero. There is always success or satisfaction eventually. You can reap the benefits if you hold on to the 'why this is important' and not just the outcome.

Another adds:

They always tell us each student must hold [the honor code] up, and it takes just one of us to fail. People expect us to know a lot of things, so I think I have to know a lot of things. People expect us to be ethical, so I have to be ethical. People look up to you. You have to constantly develop yourself to live up to these expectations. If you fail, you bring doubt to the whole place. The people who graduate every year—their job is to change the world.

When asked how to create meaningful change that increases long-lasting ethical behavior while still taking pride in the existing culture, a faculty member thoughtfully explains that there is a fine balance between the merits of a more individualistic perspective found in places like the United States and that of identification with the community, which is typical in African countries:

In Africa, the notion of a person is not an individual. A person is part of a family; a family is part of a clan. The family is not nuclear, but extended. So this person is not an atom, but part of the larger community. Here, your goals and needs must be reconciled with the larger group.

With students, we start to deconstruct the cultural practices they are familiar with. I use my own experience. When we talk about the notion of family for instance, I lived with a family in the U.S. during graduate school. They lived on a street with 5 houses, and each of them would weed the garden to the border of the next property. When I was mowing the grass, at first I would mow all the lawns, but they didn't like that. So I found out the notion of boundaries is rigidly enforced in the U.S.

The family I lived with was wealthy, but the brother's family was much poorer. My family had a Jaguar. I asked, 'Why don't you help your brother out? Can't you just give him

some money?' But the man I lived with said that would be insulting. Here, if I give my brother money, he would not be angry at all.

This is different from the individual perspective; here it is community. If I am walking down the street, and I help an old woman, she does not think, 'Leave me alone—you think I am old and frail, but I am independent.' Here it is indeed not an insult to help. You want to raise your family up and help them, and it's the same mechanism of helping friends. Ghana is networking. Everything depends on who you know. There is a family system, and if someone does well, everyone is expected to share with others. The idea that this is corruption is a Western idea. Here, it is not considered corruption.

We want students to be aware of who they are, but that they operate in a global context, so they need to be able to combine both and find a middle way that does not devalue where you are coming from and does not naively embrace what you don't understand. You have to have grounding in both, and then you can tinker with things to come up with ethical solutions. How do you critically combine this individual notion of achievement, but still care for your community? You have to be selfish to attain your goals, but never forget about the auntie and uncle who held you so long—you have to do what you can to care for them. To be kind. If you are late, you can't stop and give them a ride, but if you aren't late, you will give them a ride. The Western style is too individualistic, too self-focused; you don't have to draw such a strong line as they do. That's how I represent it to my students: you must be kind, but not to your detriment. It is a balance, never, ever an either/or.

When asked for a practical example of a balanced perspective, this faculty member continued:

When we have Westerners come with their 'universal' models of what needs to be done, we translate those outside norms to the language of Ghana. There is always a way to combine, and that is the best way, an infusion of both. We teach students to see the value in alternative possibilities. We trace paths and compare results. We ask, 'how is this going to benefit us as a whole?' So if you own a store, you record stuff. When someone comes in, and they can't pay, you don't deny them your products, you ask them when they can pay, and write it down. Only if they don't come back do you go and try to collect. Bookkeeping can be done within being part of a community and helping out, but you and your family should not starve.

The use of self-policing, or honor codes, is relatively common in some parts of the world, but quite rare in Africa where the norm is proctored exams. Most of the members of the National Accreditation Board in Ghana were not familiar with the concept of an honor code. Since the assumption is dishonesty, the accreditation board initially interpreted the honor code as undermining ethical behavior by encouraging cheating. One student comments on the impact of the honor code:

What some people think to be true is actually false. The honor code works. People do report, and it makes people more ethical. It actually works better than the other system of proctoring exams when friends help their friends and don't get caught.

Another student describes the typical response to the fact of an honor code:

Here in Ghana and most places in Africa, we are not used to going against the status quo and changing things. So having exams without proctors was very alien. It is still thought of as a joke.

But students are generally very committed to the honor code. With only one exception, in the last decade, every class has voted to adopt it. Moreover, students

describe how the honor code transcends the exam process and becomes a guiding worldview that informs behavior beyond school:

> Once I was stopped by the police, and I knew I wasn't doing anything wrong. The courses here and the honor code have sensitized me to the concern. My initial feeling was try to do what I was taught. I was stopped for driving without the license. I knew I could make a phone call. I wasn't in a desperate place. You can't compare it to being in the wrong and having to pay a bribe. I felt I was being pushed to give a bribe, but I didn't consider it. [The police officer] made me park on the side of the road and took out a big book of rules to try to prove his point. He was stalling until I paid him. When he realized I wasn't moving, and I could call and get my license, he said I could go.

Another student comments about making changes in the culture outside the college:

> When I came here, I started leadership and ethics courses, and I was really touched. Why don't we have this in primary schools? Most of the corruption in Ghana will go away if people are taught ethics in primary school. I have thought about this as personal thing I would try to implement in the future. Maybe open up a School of Education so that schools can be different.

Despite support from students, National Accreditation Board members were very skeptical that an honor code could work in Ghana and moved to withdraw the college's accreditation unless it agreed to conform to the convention of proctored exams. This triggered a passionate protest against the Board that united students, parents, administration, and faculty members. Students were demanding to know why the Board did not support their efforts to be honest; most of the Board's members, meanwhile, did not believe that students were capable of honesty. One faculty member describes the events:

> We were horrified. Very upset by [the Board's] decision. The college administrators had a meeting and decided to disregard the directive to eradicate the honor code, which would mean losing accreditation. They then called an emergency faculty meeting and explained what was happening. There was a long debate—about 2 hours—with the administration saying we should disregard the Board's order and some faculty saying accreditation was too important to lose. Finally, we called a vote, and it was unanimous: we would keep the honor system. Everyone was convinced. But then we had to call a meeting with students. If the student body was not behind it, we were going to have a problem.
>
> There were so many people that we had to meet outdoors. There was standing room only in the courtyard. Pretty much everyone showed up. We had about an hour of discussion. Students were very upset saying. 'Why would the accreditation board want us to stop doing the right thing? Why educate people in this country if we can't hold them ethically accountable?' In the end, students were not so concerned about accreditation; they wanted their dignity.
>
> So at the end of this conversation, the head of student government said, 'We need a show of hands. A vote. How many feel we should disregard the directive from the national accreditation board? And remember, history favors those who fight hard for a good cause.' Every hand goes up. And there is a standing ovation. I am thinking to myself, there is no way a phenomenon like this should be allowed to fail. It is done. We will do this thing.
>
> Then we call a meeting with the parents. About 300 parents show up. The Board of Trustees had been informed since the faculty had voted, and they were behind the decision. So we tell the parents this is what had happened. The entire college community has voted to keep the honor code regardless of the [National Accreditation Board's] position. At this

point we are drafting letters to the Accreditation Board, to the media, and to legal counsel. And we told the parents, we will fight in court.

Mostly parents were saying, 'Look, my kid was changed completely since they started using the honor code. You are doing something right.' A parent stood up and sang the national anthem of Ghana, with the words 'make us cherish fearless honesty.' There are a couple of lines too that talk about defending a just cause. This parent said, 'You should go and you should tell the Board this is the only university that argues our national anthem. This is a fearless anthem. For young people to take this position is something the Accreditation Board has no business trying to stop.'

So then parents are calling the Board; students are writing letters. We put out a press release to the media. This was on the airways, radio, and TV. Students were invited on radio programs to discuss. How passionate and articulate they were was very convincing. But the Board did not back down quickly; it was pressuring us and making rumblings, trying to discredit us, saying, 'Let them not comply and we'll see what happens.' But, they wanted the letters to stop. People were taking the issue to the Minister of Education. Eventually, the Board backed down. Overtime, not right away. And we're still here.

