

TEACHING BUSINESS ETHICS IN A CATHOLIC JESUIT UNIVERSITY

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In Part I, I discuss institutionalizing mission and values in a Catholic university. I focus on the tension between ensuring individuals express the mission and values of the university and the importance of maintaining a free and open environment where people can express their views. Resolving this conflict sets up the discussion in Part II, where I describe teaching business ethics in a way that respects those of different faith traditions as well as agnostics and atheists. I do so in a way that does not make faith one choice among others. Nor do I suggest ratcheting down the importance of faith in supporting ethical values.

Part I: Institutionalizing Mission and Values in a Catholic University in a Non-doctrinaire Way

I begin with a simple point that is difficult to implement. Behavior in a Catholic university should *actively promote* its mission and values. If the mission and values of the university reflect Catholic traditions, this will go a long way to ensure that business education has a specific Catholic character. For example, at Seattle University our mission is the following:

Seattle University is dedicated to educating the whole person, to professional formation, and to empowering leaders for a just and humane world.

This flows out of the Jesuit mission to seek systemic changes to end poverty and promote justice. Our values are care, academic excellence, diversity, faith, justice, and leadership.

By "actively promote" mission and values I mean faculty, administrators, staff, and students should treat these aspirations as positive, not negative screens. This is a strong requirement. Policies, practices, and actions need to clearly exemplify these values, not just merely be not inconsistent with them. It also means all four groups have to think how to engage each other in ways that communicate the mission and values. As suggested by the themes of "Business Education at Catholic Universities: an Exploration of the Role of Mission-Driven Business Schools," these positive screens need to be institutionalized. For example, they need to have significant weight in hiring and retaining administrators and staff; in hiring, promoting, tenuring faculty; and should guide processes to review and create new programs and curricula.

Actively promoting mission and values sounds great, but how do we do this without the university turning into a police state? In recently published research, my co-authors and I argue that the best way to encourage promoting organizational values is to create a procedurally fair workplace in which people are treated with care and compassion (Tyler, *et al.*). In what follows, I discuss procedural fairness and what it means to treat people with care and compassion. Both procedural fairness and treating people with care and compassion are grounded on the intrinsic value of human beings, so central to the Catholic faith.

In order to understand procedural fairness, we need to contrast it with outcome fairness. Outcome fairness concerns issues and practices where people generally agree on what fairness means. For example, if inflation goes up 4%, and employees get a base raise of 4%, most people will judge that as a fair outcome. However, how should merit raises be distributed? This is where

procedural fairness comes in. A procedurally fair process would be one in which the standards are transparent, known in advance, and applied equally to all in the pool. Ideally, a procedurally fair process would also incorporate the voices of all those affected by the process. This leads us to the next element, care and compassion.

When I talk of treating people with care and compassion, I rely on the normal meaning of these terms: listening to people, incorporating their concerns, and not being verbally or physically abusive. Another aspect of treating people with decency and compassion, as Nel Noddings reminds us, is to help them pursue their projects. Noddings is quick to note that we can easily confuse what we want for person with what that person wants for herself or himself. Helping others pursue their projects requires rigorous self-examination on our part to make sure we are not subtly directing the person to reach our goals instead of theirs. Of course, we can disagree with their projects and refuse to help them. We can also give good reasons why they should pursue some other project. What we should not do, claims Noddings, is to act as if we are helping them with their projects when we are really advancing our own, no matter how valuable we perceive our own projects to be.

Treating people with care and compassion goes beyond actively helping them with their projects. Nel Noddings also reminds us that sometimes we must leave people alone, without abandoning them, to struggle on their own. To always be ready to help someone can signal that we do not trust their skills, or even their character, to complete the project well. Further, letting others struggle with their own projects is often the best way to help them.

What happens when people in an organization are treated procedurally fair and with care and compassion as described above? In our research we found that these two factors explained 87% of voluntary support of the values of the organization. Let me repeat that: 87%. This is an amazing number. A procedurally fair and caring workplace has other benefits, too. Bottom line benefits. For example, these kinds of workplaces have a high rate of employees going beyond their job description to help the organization. On the other hand, compliance and police state methods encourage virtually no voluntary acceptance of the organizational goals, nor do they encourage people to help the organization in ways that go beyond their job description. The message is clear. If we want people in Catholic educational institutions to support the values of those institutions, we must institute procedurally fair practices and treat people with care and compassion.

