

Preface

In general, I look at ethics from a structural perspective and not an individual choice perspective. The individual choice literature is no less important than the structural perspective, but the structural perspective interests me more, and pertains more directly to my sociological training. The distinction is what Alasdair MacIntyre has referred to as ethical and political questions. For him, ethical matters pertain to just actions, whereas political matters pertain to social arrangements that foster and encourage just social action, both individually and collectively. It is the latter that interests me more than the former. Most of the work on business ethics uses the individual action framework, but Donald Palmer's book entitled "Normal Organizational Wrongdoing", takes the structural perspective, examining structures that encourage good people to behave badly (the argument is an extension of Charles Perrow's "Normal Accidents"). This is the approach that I think has the greatest potential impact on reducing negative social externalities of business activity. Ultimately, however, I think it is best to train business students and potential leaders to recognize both structural and individual moral/traps, because they will likely be faced with both throughout their adult lives.

How has the notion of business ethics come into play in the core aspects of your role as a faculty member (whether it be teaching, research, or your many service roles)?

Some of my teaching, and much of my research, examines the issue of corporate social responsibility. The extent that a business organization has a responsibility for any social good beyond making a profit has been a long-held argument among business and economic scholars and practitioners. Opponents of CSR argue that the only social responsibility businesses have is to obey the law while providing as much wealth as possible to stockholders. Often, however, they also believe that it is just to lobby for favorable regulation, providing ever more leeway to increase profit without breaking the law. Further complicating the matter is the secondary equity market's mantra that firms must grow their stock's value by competitive rates annually. Many entrepreneurs, managers, regulators, and scholars believe that this is a system that promotes business practices that might be good for a few but extremely harmful for many. Thus, some entrepreneurs, such as Michael Dell and Richard Branson have taken their companies private to avoid the 'race to the bottom'. Likewise, institutions like Social Benefit Corporations have arisen to provide a legitimate institutional basis for corporations to declare a responsibility to stakeholders other than stockholders as a basis for sustainable business, side-stepping the 'race to the bottom' that promotes bad behavior.

A great deal of research shows that business students tend to cheat more often than other students. Have you had to contend with much academic cheating in your courses?

I haven't had to deal with significant cheating issues during my time as a faculty member. When I have encountered such cases, I have generally used them as teaching moments instead of opportunities to punish. Cultural differences have often been the cause of cheating behavior that I've encountered, and working with students to explain reasons behind expectations of individualized work, and the need to comply with local institutional norms, has generally solved the problem. More than anything else, it seems to me that when students understand that I want to foster their development instead of punishing them they are disarmed, and are more likely to do their best to learn from their mistake.

Are there any relevant real world business ethics examples or dilemmas that you share in classes or that impact your academic roles?

I do not teach ethics or ethical dilemmas, specifically, but I do teach them contemporary frameworks pertaining to Corporate Social Responsibility. Specifically, I teach them the Stakeholder View of the Firm, which specifies that firms are nothing more than a nexus of stakeholders cooperating for mutual benefit, and that sustainable profitability is a function of maintaining the support of these stakeholders. Jay Barney, one of the foremost authorities of the Resource-Based View of the Firm has recently argued that the Stakeholder View is wholly consistent with the RBV, in that firms own NO resources at their founding. All of a firm's resources are contributed by stakeholders, so remaining a going concern requires learning how to maintain the support of the stakeholder segments that constitute the firm's resource base.

In addition, I teach Michael Porter's Shared Value framework, which further argues that adopting a sustainability mindset necessarily requires that firms invest in stakeholders and communities in ways that ultimately also provide a benefit to the firm. He argues that CSR that doesn't ultimately benefit the firm may not be sustainable and, thereby, might disappoint stakeholders when the firm can no longer provide benefits. His pertinent articles are always saturated with excellent examples of firms investing in these ways, such as Nestle's training of cocoa farmers in Africa to increase crop yields instead of paying Fair Trade subsidies. Investments by Google and others to train technical workers are other examples, as is the story of Revolution Foods, which provides healthier school lunches that command a price premium, which schools and families seem willing to pay. The Shared Value framework provides that there is joint social and economic outcomes at each link in the value chain: inputs, processing, and outputs, providing clear implications for managerial action. Students respond well to learning this framework and applying it in the context of their case research.

Do you have any thoughts on how academia (or even the business world for that matter) should measure ethics impact and/or ethics learning?

Jim Rest has a scale of ethical reasoning that follows Kohlberg's stages of moral development. It is the only one I know that is broadly institutionalized. It may be the best way to get a peek "under the hood" to identify causes of ethical decisions, from an individual perspective. Likewise, it would provide a sound pedagogical framework for developing students' (or managers') ethical reasoning across various courses in a curriculum (e.g. the business core or the online degree in BusAdm). Applying such a pedagogy would likely entail a dialectical process of posing moral dilemmas, through cases, simulations, etc. and learning to achieve a pragmatic synthesis through moral reasoning. According to many scholars who study a similar process toward improving intellectual development (critical thinking), such as King & Kitchener, Belenky and colleagues, progress toward such development is more likely to be fostered in small group projects in which students must articulate their ideas and receive (and provide) immediate interactive feedback from (to) peers.

Is the concept of ethics in academia today more or less prevalent than it was when you were obtaining your degrees?

Certainly, ethics, corporate social responsibility, and stakeholder engagement are far more broadly discussed than when I earned my degree in the nineteen-eighties. That was the time of corporate

takeovers, Gordon Gekko (from the movie “Wall Street”), and Michael Millken – a precursor to Bernie Madoff. “Greed is good” was Michael Douglas’ famous line as Gordon Gekko. It was also a time of intense merger and acquisition activity, especially by conglomerates like Beatrice and R.J. Reynolds, all of which were later found to destroy value instead of creating it, and often through aggressive accounting and valuation that ruined many firms a decade later, including Enron, Tyco, Worldcom, and many others. Even when I began my Ph.D. in 1999, studying Stakeholder Management and Corporate Social Responsibility was considered to be marginal. Now, it is so mainstream in practice that new occupational categories and corporate functions have become institutionalized that require credentials, backed by educational programs, to populate this new professional function. In the online course that I developed in Corporate Social Responsibility, students develop their personal standpoint on CSR throughout the course, culminating in identification of a job title from the Net Impact job board and an associated explanation in a blog post regarding the elements of fit between the job they chose and their personal standpoint on CSR, applying frameworks they learn in the course. The reason I left a lucrative career in industry to teach was to join a social movement to integrate consideration of CSR into mainstream business activity. I never dreamed that the movement might have been as successful as it turned out to be.