A staff member adds:

This was a colonial university system intended to produce people for the civil service who would never get their hands dirty or do anything except carry out orders. Then we came along with a model that's for changing Ghana and being ethical. We are a threat. At some point in the deliberations, I just said, 'The Board is stuck back in the time of the British Empire. I was born in Ghana!'

The reasons that this college exists are the same reasons that make our lives hard. The national leadership is corrupt. The leaders are not critical thinkers. Unfortunately for us, it means for a while, we have to deal with these people. That will eventually change. We have made our effort. My own advice? Don't worry about [the accreditation], just continue to be a top university college.

Though controversial on the national level, in practice, the honor code has done its job, and that includes having the privilege of the code suspended for an entire class due to pervasive cheating. In this instance, the class worked hard to get the code reinstated; this class did not want to graduate as the only one that could not uphold the honor code. The student government organized meetings of class members to talk about how to redress this unprecedented situation. As a group, they decided to broaden the honor code beyond exams to include all cheating, lying, or stealing and voted not to tolerate anyone who did these things. Over the course of a year, class representatives also had several meetings with the administration and with the faculty.

Eventually, the students became divided. A staff member explains: "One side told the administration, 'We have behaved so well, we have earned the right to get back on the honor code, and we will be disgraced if we graduate without it.'" The other group said they were no longer seeking to be reinstated. They would accept that they had lost that privilege. Instead, they said that the honor code was not words or an official acknowledgment, it was about behavior. The staff member continues, "They told the administration, 'We don't think you should reinstate us. We are already living by it. We know that, so you don't have recognize us.' They saw this as a very important wake up call to all students and future students. They wanted to deter other classes from going down the same path. They felt that they could serve

others more through their example of being disgraced. So they did not want the stigma lifted." This struck the administration as very selfless, and on this basis, the class was eventually reinstated.

4.7 Demographic Diversity

The college has intentionally sought a diverse student body that includes being mindful of economic background, gender, and geographic location. Faculty members, though predominantly from Africa, also hail from Europe, the U.S., and India. Case studies include both international businesses and those specific to Africa. A staff member explains the practices around diversity:

> We wanted to focus especially on the economic diversity and get students with diverse backgrounds because college is perceived to be too expensive. A conscious effort was made not to make the college a place for the rich. There has been deliberate outreach to scholarships partners, and we have some prominent corporate sponsors helping us achieve economic diversity on campus. We have 40 [of 160 students] full scholarship kids, that includes transport, meals, laptop, books, and pocket money. We look across the continent because we are committed to a Pan-African identity, so 25 % come from outside of Ghana—Nigeria and other African countries. And we look out for girls. If there is a choice between a male and a female student, all things being equal, we take the female. We are big on gender balance, and there are fewer opportunities in Africa for women. We are not tilted toward particular religion. So we have mixed religions. We want to have kids feel that they belong.

4.8 Employment

Graduates from this college are, by some measures, among the most successful in the world. Despite rampant unemployment in Ghana and most of Africa, the students' reputation for honesty and ethical behavior combined with superior business training has resulted in an astonishing 96 % employment rate 3 months post-graduation. The 4 % who do not begin working immediately are either starting their own businesses or pursuing graduate studies. A staff member comments:

> Employers say our students are different. I think it is because of their critical thinking. That's just not in the national curriculum. Other students are in huge lectures halls, and they don't get the benefit of feedback. In Ghana generally there is no critical thinking. Here we give them the sense of being adult. If you are treated as an adult you act like one. So the kids who leave here feel entitled to get answers. To be treated like a colleague. Our students take initiative. They take responsibility. If there were more students like ours, then the whole workplace system would have to change.

When asked how students who are so different from the norm fit into workplace culture, the staff member replies:

> Students come with tradition of rote learning. That squelches curious kids. We try to get curiosity going again. We do that so well that when our kids graduate, they start asking

questions. They challenge. They are ambitious. They want to get ahead. So they are always asking for more work. This works in the U.S., but can be considered disrespectful in Ghana. It is a very hierarchal system. Very biblical. The attitude is, little by little you'll get there. Anyone who seems to be impatient is considered horrible. Impatience is an insult. The feedback that we were getting from more traditional employers was the kids are trying too much to get a head.

So, we talk with them as a group. We say, 'It's great you are eager, but you have to look at the person you are working with as well. People might perceive you as threatening. Do things so that they shine; try to make the head person look great.' Here it is an apprentice system. We say, 'Look for those employers who appreciate you. Combine the best of what you learn here with what you know of Ghanaian culture.'

So far, none of the students have taken permanent positions in the public sector, which is considered to be the most bureaucratic, the most corrupt, and the least open to improvement. Another staff member comments:

The saying is that little drops of water make a giant ocean. Actually, little drops of water evaporate. What I want to do is collect our graduates away from a heat source. That cooler more humid source is the private sector. Most are staying in Ghana. The student interns who tried the public sector came back with very discouraging reports. We hope someday they can enter the public sector at a higher level where they can effect change.

4.9 Synopsis of Business Ethics Program in Ghana

This Ghanaian college is teaching undergraduates to internalize a code of ethics hoping they can change the corruption that has become routine in Ghana—an ambitious goal to say the least. In student narratives and employer feedback there is evidence that this program built around the honor code has successfully helped students forge new identities that reflect membership in the college community with its attendant values. Offering a resounding critique of Ghanaian culture, students have been encouraged to identify with the positive aspects even as they are entrusted with its improvement. As discussed, respondents from the U.S., the UK, Canada, and New Zealand tended to expect the business domain to produce instrumental behavior driven by bureaucratic complacency, self-interest, or profit. The usual remedy then for rampant misconduct is to imbue business with the larger cultural standards of humanism: social good, justice, equality, and empathy. However, here it is the opposite; rather than try to make businesses respect social norms, this Ghanaian college is attempting to raise the cultural standards by showing that business can be the domain associated with the highest ethical standards of honesty and responsibility.

This vision is quite distinct from that of the efficient, rule-based rationality of bureaucratic capitalism characterized by hierarchy, rigid separation of functions, and uniform responses that are not subject to personal responsibility or critical reflection. However, bureaucratic rationality was in part an attempt to reduce the nepotism and bias in corrupt systems. The ethics program featured here in Ghana attempts a difficult feat: the creation of a rule-based ethical code that emphasizes individual responsibility and merit that cannot be superseded by loyalty to friends

and family, but must necessarily be balanced with an enduring commitment to appreciate and care for the larger community and ecology. Self-interest is allowed, even encouraged, but only with the understanding that no individual self has value unless it is serving the whole. This ethical stance and the commitment to educate a diverse community, not just the wealthy, increase the prestige of graduates and provide them opportunities and hope. A student explains:

> When I was growing up, I never thought I would come to this school, never ever, because my parents don't have the means to pay. You watch TV, and you look at Kofi Annan, you know Secretary of the UN, but you think he had the opportunities handed to him. For most Africans, those things are so far away. I could be the best student in my class, but that wouldn't be enough to even *aspire* to do that. You wouldn't even know where to start to get there. It was a dream, not real. Now I have the opportunities. I can hope. There are many young Africans who are educated and driving taxis. There is no hope. I go here so people think my dad has money, but I am a poor girl from a poor family. I want to go back and help my fellow African. Because, can you imagine life without hope? It's miserable. Those circumstances shape how you see your future.

