Going by the book

Ethics is the talk of college classes as the business scandals that permeate the news serve as object lessons.

BY MARCIA HEROUX POUNDS
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In his 2000 book, Value-Driven Management, Randy Pohlman wrote that the business environment "now contains challenges that could not even be dreamed about over a hundred years ago."

Or, even dreamed about last year, the Nova Southeastern University business dean might have written — had his book been published in 2002.

The basic message of Pohlman's book, the text in a required management practices class at Nova, is "what you value drives your actions." Pohlman blames current corporate scandals on both the personal greed of top executives and the intense pressure on public companies for short-term financial performance.

Business schools are known for urging their students to pay attention to a company's bottom line, stock price and growth potential. But with Enron Corp. and plenty of other corporate scandals to study these days, South Florida universities are updating class curriculums to give business students the tools they need to make ethical choices. And students are demanding such classes and discussion, professors say.

Last year, because of student interest, Florida International University added a second section of its business ethics class for undergraduates. The university also began a one-credit hour class in business ethics for MBAs.

In every single class, they're talking about the headlines," said Carlos Badell, 27, an MBA student at FIU. He said the ethics discussions are not just happening in his required ethics class, but also in accounting, marketing and management.

That's a good thing says Badell and a fellow MBA student, Bob Hartmann.

Hartmann, software development director for Carnival Cruise Lines, said FIU urges students to consider the larger picture. "With all the dry topics, like accounting, you tend to think in black and white. You don't really take in consideration the community where a business thrives."

His business ethics professor, Bob Hogner, said the teaching approach is a switch from past attitudes in business schools, when MBA candidates saw themselves as shareholder agents responsible for maximizing short-term profits.

"What [students] have been told is that ethics and morality don't matter," he said. "The only thing that matters is obeying the law. The implicit message is 'obeying the law if there's a chance of being caught.'"

EDUCATION CONTINUES ON 10G

Staff photo illustration/Lynn Gomez
New emphasis focuses on ethics in colleges

Yet Hogner and other South Florida professors recognize that education only goes so far. Hogner said you can’t suddenly make people ethical “in a one-credit class, probably not even in a four-year college education.”

NO INSTANT ETHICS

Daraab Unwalla, chairman of the department of management at Florida Atlantic University in Boca Raton, observes that “an MBA degree makes you look at things more analytically.” Even so, “it doesn’t mean after you’ve done the analysis, you’re going to get over your greed and do the right thing.”

Still, Unwalla thinks the subject of business ethics is critical enough to add elective classes to FAU’s Executive MBA program. He also plans classes, possibly next spring, in “corporate forensic management,” to involve students possibly in actual audits of South Florida companies. Students would look at financial statements and review inventory, as well as how the companies treat their employees.

MURAL DILEMMAS

Some university programs have a head start in ethics teaching.

St. Thomas University in Miami has a Center for Ethics that provides ethics programs for the community, and the University of Miami has a program in business, government and professional ethics.

Anita Cava, co-director of UM’s ethics program, said corporate scandals are nothing new, only the “bright light” now shining on them.

Yet students in her ethics class last semester seem surprised that top executives were making decisions that were so wrong. “They asked, ‘What happened to integrity? Is the money really worth all that?’”

Cava, who has taught a required ethics class for business students since 1977, poses questions to students such as, “Is this something that if everybody were to do, society would be able to survive? Or are you making an exception for yourself?”

She poses ethical dilemmas to students, often from real-life situations. One concerns a new manager who was on his first business trip; on the return trip, a staff member told him it was customary to pad the expense account, and he should do so if he wanted to be a part of the “team.” What should the executive do?

In judging situations, the issue often comes down to: “Would you be happy if everybody would know what you’re doing?” Cava says she tells students.

Kenneth Goodman, who co-chairs UM’s ethics program, said in his classes he gives students critical skills to help them make ethical decisions. “When the boss is pressuring you to come up with better numbers than you can produce… if you’re not prepared to turn your cards face up, then you’re a train wreck waiting to start.”

LONG-TERM THINKING

Jeffrey Seglin, who writes an ethics column for The New York Times and is author of The Good, the Bad and Your Business, said students are taking away a broader message from today’s corporate headlines: “If you do something that crosses the line, you will get caught. And that’s not a bad message to send. For years the perception was ‘drive up the stock price at any cost.’”

Barry University’s philosophy professor Ronald Urito said he tries to get students to think about the decisions, rather than short-range thinking.” Ethics is both integrated into the business courses at the Miami university and into the philosophy class students are required to take.

Urito said he stresses that behavior that is unethical or illegal, or both, brings tremendous harm to employees and shareholders. He tries to get students to think through the various dimensions of ethical problems and give students the tools and strategies to deal with them.

Simply, Urito says, “good ethics is good business.”

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