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Religious Studies and the Teaching of Business Ethics

Abstract

The field of business ethics is in the process of defining its goals, developing its methods, and determining its constituent disciplines. Currently, business ethics courses are offered through religious studies departments, but there are those who strongly advocate that business ethics be taught in business schools, primarily by business people. This article discusses the contributions and limits of a religious studies perspective for business ethics.

Résumé

On s'emploie actuellement à définir les objectifs et les méthodes de l'éthique commerciale, et à cerner les disciplines qui la constituent. Des cours d'éthique commerciale sont actuellement dispensés par les départements d'études religieuses, mais certains recommandent vivement que ces cours relèvent des écoles d'administration et soient donnés surtout par des hommes/femmes d'affaires. L'auteur analyse l'apport et les limites de la perspective religieuse, appliquée à l'éthique commerciale.

The teaching of business ethics has been gaining attention for about the last twenty years. Previously, established ethical custom provided the standard for acceptable business practice. Increased awareness of human rights, the growth of multinationals, environmental concerns, and media reports of scandals and abuse of power are just a few of the reasons for the heightened interest in business ethics. These concerns are not seen to be only academically relevant. Many people, individually and within corporations, acknowledge the need for examination and guidance in the ethical complexi-

ties facing the conduct of business today. Questions are being raised about the meaning of business ethics, who should teach courses in this area, and where they should be taught. The way in which these questions are resolved will have significant implications for the teaching of business ethics in religious studies departments.

In this article, some of the literature regarding courses in business ethics and some of the issues about goals, methods, and contexts in which they are taught will be discussed. Also, there is a brief review of the agenda of a religious-studies perspective regarding the possible contributions and limits to the teaching of business ethics, and commentary on the agenda of business regarding business ethics.

The meaning of business ethics

There is a variety of descriptions given for business ethics. It has been noted that some of the subject matter which is now taught in business ethics courses has previously been taught in courses by other names, such as "business and society," "social responsibility," or "human relations in organizations" (Goodpaster, 1984). Kenneth Goodpaster views business ethics as a field which has multiple roots and multiple branches. He explains that "the field of business ethics is broad, encompassing both personal and institutional values, and both domestic and global business activities" (p. 289).

Charles Powers and David Vogel (1980) understand business ethics as a species of normative ethics, called applied ethics. They state: "Business ethics, then, is a type of applied ethics which is concerned to clarify the obligations and dilemmas of actors (managers) who make business decisions" (p. 2). The concepts and methods of normative ethics as understood within the philosophical tradition are employed to clarify and guide the agents in their encounter with ethical issues related to business practices.

Another view is expressed by Peter Madsen (1985) who sees business ethics as the merging of disciplines to create a new discipline. He points out that "[a]fter all, this field of interest brings together two separate realms – ethics, on the one hand, and business on the other" (p.96). He is concerned that the way in which these courses are currently taught are discipline-bound and he advocates business ethics as a study which should be based on the concept of interdisciplinarity or a cross-disciplinary approach.

Another type of approach is one which begins with explicit faith commitments. An example of this type is presented in a book by Oliver Williams and John Houck (1978), who use cases and focus "on a person's

'story' and the character traits that endure over time, rather than a person's decisions, to display what it means to be a Christian in the business world" (p. xvi). Most of the literature on business ethics does not refer to faith assumptions nor does it make reference to denominational teaching on related matters. The language which is commonly employed in business ethics usually refers to personal values and corporate philosophy, without religious connotations.

Thus, there are numerous interpretations of what exactly are the constituent disciplines for business ethics and the scope of the subject matter. Even though there may be some acknowledgement that business ethics courses are taught in a department of religious studies or by theologians, the specific contributions to the subject by these disciplines are not usually recognized (Canadian Federation for the Humanities, 1989, p. 48).

Where and by whom should business ethics be taught?

There are some similarities to the emergence of the current field of business ethics with that of the bioethics movement. In the early stages, people with a number of different kinds of expertise found themselves teaching bioethics. It has been the same with the field of business ethics. Philosophers, theologians, people with backgrounds in religious ethics, human resource personnel, others with direct experience in the business world, and teachers in business schools are among those who teach business ethics. Interest in the subject area, practical experience in some aspect of business, or a job requirement are the likely paths which direct people to study and teach in this area. Few people set out with a vocational path to teach business ethics. As the area becomes more defined, however, this may be a career option pursued for itself. It is not likely that there are a large number of students who enter into the field of religious studies with the motivation of studying and teaching business ethics! Instead, their interests may lie in Catholic social teaching or the Protestant social gospel or the struggle for justice as understood within the Jewish tradition.