4.10   New Zealand/Aotearoa: Duality and Unity

The Treaty of Waitangi (1840) was the initial governing document between the British settlers and the native Māori people. The Treaty codified a partnership between the British and the Māori that makes the colonization of New Zealand, Aotearoa in the Māori language, very different from the British colonization process in Australia, North America, and Africa. In the Treaty, the United Kingdom offered the Māori protection, allowed them to keep their lands and culture, and granted them full citizenship rights under the law. In exchange, the Māori agreed that the British would have the exclusive right to purchase land. Additionally, in 1867, the Māori Representation Act was passed: for every area of New Zealand, there is a general electorate and a Māori electorate that simultaneously govern. The combination therefore provides the Māori relative autonomy through land owner-ship and cultural recognition as well as an active role in the governance of New Zealand.

Generous when compared to other colonies, these mandates provided Māori people some protection, representation, and voice, but governance of New Zealand was far from an equal division of power or an equal partnership between the Māori and the British. Since the initial signing of the Treaty, there has been a slow increase in discontentment which eventually lead to protests in the mid-to late-twentieth century over the failure of the New Zealand government to abide by many of its contractual obligations. The government has taken steps to redress violations of the Treaty that include financial reparations, formal apologies, and official recognition of the cultural associations of the Māori with various land sites. As a result of the recommitment to the Treaty, there have been attempts to recognize the authority and contributions of the Māori culture in New Zealand and disrupt the hegemony of the British and European influence. For instance, the Māori Language Act in 1987

established the Māori language as an official language of New Zealand, and the Education Act of 1989, gave standing to Wānanga as publicly owned and funded, Māori tertiary institutions of higher learning available to everyone to participate in Māori culture and traditions.

4.11   Demographic Diversity

The 2013 census shows about 600,000 Māori live in New Zealand, meaning that about 1 in 7 people are of Māori descent (Ihaka 2013). I was not able to get numbers on Māori enrollment or retention in universities, but was told by one faculty member that "visually" there are about 5–10 % Māori in her business ethics class at a non-Māori university. When asked about diversity with regard to race, nationality, gender, class, sexual orientation, and disability, one faculty member from Turkey teaching in New Zealand replied:

> Considering New Zealand has two general communities, one with Māori and one with European origins, there is always a concern regarding diversity. Particularly there are policies that would support Māori and Pacific Island communities in terms of representation at policy-making levels and reaching equal conditions with the European-originated New Zealanders. Hence, the diversity issues are mostly related with ethnicity. In the university, there is always a representative from Māori background at different boards and apart from policy-making there are offices particular to Māori and Pacific Islands students to support them. So, there is a general awareness regarding this diversity issue. In terms of academic staff, as a personal observation, I feel welcome, but, I am not sure there is a specific diversity policy to diversify the academic population.

Another faculty member of Māori descent explains that business ethics classes use cases from both Western and Māori traditions. She explains the differences between the perspectives:

> Māori leadership is more collective, more organized around servant leadership with characteristics of humility and embracing mythologies. For instance, there is a half-bird half-man hero who gets up to mischief, bends rules, and challenges the rules and this is related to Māori business and entrepreneurship. There is an ongoing debate about integrating the Māori Treaty and Māori elements into papers and assignments, but having a stronger Māori presence is a struggle—a collection of staff is trying to put together research on Māori businesses. If we have any Māori students coming through with potential, they are snapped up by private schools or the industry.

Despite the efforts described, there is a sense that Māori students feel marginalized and isolated:

> If [Māori students] don't submit the first assignment, then they tend not to return to class. There might be an element of shame. They go completely off the face of the earth and don't want to see you. I try to make contact with them. They sometimes feel they don't belong here. In terms of business, the Māori brown faces are few and far between. Often, they are not used to academic work. We used to have a person whose sole job was to look after Māori students. There used to be a communal place that would provide help with evening tutorial sessions on writing. I am not sure what the retention rate is, but we are looking at

putting together a Māori engagement committee. We are realizing we need to strengthen this. Māori students who are totally involved in the Māori world go to Māori universities, but most want a mainstream environment. Not sure how many speak the Māori language, but the population is not growing. There is Māori TV and radio, but it is struggling.

Unlike some indigenous people who remain immersed in their culture, those Māori who do so are successful relative to their more assimilated peers:

A lot of Māori who have gone through total immersion are more middle class; the lower socioeconomic Māori have lost the language and are in the mainstream. It's the middle class starting businesses and taking on government roles. Some people feel threatened by separatist Māori, but not that much. Some feel Māori get special privileges. There is some racism and some resentment, but not as explicit because we have a myth that we are all-embracing and egalitarian, but there is racism.

Because Māori business owners are more prevalent in the separate Māori culture, their ideas and practices are not as widely-known as they might be, but according to one faculty member, they tend to practice "a triple and quadruple bottom line" but adhere to some type of capitalism. Additionally, there are many *iwi,* or tribes, and what is considered ethical business practices can vary from tribe to tribe and across generations. Below a Māori faculty member describes the inconsistency within her own family:

Most discussion among Māori is capitalistic, but it is a continuum. There are discussions of collective and self-sustaining communities and exchanging gifts instead of going to outside sources. A major value is of being one with the land. But the majority discuss ways that Māori can be in capitalistic businesses and still be Māori. The self-sustaining communities are separatist and often think about how to keep businesses going for further generations.

The Māori economy is often discussed as completely separate and a lot of that is to do with the Treaty, but I think it's trying to portray them as being separate more than they are. My family has share of land where the ancestors settled, and there is an iron company, and we've decided how to invest. They have thought about using the water and bottling the water and my ancestors have said, 'No that's not our role. We protect the land, the values, the families, and all those who live there.' They might say 'No' to bottling water, but open a casino that exploits indigenous populations in Australia, but they are invested in guardianship of the land.

There is general agreement that diverse perspectives are central to understanding business ethics, but as mentioned, the implementation of diversity is uneven and at times underfunded and understaffed. Several faculty members mentioned that they use course materials that specifically focus on Māori businesses and other faculty discussed textbooks that emphasized the need for diverse points of view more than did typical U.S. textbooks:

In terms of my course, the material I use is a textbook on business ethics that compared the U.S.-oriented textbooks, has a European and a critical tone, and it mostly mentions the geographical differences in terms of ethics, business, and society relationships. For instance, it discusses how business ethics is perceived as an individual problem in the USA, an institutional issue in Europe, and a cultural paradigm in Asia. When it comes to diversity, I can say that the authors try to provide extensive examples from different regions of the world. . .the book creates a sort of awareness that there are cultural and socio-political differences all around the world and defends the idea that it is very problematic to have a monolithic perspective. . .In the examples/tutorials I also give importance to how ethical

cases are diversified even at local context in New Zealand by giving instances from immigrant labor or gender issues related to business, ethics, and social relationships.

4.12 Diversity in U.S. Business Schools

Business culture is still mainly influenced by American cultural standards, and as indicated in the last quote, the reputation of business management course materials originating in the U.S. is that they lack demographic and cultural diversity and do not offer critical perspectives. This reputation seems deserved. The respondents I interviewed from U.S. business schools report that there is little diversity in the curriculum including in ethics case studies. As one graduate from the UK put it, U.S. business school curricula is a reflection of a "monolithic culture." A Dutch graduate of a U.S. business school comments:

> The short answer on diversity in case studies is that is it shockingly low. The number of case studies that present diverse demographics is shocking. And it is mostly female faculty members choosing those cases. It's not just the cases. It's the people who are teaching. Who is teaching in a core or soft course. There is work to done. It's interesting because the student body is diverse. American-centric Western values are on display. There is a certain language that comes with entrepreneurship, and it is very manly. Most cases that feature women are with women acting like White men. . .And most CEOs are still men. Race is the same thing, possibly worse. It is still largely White and U.S.

