ABSTRACT. Business ethics should be taught in business schools as an integrated part of core curricula in MBA programs with a dual focus on both analytical frameworks and their applications to the business disciplines. To overcome the reluctance of many faculty to handle ethical issues, a critical mass of faculty must develop suitable materials, educate their peers in its use, and take the lead by introducing it in their own courses and on senior management programs.

The purpose of this article is to outline a particular approach to the teaching of business ethics in business schools and to propose what, how, when, and by whom they should be taught. It suggests that:

- It is in the interest of business that business ethics be taught;
- As socially responsible organizations business schools have an obligation to teach ethics in both their degree and executive development programs;
- Separate and distinct courses on business ethics, social responsibility, or similar themes are not the best way to handle business ethics and there must be a full integration of ethical consciousness raising, analysis, and choice with all discipline areas of the business curriculum;
- A critical mass of faculty must develop the capability to conduct simple ethical analyses and they must be motivated to do so;
- The regular, business-discipline oriented faculty must be supported with competent faculty in the discipline of business ethics;
- Case materials in which ethical dilemmas are part of the problem must be developed and used rather than relying on simple vignettes in which the ethical issues are abstracted from the business issues.

A definition of business ethics

Ethics has been defined as "the study of standards of conduct and moral judgement" and as "reflection on the moral significance of human action." In the context of this paper, Business Ethics is defined as the study of those decisions of managers and corporate management which involve moral values. More specifically, the decisions involve taking actions which might differentially benefit or harm various stakeholders in the enterprise whether they be shareholders, employees, customers, suppliers, competitors, members of the community or the broader society within which the business enterprise operates.

In this definition we are mindful of McCoy's warning that business ethics should not be confined only to the study of moral dilemmas. In addition to trying to provide some ethical analytical frameworks for managers to use to resolve moral dilemmas —
much as systems analysts use algorithms to solve complex mathematical problems — the study of business ethics must also incorporate consideration of strategic and policy options that involve the consideration of values.

Corporate and individual ethics

There are those who argue against reifying the organization when it comes to issues of ethics. They believe that individuals have moral values which are reflected in the decisions, policies, and actions of corporations and education should focus on individual ethics. Yet there is another perspective which is summarized eloquently by the chairman and chief executive officer of one of Canada's largest companies:

Through a legal fiction, a corporation is in fact a person at law, but in reality it is more than this abstract concept; it has a human dimension and morality brought to it by its owners, management, and employees. A corporation has an ethical reputation; it is judged by those it deals with — employees, shareholders, customers, sales associates, suppliers, and the community — against the same ethical standards as individuals. Our courts ascribe intent, motive, purpose and negligence to corporations. A transfer of thinking from individual values to corporate decisions happens unconsciously — because individuals bring morality with them — and consciously — through leadership and a well-established commitment to high standards of ethics in all relationships.

There is something about the value system within an organization that is somehow more or less than the sum of its constituent parts. The concept of a 'corporate culture' is now firmly entrenched in both the academic and practitioner literature and the impact of such corporate culture on individual and group behavior cannot be seriously contested. This suggests that it is both appropriate and necessary to examine business ethics on both individual and organizational levels.

Why business ethics should be taught

The case for teaching business ethics rests on a number of arguments. Business is an ethical activity. Indeed, business activity as we know it could not exist unless there was respect for the laws of contract; people paid bills when they were due; people were generally honest in their dealings; and business people refrained from corrupt practices.

Business activity, while focussed on the return to shareholders, recognizes other stakeholders with an interest in the enterprise including employees, customers, suppliers, managers, the immediate community within which the business is located, and the broader society within which it operates.

To retain and build public confidence — and, therefore, retain its freedom to operate — Business and business managers must conform to societal expectations about how businesses and managers should conduct and comport themselves. There are expectations held by employees, unions, churches, special interest groups with concerns for ecology, the disadvantaged, minorities, and so on. Sometimes these are clearly articulated, sometimes they are vague. As Solomon and Hanson noted, however:

No competent executive would think of taking the company to the bargaining table without a clear sense of objectives, limits and tactics. And yet some of the same executives lead their companies into the forum of public opinion with nothing but a grab bag of ethical platitudes.

Societal values shift, sometimes very quickly. The post-Watergate, post-Lockheed era of business replete with the paraphernalia of activist groups and organizations critical of business' performance in safety and health, environment, and other issues — is very different from the laissez-faire era which preceded it. In saying this we do not wish to suggest that all laissez-faire capitalists were immoral or amoral. Indeed, as McCoy points out so well, the early capitalists such as Carnegie and Rockefeller were in many cases imbued with a sense of morality and purpose which they derived from their society. But we would suggest that the consensus in society is a dynamic one and that business people, at all levels, must be conscious of these dynamic values if they are to formulate effective corporate strategies. Radical departure from societal norms may spell ruin at the worst, trouble at the least.

Whether or not one believes that the corporation can have ethics or that individuals merely bring their own ethical selves to the corporation, it is apparent that executives and managers can create a working