The question of who should teach business ethics is related to what is perceived as the necessary subject matter and educational goals. According to Powers and Vogel (1980), distinctions can be made between courses taught at the undergraduate level, courses offered in business schools, and courses offered to people who are currently in the position of middle management or top management. They believe that the goal of business ethics training is "to develop the capabilities to put managerial situations under ethical discipline" (p. 40). For them, business ethics training is to develop the faculty for moral judgment in business contexts. There are four of these capacities: moral

imagination, moral identification and ordering, moral evaluation, and tolerating moral disagreement and ambiguity. Two more capacities are required for mature managerial judgment. These are: integrating managerial competence and moral competence (pp. 40-44). They admit that it is difficult to find people who are able to teach and develop these capacities.

Educational strategies

A number of educational strategies are possible for the teaching of business ethics. Not all are considered equally preferable. Ideally, business faculties would hire people who have specialized expertise in ethical analysis as well as practical experience in the world of business. In view of the current financial constraints on most educational institutions, this is not likely to happen. Other possibilities are: (a) the inclusion of an ethics component in already existing courses on "business and society;" (b) a team-taught course with an expert in business and an expert in ethics; and (c) a course taught in the departments of philosophy or religious studies. Another option is to have all the instructors in the business school integrate discussions of the ethical dimensions of their areas into their course material (Gandz & Hayes, 1988).

Reasons for reluctance to teach ethics in business schools

A 1988 study on the teaching of business ethics in Canadian business schools, carried out by Jang Singh (1988), found that of the 55% of business schools which offer courses on ethics, almost half of them are offered through departments of religious studies or philosophy (p. 667). He notes that although there may be some change in this regard, there does seem to be some resistance to the teaching of business ethics in business schools.

LaRue Hosmer (1985) suggests that there are three reasons for the reluctance to teach business ethics in business schools (pp. 17-22). First, there is the simplistic tendency to view ethical issues in a dichotomous manner. Either choice is presented as carrying with it a specific set of financial benefits and social costs. In fact, there may be any number of alternatives, each carrying a range of personal and social implications (pp. 18-19). Hosmer's second reason has to do with the concept of *Pareto Optimality* (Singh, 1988), which is defined as "that state of equilibrium which society could reach if all managers seek to maximize profits, thereby producing the most wanted products with the most available resources." This concept provides a foundation for economics which in turn influences the practice of business. The implication of *Pareto Optimality* is that the concern and responsibility of business is to maximize profit. The assumption is made that "everyone in the economic system must be treated as a means and not as an end in themselves"

(Hosmer, 1985, p. 21). People function as owners, managers, and customers, each having their respective roles in the system. Individuals do not act as moral agents, treating others with consideration and respect. The third reason, cited by Hosmer, refers to the nonempirical nature of ethics. Ethical decisions are seen to be subjective, while business decisions are objective. The subjective realm to which ethical decisions supposedly belong, then, is not seen to be properly belonging in a business school. Gandz and Hayes (1988) identify other barriers such as the fear of the time-consuming nature of ethical analysis. Also, they cite the possible abuse of power by the instructor, who, in revealing his or her value system, unduly imposes it on the students, or appears to preach to the students (p. 664).

These reasons, if correct, reveal the need for business educators to become informed about the nature and scope of ethics. The difficulty of effectively integrating an ethics component into the regular business courses by these teachers becomes apparent. This is not to mention how remote these reasons for a resistance to teaching business ethics are from the goal of business ethics set by Powers and Vogel (1980) to "develop the capabilities to put managerial situations under ethical discipline" (p. 40). Clearly, even when there is an openness to the teaching of ethics in business schools, there are problems. These include, for example, finding capable instructors, the dominant view of business which views the business of business as profit maximization, and the lack of a common understanding of the discipline of ethics and its value.

The agenda of business and religious studies

Business schools and people in business do turn to departments of religious studies and philosophy to teach courses in business ethics. Concern has been expressed that these courses are discipline-bound, rather than fully integrating the realities of business practice within an ethical framework. As a result, it has been suggested that the responsibility for integrating ethical theory with management or with the other aspects of business practice rests with the student (Powers & Vogel, 1980, p. 59).

On the other hand, there is a recognition of the limits of what can be offered by courses in departments of religious studies and philosophy. They can impart the principles, procedures, and history of ethics, and the nature of practical reasoning, case studies, and teachings of various religious traditions on social justice and belief and the practice of business (p. 48). But, questions remain. Are there appropriate orientations and goals specific to religious studies? Does the course material and the method of analysis meet the realities of the business world? Do religious-studies teachers have access

through their own experience, or through other resources, to know and convey the complexities and nuances of moral problems faced in business?