A professor at a U.S. business school comments that there is concern that the overall demographics of the faculty be more diverse and there have been attempts to change the long-standing fact that faculty members are overwhelmingly white and male, but there is no particular efforts made with regard to the race or gender of those faculty who teach ethics:

> I am not sure regarding the diversity for authorship of case writers. I am guessing the majority of writers are female. The school does not try to do that in terms of female faculty. When choosing cases, I don't consider the author's background or demographics. There is an explicit goal of the school to get protagonists that aren't White guys. The diversity focus is more about gender, less about race, and not really at all about class. Internationality is a very big goal. We try not to have all cases set in the U.S. The trick with international diversity is that it is easiest to do well known international businesses. We do have a case with a Mexican company doing business in Mexico, and an Indian business doing business in India. The problem though is honestly when I do cases of non-U.S. countries doing business in their country setting, students are less interested; they find it less familiar. I once had an exam question set in India and a Kuwaiti student complained that it would privilege those students from India.

Harvard Business School (HBS) acknowledges itself as a "standard-bearer for American business," (Kantor 2013), and relative to other top-ranking U.S. business schools, Harvard does well with regard to gender: 41 % of HBS students and 20 % of HBS tenured faculty members are female compared to Yale School of Management with 39 % female students and 13 % tenured female professors, and Stanford Graduate School of Business with 36 % female students and 18 % tenured female professors (Zlomek 2014). Yet, demographic diversity at HBS is not borne out in

course materials: about 80 % of business cases sold globally (Strauss 2014) are written, published, and disseminated through HBS. Roughly 90 % of those focus on White, male protagonists (Strauss 2014) and on large corporations.

It has been well documented that the lack of representation has a direct and measurable negative impact on performance (Davies et al. 2005; Langowitz and Morgan 2003; Godwyn and Langowitz 2014). Under-representation or negative representation in any area lends credibility to stereotypes and social expectations that only those who are highly visible and therefore primarily associated with the domain, in this case, White, educated males, will achieve success. These assumptions create a hostile environment for those who are not part of the demographically advantaged group. Given existing research on the impact of a hostile environment, the prediction is that the performance of those who are absent in business case studies, such as women, people of color, and economically disadvantaged people, will be lower in business school (Davies et al. 2005; Langowitz and Morgan 2003; Godwyn and Langowitz 2014).

This prediction is the reality at HBS as women and men arrive with comparable entrance grades and tests scores, and women fall behind. Rather than recognizing the negative effect of a hostile environment, the underachievement of disadvantaged groups is often interpreted as evidence that they have inferior intelligence and/or skills compared to those groups associated with the domain, and the stereotype is thereby reinforced. In an exposé by the *New York Times*, a professor who supervised a student study revealing the grade gap between women and men comments, "You weren't supposed to talk about it in open company. It was a dirty secret that wasn't discussed" (Kantor 2013).

An examination of gender at HBS conducted in 2013 found reports of flagrant gender inequality. Female students cited grading biases and at times prejudicial and sexist treatment from guest speakers:

> At an extracurricular presentation the year before, a female student asked William Boyce, a co-founder of Highland Capital Partners, a venture capital firm, for advice for women who wanted to go into his field. "Don't," he laughed, according to several students present. Male partners did not want them there, he continued, and he was doing them a favor by warning them (Kantor 2013).

Women not only experienced hostility in the academic arena, but also in social interactions:

> Women were more likely to be sized up on how they looked, Ms. Navab and others found. Many of them dressed as if Marc Jacobs were staging a photo shoot in a Technology and Operations Management class. Judging from comments from male friends about other women ('She's kind of hot, but she's so assertive'), Ms. Navab feared that seeming too ambitious could hurt what she half-jokingly called her 'social cap,' referring to capitalization.... (Kantor 2013)

Socializing often takes place at bars and drinking is reportedly heavy: after being ask to leave a pub, an inebriated, married male student was found dead, apparently due to a fall (Kantor 2013). A female student also reported that she had been sexually assaulted by a male classmate (Kantor 2013). The hostility toward women

extends to professors and was so high that between 2006 and 2007, one third of the female junior faculty members left (Kantor 2013). Kantor quotes an HBS faculty member as saying: "As a female faculty member, you are in an incredibly hostile teaching environment, and they do nothing to protect you" (2013). Kantor also writes, "A current teacher said she was so afraid of a 'wardrobe malfunction' that she wore only custom suits in class, her tops invisibly secured to her skin with double-sided tape (2013).

In addition to the devaluation of female students and female faculty members, there were also ostentatious displays of wealth that many students found intimidating and alienating:

> The men at the top of the heap worked in finance, drove luxury cars and advertised lavish weekend getaways on Instagram, many students observed in interviews. Some belonged to the so-called Section X, an on-again-off-again secret society of ultrawealthy, mostly male, mostly international students known for decadent parties and travel... Students said they felt overwhelmed by the wealth that coursed through the school, the way it seemed to shape every aspect of social life—who joined activities that cost hundreds of dollars, who was invited to the parties hosted by the student living in a penthouse apartment at the Mandarin Oriental hotel in Boston. Some students would never have to seek work at all—they were at Harvard to learn to invest their families' fortunes—and others were borrowing thousands of dollars a year just to keep up socially (Kantor 2013).

Unable to defy the well documented gender pay gap and gender prejudice of the larger culture (Porter and Geis 1981; Heilman et al. 1989; Valian 1998; Miller et al. 1991; Eagly and Johannesen-Schmidt 2001; Ridgeway 2001; Kimmel 2004), the study on HBS found that despite their prestigious degree, female graduates earned less than their male counterparts.

> This was the lopsided situation that women in business school were facing: in intellectual prestige, they were pulling even with or outpacing male peers, but they were not "touching the money," as Nori Gerardo Lietz, a real estate private equity investor and faculty member, put it. A few alumnae had founded promising start-ups like Rent the Runway, an evening wear rental service, but when it came to reaping big financial rewards, most women were barely in the game (Kantor 2013).

4.13 Diversity in Leadership

Given its position as the most prestigious and well known business school (though not always the highest ranked), HBS acknowledges itself as a mainstay of business culture. By lending credibility and authority to the notion that women are not as competent in business as are men, Harvard both reflects and magnifies existing societal prejudice. Regardless of the grades at HBS, this gender stereotype is not borne out in empirical research on business practitioners. In fact, women equal or surpass men on many business measures. For instance, despite higher levels of anxiety about failure and more negative self-assessment, in high-income countries, "there is no difference in the survival rates of women's businesses versus those of men" (Allen et al. 2006: 9). Zanger and Folkman found that "at every level, more women were rated by their peers, their bosses, their direct reports, and their other

associates as better overall leaders than their male counterparts—and the higher the level, the wider that gap grows" (2012). McKinsey & Company finds that companies with three or more women in senior management functions score on average higher for each organizational criterion than do companies with no women at the top. They report "the correlation between organizational excellence and women in management bodies is striking" (Desvaux et al. 2007: 12). Moreover, McKinsey finds that companies with women in executive positions with corporate decision-making power on average outperform their sector in terms of "return on equity (11.4 % vs. an average 10.3 %) operating result (EBIT 11.1 % vs. 5.8 %), and stock price growth (64 % vs. 47 % over the period 2005–2007)" (Desvaux et al. 2007: 14). In a study of 353 Fortune 500 companies from 1996 to 2000, Catalyst found:

> Companies with the highest representation of women on their top management teams experienced better financial performance than companies with the lowest women's representation. This finding holds for both financial measures analyzed: Return on Equity (ROE), which is 35 % higher, and Total Return to Shareholders (TRS), which is 34 % higher. In each of the five industries analyzed, the companies with the highest women's representation on their top management teams experienced a higher ROE than the companies with the lowest women's representation. In four out of five industries, the companies with the highest women's representation on their top management teams experienced a higher TRS than the companies with the lowest women's representation (Catalyst, 2004).

