Teaching Business Ethics: Questioning the Assumptions, Seeking New Directions

Frida Kerner Furman

ABSTRACT. An examination of leading textbooks suggests the predominance of a principle-based model in the teaching of business ethics. The model assumes that by teaching students the rudiments of ethical reasoning and ethical theory, we can hope to create rational, independent, autonomous managers who will apply such theory to the many quandary situations of the corporate world. This paper challenges these assumptions by asking the following questions: 1. Is the acquisition of principle-based ethical theory unproblematic? 2. What is the transferability of classroom learning to the business context? 3. Is it appropriate to consider complementary models in the teaching of business ethics? The last question is approached from the perspective of virtues-based ethics, from the insights of feminist ethics, and from a culturally grounded orientation to moral values and norms.

A brief perusal of leading textbooks in use today (e.g., DeGeorge, 1986; Donaldson and Werhane, 1983; Beauchamp and Bowie, 1983; Velasquez, 1982; Hoffman and Moore, 1984; Shaw and Barry, 1989) suggests a fairly uniform pedagogical approach in the teaching of business ethics. My immediate concern is with the unexplored assumptions, implicit in so many of the available textbooks, of the model used to teach this evolving field. This model basically suggests that we first teach students the process of moral reasoning. We begin with the basic principles of ethical theory, principally utilitarianism and deontology, and then apply these principles to the resolution of ethical dilemmas in the business world. I will address several questions regarding this principle-based model: 1. Is the acquisition of principle-based ethical theory unproblematic? 2. What is the transferability of classroom learning to the business context? 3. Is it appropriate to consider alternative or complementary models to this approach; and, if so, how do we go about incorporating them into our teaching?

Theory acquisition

It is not surprising that many of our existing textbooks incorporate the moral development theory of Lawrence Kohlberg into the teaching of business ethics. At its heart, this theory assumes that morality is acquired in conjunction with cognitive development: The more rationally independent an individual becomes, the higher the stage of moral development achieved. As the individual acquires cognitive sophistication, s/he is increasingly able to move to a more inclusive set of moral visions: The egocentricity of the child whose moral universe revolves around personal reward and punishment gives way to a consideration of group expectations — familial and civic. It is only when the individual is able to reach the post-conventional or autonomous stage, however, that moral maturity is reached: Here the individual can make moral decisions based on universal principles of justice and rights, arrived at through his or her own ability to discern rationally the right and the good, and not in reference to significant others — groups or individuals.

When we teach a principle-based approach to business ethics, we assume the students' ability to reason at Kohlberg's autonomous stage. Kohlberg

Frida Kerner Furman is an Assistant Professor of Religious Studies at DePaul University, 2323 N. Seminary Ave, Chicago, IL 60614, U.S.A. She is a contributor to Prophetic Visions and Economic Realities: Protestants, Jews, & Catholics Confront the Bishops' Letter on the Economy, ed. by Charles R. Strain (1989) and the author of Beyond Yiddishkeit: The Struggle for Jewish Identity in a Reform Synagogue (1987).
himself argued that only a small fraction of the population ever reaches this stage, yet we consistently expect our students to beat these statistics through the objective, rational application of ethical theory in the resolution of business dilemmas. My experience has been that some students are able, after a ten-week course, to articulate a moral position and to justify it in reference to an ethical principle. For many others, however, rational ethical justification appears to be a kind of veneer deemed suitable for classroom discussion or responses to specific examination questions. Despite the fact that we spend a whole term attempting to address ethical reality through the prism of the objective moral point of view, many of these students seem to “revert” to ethical relativism with a kind of ease that is truly worrisome. Is this an indication that the pervasiveness of a subjectivist orientation (what Maclntyre, 1984, calls emotivism) in our society cannot be remedied in the course of a ten-week ethics class; a reflection of my failure as a teacher; or, more significantly, a measure of the impracticality of teaching ethics in this way?

Some people argue that if there is the capacity for principled reasoning, it must be developed through a systematic and long-term educational effort (Penn and Collier, 1985). In the absence of such efforts in our schools and universities today, do we continue our attempts to give our students the tools for postconventional reasoning, on the “as if” possibility that it may do some good for some? Or should we search for alternative models?

Transferability to the business context

The transferability of classroom learning to the business context presents a related kind of question. My students in business ethics courses are mostly business majors; consequently, the majority will be part of the business world at some future point. Many already work part- or full-time in that setting. Let us assume for a moment that the ability of our students to reach the level of rational, autonomous reasoning is unproblematic – at least in the classroom. We are then confronted with the question: To what extent are business environments sympathetic to decision-making processes involving abstract rationality?

Some would argue that the business world not only distrusts this mode of reasoning, since corporate executives address problems in radically different ways (Nash, 1982; see Nielsen, 1988), but that the very nature of a hierarchical, bureaucratic organization militates against the value of autonomous rationality. Thus, Alasdair Maclntyre (1984) writes, “Each of us is taught to see himself or herself as an autonomous moral agent; but each of us also becomes engaged by models of practice, aesthetic or bureaucratic, which involve us in manipulative relationships with others” (p. 68).

Perhaps it is an over-generalization to suggest that all business environments are uniformly manipulative and instrumental. But the question must be raised as to whether the business environment provides an adequate “plausibility structure” (to use Peter Berger’s, 1969, concept from a different context), not only for the survival but for the flourishing of autonomous reasoning and its consequent ethical decision-making. Business structures and business ethos may have to be significantly reformed before this approach to business ethics can be exported easily from classroom to workplace.

A related problem is the simplified version of decision-making in the business context that we frequently transmit to students. Do we pay sufficient attention to conflicting claims placed upon the prospective employee? For example, are we sensitive to the tensions that might well arise for morally responsible employees when confronted by the possibly conflicting moral demands of their work roles, their institutions, and society (see McCann, 1987, p. 30)? Do we not ignore these realities when we superimpose a model of unambiguous ethical certainty that issues from a principle-, autonomy-based approach to ethics?

Yet a larger issue is raised by the failure of this approach to situate ethical decision-making within the larger context of American values and culture. The approach assumes, without comment, rationality’s transcendance over those cultural pressures – certainly experienced by our students – currently favoring self-interest, instrumentalism, and “the bottom line.” There is something tremendously naive, from a psychological and sociological perspective, in the assumption that the self can, without too much trouble, sever its attachments to the main cultural trends of the day.