Singh (1988, p. 3) recommends that business ethics courses should be offered directly by business schools. He believes that business students will perceive the courses taught in the business schools as being more important than courses offered in other faculties. He states that “[o]ffering business ethics courses will signify that the topic is not only of philosophical interest but also of relevance to day to day business activities.” Gandz and Hayes (1988) hold that, “[f]or the teaching of business ethics to be effective it should be a shared responsibility of all faculty in business schools, of instructors in the industrial setting and of line managers in industry” (p. 667). These authors do not include a role for religious studies at all.

There are limitations in having business set the agenda with regard to the teaching of business ethics. Most significantly, the parameters for what is considered to be relevant are determined by those in business enterprise themselves. There may be important social issues which are ethically relevant but do not easily fit on the agenda, such as the value of the disabled and the elderly or the worth of a species of butterflies, not to mention a religious issue such as transcendence.

Also, the whole business paradigm itself, operative both nationally and globally, including the assumptions of the *Pareto Optimality*, can easily avoid ethical scrutiny. The perspective may be limited to the personal and corporate frame of reference. It has been this author’s experience that business students do not want to engage in a critique of capitalism, however limited, as an issue in a business ethics course.

The agenda of religious studies and business ethics

The agenda of religious studies regarding business ethics is not clearly defined. Courses in business ethics may be taught in a similar fashion as applied ethics courses are taught in philosophy. A method of values clarification may be included as well. Another approach might begin with explicit faith affirmations, and then explore what these might mean in business practice. For instance, the themes of “creation” and “stewardship” may be developed in terms of their relevance to business (Byron, 1988, p. 529).

The discipline of religious studies does have valuable contributions to make to the study of business ethics and the world of business. Certainly, it is possible to talk about the historical intertwining of religious ideas and business values or about liberation theology or about the social justice teach-

ings of the various religious denominations. Concepts such as "ultimate concern," "worldview," "civil religion," and "religion as story" are just a few of the ways in which it is possible to introduce a religious studies perspective to the realm of business ethics. Brian Sullivan (1985) has even proposed the encyclical *Laborem Exercens* as a theological and philosophical foundation for business ethics.

One issue which lies close to the surface of this discussion has to do with the commitments of the teacher of religious studies. As Gandz and Hayes mentioned earlier, some business teachers are concerned that it is an abuse of power to reveal their personal value systems. This reluctance may not be shared by teachers in religious studies, who may have denominational ties. Some of these denominations express views which appear to be critical of the current business enterprise. Religious groups lobby business to act responsibly in matters of social policy and environmental issues. The possible alliance of religious studies teachers with value commitments or to a denominational position may be perceived as a threat to the conduct of "sound" business practice. Of course, the business teachers who do not want to preach or impose a set of values do not recognize that by not explicitly addressing the question of values, they are indirectly endorsing the business values currently operative.

Henry Clark, a social ethicist, recalls his experiences of teaching business ethics in an article addressed to the clergy. He describes the experience as "a lamb being led to slaughter" (Clark, 1987, p. 4). If a person does teach business ethics, with what he calls "a drop of prophetic blood in their veins," then he or she will be viewed with skepticism and treated as an innocent. Clark refers to an important observation by Alasdair MacIntyre in *After Virtue* (1984). MacIntyre makes the claim that it is not possible to teach or practice ethics satisfactorily, even in a pluralistic society, without first engaging the classical philosophical and religious questions about the nature of humankind. Clark clearly acknowledges how difficult this is to do. He explains:

For practitioners in business, government, law, and science-technology are notoriously unwilling to "waste their time" "in chit chat" about First Principles and the *telos* of the essential self: if it cannot be summarized in a one-page memo, they will not read it (and will resent being asked to do so). . . . and if you start asking them to question the rules of the game as it is now being played (where the bottom line is success competitively achieved), they will go away, not so much sorrowing as muttering about the impracticality of moralists. (Clark, 1987, p. 9-10)

This description of the response of many business people probably resonates with those who have tried to raise the broader ethical dimensions surrounding a particular issue. Clark goes on to say that "it is enough to make university-based ethicists give up and retreat to the safe ground of esoteric academic research" (p. 9).

Conclusion

It appears that the field of business ethics is developing an agenda which does not draw in a significant way on the field of religious studies. This should be a matter of concern for those who are interested in the method and content of the discipline of religious studies. All of our lives are so intimately a part of the world of business and economics that the visions and values operative in that world are of vital importance.

The academic discipline of religious studies, in terms of its methods and content, can contribute significantly to the understanding of what people hold to be of ultimate worth for themselves and others. Religious perspectives, including those which cannot be identified with a recognized religious tradition, provide visions of the human person and community in relation to each other, the environment, and the universe. It provides the larger framework for the day-by-day practice of business.

There is an urgent task for the religious studies community to explicate their unique contributions to the field of business ethics. This knowledge must then be presented in such a way that students of business can understand its relevance in both the private and public spheres of their lives.

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