Moreover, people of color and women outnumber White men by a ratio of 2 to 1 (Hekman et al. 2014). Yet, female representation on the governing boards of business schools is often lower than at the male-dominated companies featured in HBS business case studies. In 2013, on average, women held 15 % of business school governing or advisory board seats of the top 51 schools compared to 17 % of corporate board seats held by women at Fortune 500 companies (Zlomek 2014).

Since they have neither numerical nor performance advantage, one explanation put forth for the continued dominance of White males in business is that women and visible minorities are penalized for valuing diversity. In fact, research conducted by Hekman et al. across 26 different industries and 20 job functions suggests that:

> Ethnic minority and women leaders may actually be penalized in the form of lower performance ratings from diversity-valuing behavior whereas white men may not. In fact, we go as far as to argue that this divergent effect of diversity-valuing behavior on performance ratings results from supervisors' tendency to negatively stereotype diversity-valuing ethnic minority leaders as incompetent, and their tendency to negatively stereotype diversity-valuing female leaders as interpersonally cold. Moreover, we contend that ethnic minority and women leaders tend to avoid being negatively stereotyped and tend to be viewed as strong performers to the extent they engage in low levels of diversity-valuing behavior. We suggest that when nonwhite or women leaders engage in diversity-valuing behaviors, they violate the expectation that as minorities, they will play a supporting, rather than a leading, role in society (Hekman et al. 2014: 4).

To their credit, the administration at HBS realizes that redressing the profound sexism at the institution "could have an untold impact at other business schools, at companies populated by Harvard alumni and in the Fortune 500, where only 21 chief executives are women" (Kantor 2013). Nitin Nohria, Dean of Harvard Business School, apologized for the poor treatment of women saying, he was sorry that women felt "disrespected, left out, and unloved by the school... I'm sorry on

behalf of the business school. The school owed you better, and I promise it will be better" (Strauss 2014). Recognizing the pernicious effect of the lack of female representation in course materials, Dean Nohria committed to increasing the percentage of case studies created at Harvard featuring women (Strauss 2014). He also acknowledged the post-graduate disparity in financial success and social recognition between female and male HBS graduates, and vowed to find places for women on boards of trustees.

4.14   Approaches to Diversity in Business Management Education

There are business schools that are innovative in their dedication to demographic and cultural diversity as evident in their business ethics programs; this chapter examined one of these schools in India and one in Ghana. The program in India brings together NGOs, government and business leaders to give students real world experience working in communities that may well be affected by the business decisions the students eventually make. The underlying goal of the ethics program is to teach students empathy and leadership as the foundation of their business ethics training. The program in Ghana is committed to Pan-African, gender, and economic diversity. The central pillar of the program is the honor code that strikes a balance between personal autonomy and loyalty to the larger cultural values. Both programs attempt to decrease the widespread corruption associated with these nations. Another example of the valuation of diversity is the simultaneous duality and unity in New Zealand culture as represented in European and Māori orientations to business, and the Diversity Label in France discussed in Chap. 3.

As the nation that currently dominates business cultural standards and therefore business ethics, the United States is generally viewed as undervaluing demographic and cultural diversity within these domains. Evidence of the devaluation of diversity includes the example of HBS and the findings that women and minorities in U.S. workplaces are penalized to the degree they are perceived as valuing diversity. Discrimination and prejudice are unquestionably unfair and unethical, and as Hekman et al. note, also create a dangerously precarious leadership base: "orthodox economic theory would predict that it is suboptimal for society to select its top leaders from only 34 % of the population" (Hekman et al. 2014: 4). Moreover, women are acknowledged by both peers and supervisors as superior leaders, and companies with women in executive positions do better in a wide range of measures.

Diversity is a glaring deficit in dominant business discourse and provides an obvious opportunity for alternative constructions. As long as devaluation of diversity is standard and accepted, the discourse is fundamentally unethical. As Arendt notes, alternative and critical perspectives are crucial to generate an ethical base of thought and behavior and avoid an unthinking, mechanical solidarity and automatic compliance with current conventions. The next chapter explores some alternative discourses within business schools.

Chapter 5
Alternative and Critical Perspectives in Business Ethics

Money is a great servant, but a bad master.
  —Francis Bacon

Material freedom, money, was intended to protect non-material freedoms such as the implementation of values, the maintenance of culture and communities, and the conservation and care of the natural world. Instead, as discussed, the business realm often works by its own ethical logic that is separate from and sometimes hostile to that of non-material considerations. Jürgen Habermas writes:

> Modern societies attain a level of system differentiation at which increasingly autonomous organizations are connected with one another via delinguistified media of communication: these systemic mechanisms—for example, money—steer a social intercourse that has been largely disconnected from norms and values, above all in those subsystems of purposive rational economic and administration action that, on Weber's diagnosis, have become independent of their moral-political foundations" (Habermas 1989: 189).

Since the current normative business goal is quantitative (profit) repeated large-scale corporate and government corruption are merely symptoms of that goal. Many believe this has discredited business as a culture capable of generating ethical rules and regulations that prioritize social and environmental issues. Some respondents assert that business ethics must begin with the understanding of the ethical characteristics that are the foundation of moral decision-making across every domain. That is to say, the basic components of ethical rules of conduct must come from the larger social and cultural values outside of business occupational and professional training and create interpersonal relationships and structure consciousness according to standards and goals beyond those of business contexts and exchanges. In this way, interactive social values provide ethical legitimacy for the business realm from the outside in as well as from the inside out.

Critical discussion of business and business ethics often involves using multiple disciplinary lenses to examine management education. Some respondents explain that they seek to challenge and disrupt the centrality of routinely measured quantitative considerations and resituate them within a larger frame of abstract, quality

of life considerations that include social interactions, beauty, emotional attachment, ecological appreciation, and the conscious contextualization of self in larger systems. This chapter continues to explore pedagogical and theoretical questions such as: How can we explain and assess the relationship between business ethics classes and behavior, assumptions, and expectations in business culture? How can business students and faculty members engage in, promote, and develop critical thinking that can be applied in the classroom and beyond? How radical or superficial should analysis be for graduate students who are furthering their education to gain skills for the workplace? For undergraduates? Is it harmful to students' careers to critique business? Do the pressures of the marketplace quell critical thinking in faculty research and publications?

5.1   Alternative Perspectives: Disciplinary Integration

As demonstrated in interviews with business students, business ethics is often predicated on two unexamined assumptions: (1) A business must remain profitable or it will cease to exist; and (2) The survival of the business should not be compromised to serve ethical concerns. These outcomes severely limit ethical decision-making in the business arena. Unless the outcome that a business might close, or must at times subordinate profit to ethical behavior is up for consideration, then ethical behavior only applies to business decisions when it is consistent with profit generation. There are laws that try to force businesses to behave ethically regardless of the impact on profit, but as large multinational corporations are increasingly so powerful that they are beyond the reach of legal enforcement or so powerful that they are writing the applicable regulations, we must count on business ethics to inhibit destructive behavior.

Remarkably, there is no other realm in which we grant the same all-encompassing respect for survival as we do business: we do not routinely allow individuals the ethical leeway to sacrifice another person in order to save themselves (Goldberg 2014) or believe that a nation can ethically eradicate another so it can survive. However, the deference granted to the business agenda within a capitalist context is so profound many expect that business can and should destroy the competition and, as borne out by the student interviews here, many also believe economic exigencies should take priority over the health and welfare of workers and of natural resources. By this logic, virtually anything will be and should be sacrificed so that the business can continue, and this is evident in many business decisions.

This type of instrumental logic precludes ethical behavior; therefore, business ethics education is a good candidate for integration with other subjects. Rather than define ethics as particular and limited in scope to any practical domain like business that already has its own set of assumptions and ambitions, the humanities and social sciences offer wide and holistic examinations of substantive issues, including

emerging social perspectives, economic systems, and business practices across cultures, across time and within demographically diverse populations.

Further, within each discipline of the humanities and social sciences, the foundational theories disagree. Rather than employ one overarching set of theoretical assumptions or a single unified goal, as business does with the valuation of profit, theories critique one another, explore issues of power and justice, and therefore advance the development of critical skills that can be used to evaluate every kind of theory and practice. When ethics is taught from a substantive point of view that can be applied to any domain, there is a greater potential that ethics will be organically derived, embraced from the perspective of a social rather than a self-interested actor, reticular rather than linear, and cognizant of the ongoing interdependency, connectedness, and at times contradictory, goals and perspectives involved in any set of rules and behaviors.

As mentioned in the previous chapter on diversity, the business ethics program in India does just this through film and literature, through field work, and exploration of the history and philosophy of the culture. Several other interviewees also discussed integrating other disciplines and viewpoints to expand and enrich business ethics. For instance, one faculty member from the UK uses art appreciation in business ethics courses as a way to introduce a perspective other than commercial competition with which to examine human relationships:

> I use a lot of art-based perspectives. I thought if people could learn to perceive art they could maybe learn to see the ethical dimensions of things. It was all about bringing in different dimensions. To be able to perceive the different dimensions you are involved in. To see there are many different ways of understanding other points of view to empathize with others, to add depth to our appreciation of the moments we have in organizations. It's not only about decisions, but how we are together, and how we build relations with one another. It's all about relationality. It's only in relation to others that we need ethics. That is why I think using art and music so that people can step into those spaces and engage together rather than compete against one another.

A faculty member from the U.S. asks students to view their behavior in business from other contextual lenses such as from the viewpoint of a family and community member:

> Most students don't know what their integrity is. So I ask them to take themselves out of business and imagine themselves in another system. A system where their social relationships are not based on commerce or competition or commercialism but on love, devotion, family, loyalty, commitment. You see the student's whole face change and they say, 'Oh shit. This means I can't make money. I can't be in business.' When you take the money out of it or the capitalism out of it, they realize they can't behave that way and still have integrity. And I try to get them to see what really matters: what your boss thinks or what your grandmother or what your community thinks of you as a person, not as a business person. And get them to think about what does trust mean? If your boss doesn't trust you or your coworkers think you're a fink, you don't have anything.

A faculty member from Lebanon discusses how important it is to challenge the conventional authority of the systems within which we operate:

> My mission is to try to instill a sense of agency and responsibility that even within a corrupt system students can still have long-term goals of acting ethically. In the long run if

everyone else is doing this, bribing, etc., in order for Lebanon to be a player in the region and eventually globally, we have to start respecting the rules of the game of exchange. Students often eventually realize that each individual will have to generate the ability to be critical of the legal system. They will have to criticize what is seen as being good or legal. Often students will take a utilitarian point of view, but for the good of their communities. It is awesome! The students really inspire me! When you are around human tragedy it actually makes it easier not more difficult to talk about ethics and to act from the power of doing the right thing. There is a certain amount of freedom you feel when you are under siege. Even in the peaceful times in a developing nation there is a lot of chaos because you don't have an infrastructure; you don't have dependable government, but here in Lebanon more than in Canada or the U.S. there is a certain freedom in the chaos.

Each of these faculty members introduces different perspectives and uses these perspectives to critique system conventions. Using various viewpoints to evaluate business culture keeps students and faculty in a liminal, outsider position, making them attentive to the taken-for-granted authorities, values, and assumptions underlying business culture and practice. The cultivation of critical thinking serves to sharpen sensitivity and focus attention such that behavior is more often undertaken with conscious deliberation rather than from habit and unquestioned traditions. Consciousness provides a space for reflection, change, and improvement. This resonates with Arendt's and Monderman's assertion of the centrality of critical thinking to ethical and pro-social behavior. One student from China comments:

It was mainly through my sociology, history and society, art and humanities, and philosophy classes that we are critical of capitalism. For example, Heidegger's essay on technology critiques a prevalent technological perspective that we adopt in the modern age to use everything as a resource or means to an end. We also learned about labor organization in capitalism and its problem or effects on real people. I studied an essay on Big Economy and Small Economy that critiques on how we separate ourselves from nature by deceiving ourselves when nature is everywhere around us and providing us everything.

Richard Munch delineates the difference between formal, also referred to as functional, and substantive rationality as follows: "Formal rationality is limited to specific causal knowledge about specific means-end relationships and to the realization of a specific end and one substantial value. Substantive rationality has to include many substantial values; it has to look at the whole world as something that should be made better" (Munch 1994: 174–175). Substantive rationality is characteristic of liberal arts thinking while formal/functional rationality is characteristic of vocational skills.

Business ethics, as it is usually taught and learned, is most often formally rather than substantively rational. To their credit, Crane and Matten make an attempt to consider several stakeholders in decision-making; however, fundamentally, their text is functional and formal rather than substantive and holistic. For instance, when explaining some of the reasons business ethics is important, they write, "Business ethics can provide us with the ability to assess the benefits and problems associated with different ways of managing ethics in organizations" (Crane and Matten 2010: 11). While this is undoubtedly true, it is far from the idea that business ethics helps business students develop into individuals who holistically prioritize ethical considerations and identify with moral conduct in various facets of their behavior,

including their behavior as business professionals. Humanities and the social sciences provide a critical and diverse basis for the study of ethics; one where both material and non-material freedoms are addressed.

5.2   Critiques on Business Culture and Capitalist Economic Systems

In the business school curricula, including in business ethics classes, the hierarchy of power remains largely unquestioned and capitalism as an economic system is almost always assumed. Challenges to business as usual, when they exist, seem to be entirely outside of business discourse, often from the humanities or social sciences. A faculty member from Australia comments:

> People come to business school because they already drank the Kool-aid of capitalism. I don't think I've seen any epiphanies. I don't think business schools feel the call for that. That's left for the philosophy departments. I think it comes back to the fundamentals. We don't say, 'You work in an unethical system.' I think it is the macro/micro problem. There is a rules-based ethics here that says, don't get into trouble, don't break any laws. Then there's the personal aspect of how individuals make ethical decisions. But we rarely have truly alternative views. We rarely take on the ethics of capitalism or the ethics of the corporation. We teach ethics within a framework that often endorses unethical behavior according to the larger social code.

Unique among the countries surveyed was New Zealand's mandate for higher education to construct and deliver critique; universities are expected to "accept a role as critic and conscience of society" and to help students "develop intellectual independence" (http://www.universitiesnz.ac.nz/nz-university-system). Moreover, the stated mission of New Zealand universities is not only to build professional skills, but the life skills of analysis, flexible thinking, communication, adaptation, and innovation. In the words of the New Zealand education website: "Universities don't just train, they educate" (http://www.universitiesnz.ac.nz/nz-university-system).

The university's duty to be critic and conscience legitimizes and even insists upon critique in the classroom; yet faculty members sometimes seem ambivalent and tentative about what they deem "radical" critique, that is, the examination and evaluation of capitalism as an economic system. One New Zealand faculty member explained that while he might level a critical evaluation of capitalism in undergraduate business ethics courses, he was reluctant to so within MBA programs both because students might not be receptive and also because of economic concerns: MBA students are paying more money, and they are depending on business school for future employment. This faculty member was afraid that a radical critique might undermine MBA students:

> In New Zealand universities are distinguished from Polytechs in a number of ways and one is that universities have a responsibility to act as a critic and conscience of society. What attracted me [to management education] was to hold those in authority accountable. I liked how the university was positioned as relatively independent from industry. The role of

business ethics is not to serve industry and not to train people for jobs. So I feel justified in the undergraduate program that I am cultivating independent thinkers that can come to a more informed decision about their own values and positions. I do everything from Marx to Milton Friedman and let them reach informed judgment. I convince myself that this is useful in terms of a career. Employers value critical thinking, at least at a superficial level. I don't feel bad about it even though it may lead people not to pursue a career in business. That was my decision, and I don't regret it personally.

I teach the MBA program as well but in a slightly more conservative way. With undergrads, I use Marx and Foucault, but not with the MBAs because these authors are so highly critical and questioning of the system. Being critical of the system is not so much the interest of [the MBA students]. The undergrad discussion includes really radical questions about the nature of capitalistic systems and how this shapes outcomes in organizations. OB [Organizational Behavior] is focused on what goes on inside the organization: How can we motivate your staff to be more productive. Marx would say, why do you even have to worry about motivating your staff? Why is that a problem? In the undergrad class we would talk about theories of alienation for instance.

MBA objectives are more applied, more working with their experiences. They are receptive to critical ideas, but not at radical level. Things like: 'Change is good and stability is not sustainable. Change is led from the top.' The course is a critique of assumptions like that. I encourage the MBA students to think deeper. But still, all this assumes capitalism. I don't question the nature of the system. Maybe for MBA's that ship has sailed? I think they are paying more [than undergraduates] and need this for their career. I don't want to undermine them. I think it affected me this way. Maybe unconsciously, thinking critically made me not want to be a manager. With the undergrads I am conscious of that as a possibility, but not deterred.

Acknowledging that ethical behavior in business is severely limited by the dictates of capitalist economies, another New Zealand faculty member explains that the potential for critique and reform includes challenging management scholars to find alternatives to capitalism that are more equitable and just:

This might be a radical approach; however, I found this disconnect inherent to the capitalist system and its struggle against regulation. Obviously, capitalism is not a monolithic structure and there is a complex web of relations including governments, national policies, corporations, and cognitive aspects of various agents. Besides, there are different versions of capitalism all around the world. However, as long as the general idea is always based on less cost and more profit, either in an industrial or a in a financial way, there is always a search for less regulated and shortcut ways to maximise profit which is also reinforced by different policies. This general paradigm will end up leading us observing unethical behaviours and corporate scandals continuously.

Business ethics as a field is just one of the tools that would help create awareness at different levels including management education or at corporate level, but, my suggestion would be focusing on flaws of the current economic system in order to regulate it and provide an equitable and just alternative. I know that this seems like an easy answer (though a really hard one at the same time); however, this might be one of the main responsibilities of management scholars to think of alternative ways of fair and just organising and managing.

A faculty member from Germany also feels reluctant to critique business and capitalism. He explains that the assumptions in business school where he teaches are "traditional," meaning profit-driven. If he encourages students to challenge the centrality and validity of these assumptions, he fears they might subsequently feel alienated from their peers and workplaces; they would be alone, unable to reconcile

the critical ideas with the traditional assumptions. Ultimately, he is afraid that a critique of business might harm students:

> What our programs do is to take what is assumed to be up-to-date management knowledge. But that's instrumental knowledge. The performance of the company is the focus. There is less of a focus on the workers' views and more on how management runs a successful business. So there is discussion of making business more sustainable, but in what terms? Not to serve the environment, but to enable businesses to have more resources in the long run and not destroy the resources to make profit a long time into the future. Also, when it comes to CSR, yes we discuss this, but the overall goal is never really articulated. It is always clear that CSR initiatives should be incorporated in business operations that suit the bottom line. Always this is the overall aim. It is never about making life better or saving the environment or making it worth living there in the long run. We have OB and HR, yet again it is under the premise of business: these social relationships have to serve the goal of the business. The aim is not to make workers happy.
>
> Being involved in a traditional business school, I am not sure if a critical view serves the students. It might make it more difficult if they are being exposed to more critical perspectives. This term I also teach in the European Studies program, so I adopted a more a critical perspective than is being addressed by my colleagues. For the students if you introduce them to alternative views, and you are the only one who does this, it might confuse them. That's my fear to the extent that they are not able to link critical views to the more traditional point of view.
>
> Confusion can be a good thing. But it can also be the opposite. I don't want to harm students. If I am able to create confusion, which some say is the basis of university education, that could be a good thing, but in the remaining part of the study program, students are left alone. I am no longer there. I am no longer available to help them. If you really want to have an impact with critical ideas, you have to implement critical aspects in mainstream courses. The outcome in business education might be that we create students that might think differently from the established procedures. I can't imagine what type of students this might produce. I'm not sure. But it would produce people who are able to approach the world in a different way. That's all we can do, and hopefully it will create an impact upon the world, but I'm not sure about what it will be.

A faculty member from Lebanon comments on how students might not be able to apply the critical views of business presented in business ethics classes when they get to the workplace:

> The reason I have trouble with the question of whether students can tolerate a critique of business and still be managers, is I find myself so careful not to embrace the discourse about how can I teach them proper standards and how can they translate that in the workplace. What I try to embrace instead is, 'Here is what the textbook says is ethical. Why does it say that, and does it make sense in my context? How can I use this in my business?' I try to first develop regional perspective and then develop alignment of international standards. I want them to take the frameworks and apply them and build the decision that makes the most sense in their situation. My fear honesty is that they will go into the workplace, and they can't apply the behaviors that we teach them because they don't make sense. Everything needs to be contextualized.

A faculty member from Ghana admits that critiquing business can make students feel uncomfortable, but he sees that as a positive first step:

> Students want to act right, and I am aware that I am imbibing a principle that will be a challenge because there are people who don't share these ethics or won't speak up. And sometimes students say, 'There is a world out there steeped in that culture, what do we do?'

I say, it is better to have an awareness of what is right so when confronted with a scenario, you have a dilemma. Your consciousness is pricked. There are people not conscious of where they throw things. But once you are, you say, 'I will put this in my bag and throw it away later.' Without that awareness, your world is your rubbish dump. The world is like that, so let's have a practice here, and if that lets you pause and consider your actions, that is the first step. It makes people feel uncomfortable, but it gets us out of the quagmire we are in.

Alternative views, those that question established procedures and taken-for-granted assumptions, are, according to Arendt, essential to approaching the possibility of ethical action. Faculty members who teach business ethics are cognizant of the fact that the instrumental process of business undermines the possibility of making business practices consistent with ethical practices; this realization is, at the very least, an implicit critique of business. Some faculty members make the critique more explicit, more "radical" by interrogating the entire capitalist basis of relationships with authors such as Marx and Foucault, others by asking students to pay attention to the contradictions in ethical standards between the business realm and those of other domains such as family and community.

Some of the faculty members I interviewed are also hesitant to engage students in a systematic critique of business and of capitalism within a business ethics context (though less so within a non-business disciplinary context) for three reasons: (1) They fear students would be entirely unreceptive; (2) Students are paying so much money for their education that faculty members did not want to cast doubt on the value of the expense; and (3) Faculty members did not want students to be isolated from their peers and uncomfortable or even dysfunctional in the workplace.

For these reasons, to the degree systemic critiques of business and capitalism exist, they are heavily concentrated in the humanities and social sciences. These disciplines then become the most empowered to offer alternative views of business. While this allows a dimension of critique, it also segregates critical and alternative views and therefore makes them easier to devalue and dismiss. Moreover, to the degree that liberal arts programs are diminished in size or held to the performative and instrumental standards of vocational training, the critique of business and capitalism will be of course be curtailed, which in turn leads to a further diminishment of contemplation of ethical action.

Chapter 6
Is Change Possible or What Changes Are Already Underway?

John Horgan, an anthropologist, has conducted non-scientific polling for over a decade asking participants if humanity would ever abolish war (2014: 22). Regardless of political affiliation, gender, or socioeconomic background, between 80 % and 90 % of respondents say no (Horgan 2014: 20). The reasons given are nearly identical to those discussed here in Chapter One about why people act unethically: humans are greedy, evil, and competitive. Most of Horgan's respondents believe these characteristics are innate, part of human nature, and therefore unchangeable. Similar things are said of business exchanges: they are objective, rational, ahistorical, and cross-cultural—the methods, if unethical, merely reflect natural, self-interested human behavior, and therefore will never change.

But there are those who disagree. Along with Habermas, Mohammad Yunus argues that rather than freeing people or being a manifestation of human nature, "free-market" capitalism limits freedom and constrains human potential. In his 2006 Nobel Prize acceptance speech, Yunus explains:

> I am very unhappy about the conceptual restrictions imposed on the players in the market. This originates from the assumption that entrepreneurs are one-dimensional human beings, who are dedicated to one mission in their business lives—to maximize profit. This interpretation of capitalism insulates the entrepreneurs from all political, emotional, social, spiritual, environmental dimensions of their lives. This was done perhaps as a reasonable simplification, but it stripped away the very essentials of human life. . .. We have remained so impressed by the success of the free-market that we never dared to express any doubt about our basic assumption. To make it worse, we worked extra hard to transform ourselves, as closely as possible, into the one-dimensional human beings as conceptualized in the theory, to allow smooth functioning of free market mechanism (Yunus 2006).

Defining human nature by the narrow behavior of self-interested competition assures that crucial environmental, social, and ethical concerns will be secondary to the competitive processes manifest in the short-term goal of making money that is often prioritized in business culture and often the grounding assumption in business ethics education. Researchers such as Horgan, David Adams, Anne Fausto-Sterling, Alfie Kohn, John Paul Scott and countless others have spent decades detailing the

negative effects of using biological determinism to explain destructive behavior as well as the lack of empirical evidence associated with these theories. The use of deterministic arguments, whether attributing human nature to biology or divine design, can therefore be seen as a technique to declare the behavior in question as being beyond the reach of human intervention. These arguments can be interpreted as a way to relieve people of responsibility, culpability, and accountability. They serve to rationalize and create the very mindless automatons that Arendt warns against. In James Ptacek's (1988) formulation, arguments from biological determinism are merely types of justifications and excuses. Moreover, these explanations provide a dogma, a protective and compelling cause that serves to bind a group together under a common ideology and gives each member such a familiar, facile, and accepted reason for behavior that explanation is rarely necessary and the support of the group is nearly guaranteed. Arguments from biological determinism then, can be seen more as a ritual of solidarity and group identification than as an accurate reflection of the empirical data on human behavior.

In fact, even in the hyper-competitive arenas of business and war there are endless cases of altruism, self-sacrifice, and the primacy of ethical behavior over the stated instrumental goals (Horgan 2014; Hedges 2003). Similarly unacknowledged are the violent behaviors within the realms associated with care and compassion, such as the relationship between mothers and children, which is also frequently explained with biological mandates. In these cases, empirical evidence that countermands conventional expectations is not often used to critique and realign expectations and to generate more nuanced understandings, but instead routinely ignored. Alternative behaviors exist, but they are often kept invisible. For instance, in an example previously discussed, women can be deemed better business leaders by numerous measures (Zenger and Folkman 2012), but still be unacknowledged as such in conventional definitions and expectations. That is to say, in order to identify business and war as competitive and aggressive, contradicting behaviors within these spheres are seldom acknowledged, and when they are, they are seen only as episodic outliers rather than as alternative options that most people can freely access.

Those who identify with the dominant explanations touting the inevitability of war or the necessity of unethical behavior to keep businesses competitive and the economy strong deny evidence of societies that are largely peaceful and cooperative (Norberg-Hodge 1991; Sanday 2002). As Helena Norberg-Hodge writes, many do not challenge the assumption that "human beings [are] essentially selfish, struggling to compete and survive, and that more cooperative societies [are] nothing more than utopian dreams (1991: 2).

The question then should not be Is change possible? But rather What are the alternatives already being implemented? How are the current methods already outdated and demonstrably both empirically and ethically incorrect? And finally, perhaps the most difficult question, Why do paradigms continue to remain dominant despite empirical evidence that they are wrong?

In addition to the practices and perspectives that challenge the dominant business discourse evident in this research, there are many others being implemented

that extend beyond the scope of this study. For instance, there are now over 1,000 B Corporations in the United States including Patagonia, Seventh Generation, Method Products, and Change.org. These businesses refuse to prioritize profit over social and environmental impact and because of the B corporation designation, even if profit is reduced, shareholders cannot maintain that altruistic policies are a violation of the company's fiduciary duty; in fact, shareholders can sue the company for not carrying out the social mission (Surowiecki 2014). The example of B corporations demonstrates that an emphasis on social good can infiltrate the instrumental and bureaucratic system prevalent in business culture. Mark Banks reminds us that it is not just the lifeworld, that is, the world of social interaction and culturally negotiated mutual understandings and conventions, which can be coopted by the instrumental rationality of commercial exchange; commercial exchange is also vulnerable to the influence of humanistic concerns and social evaluations. Banks writes, "The emphasis on self-interest in the individualistic pursuit of status, prestige and new kinds of lifestyle tends to underplay the influence of non-instrumental or ethical motives in social and economic reproduction (Banks 2006: 458). There are a myriad of studies documenting how entrepreneurs use their businesses as a form of "self-help," and creative expression, how they reify ethical positions and achieve social change (Butler 2005; Godwyn 2011; Johnson 2004; Eisler 2007; Banks 2006).

The stagnation around discursive explanations, conventions, and expectations often reflects the interests of those who benefit from the status quo. To paraphrase John Stuart Mill, the maintenance of a distinct business ethic that allows or even encourages social and environmental harm will end "by strengthening and multiplying the personal interests which act in opposition to it" (quoted in Horgan 2014: 30). There is nothing innate or inevitable about the current way of doing business; it is a human invention, and as such can be re-fashioned in limitless manifestations. The research here points to two general changes that must happen within business ideology and practice in order that business decisions become routinely associated with ethical standards consistent with those directed toward long term social and environmental good:

1. Businesses must serve people rather than people serving business. Rather than a parallel and often times opposed set of standards governing the business realm, ethical social interactions must be the larger context in which businesses operate. Businesses that harm people and the environment have to close. The closure of a business should not hinge solely on whether it ceases to generate profit, but on whether it fails to contribute to widespread and long range social good. In other words, quality of life issues must be primary in the evaluation of business success with quantitative considerations secondary—otherwise there is no meaningful distinction between ethical and unethical business practices or between the goals of legal, legitimate businesses and their illegal counterparts.
2. The theoretical and practical assumptions that undergird the economic template of business must serve and represent populations equally and fairly rather than privileging certain populations on the basis of culture, gender, race, class, sexual

orientation or other foundational sources of identification. The current lack of diverse perspectives, experiences, and opinions minimizes alternative views and therefore obviates the ability to define and execute ethical behavior.

Business ethics education is a logical place to begin reforming business ethics. Drawing on a wide variety of disciplinary lenses in the humanities and social sciences as well as including a diversity of viewpoints and demographic representations can facilitate the generation of critical perspectives on dominant business ideology and practice. Maintaining the critical distance that Arendt insists upon while simultaneously recognizing the power and safety provided by solidarity articulated so well by Durkheim encourages a dialectical process that can be employed for reflection and improvement as well as coherence and stability.

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