In the next section, I discuss how procedural fairness and care and compassion are exemplified in teaching business ethics and social responsibility at the MBA level.

Part II: An MBA Class on Business Ethics at Seattle University

Care and compassion in the teaching of business ethics requires us to avoid any attempt to indoctrinate students or to even have the appearance of such indoctrination. However, to avoid the reality or the appearance of indoctrination does not require the teacher or the students to hide their ethical views and commitments. In what follows I described a procedure for teaching business ethics that puts my values upfront in a non-doctrinaire and non-coercive way (Dienhart 1981).

My procedure relies on two building blocks. First, the ethical frameworks we discuss in the class come from students. Second, the class and I act as if we are searching for the moral framework by which to guide our lives. I discuss each of these building blocks in more detail.

The ethical frameworks discussed in class come from the students. To facilitate this, I begin the course with a case study on layoffs from which we derive ethical frameworks. As the students work through the case concerning impending layoffs, I write down the ethical frameworks on which they rely. In 95% of the times I have used this case, the issues of friendship and organizational loyalty arise first. Then, someone mentions his or her legitimate self-interest in making a decision about what to do. Lastly, but not always, someone will bring up the issue of fairness to others on the layoff list. At the end of this exercise, we have four dimensions of ethics: self development, relationship development, group development, and human dignity development.

In debriefing the case, I rely on the work of Lawrence Kohlberg, Carol Gilligan, the World Values Survey, and the GLOBE Project to argue that they have identified four moral dimensions that are cross-cultural. I make clear that these four dimensions are forms of practical reasoning and decision-making. They are not necessarily the ultimate ground for motivating ethical judgments and behavior. For many people, this ultimate ground lies in their religious faith. Others may stand in awe of human nature without a faith foundation. For the class to be effective, each student needs to connect these ethical dimensions to their deepest commitments. They should feel free to discuss these deep commitments in their written work and in class.

The students and I act as if we are searching for the ethical framework that will guide our lives. Using the work of Lawrence Kohlberg and Carol Gilligan we examine the three-phase progression of moral reasoning from the pre-conventional to the conventional to the post-conventional. While cognitive theories of moral development have many limitations, they are extremely good at explaining how our rational and affective capacities influence how we construct, deconstruct, and reconstruct our moral systems of beliefs. Pre-conventional reasoners do not understand the conventions of society, nor do they understand how these conventions hold society together. Conventional reasoners understand these conventions well, and adopt them as their dominant moral framework. Post-conventional reasoners adopt universal moral values that they can use to evaluate behaviors and systems across cultures.

We do not focus on the different levels of moral reasoning themselves. Instead, we focus on the *transitions* between the levels. The most important transition for the business ethics class is the transition from the conventional to the post-conventional level of moral reasoning. This is the transition in which we are most reflective about the ethical belief system we are constructing for ourselves. Within this context, I offer the class my own view of ethical decision-making in business.

Ethical business decision-making promotes sustainable networks of stakeholders (individuals, relationships, and groups) in a context of human dignity and a healthy physical environment.

I ask them to adopt this as a working hypothesis for the duration of the class. I will not grade them on whether they accept it, but on whether they understand it. This makes it clear to the class where my values lie: human dignity. However, I quickly add that we often promote human

dignity through self-development, nurturing human relationships, and promoting group well-being. My stance is far from universal. In the next section of the class, we examine philosophers who argue for the other three dimensions as the foundation of ethics. This will give the students a chance to see some compelling arguments for other points of view. We discuss self-development, relationship development, group development, and human dignity development in order.

Epicurus and Ayn Rand argue for self-development as the foundation of ethics. They are post-conventional reasoners because they offer self-development as a solution to the contradictions and unsupported beliefs of conventional morality. Notice that they focus on self-development, not self-interest. By self-development, these theorists argue for promoting the excellence of oneself. Discovering how to promote our own excellence requires us to reflect deeply and honestly on who we are. This deep and honest reflection will help us identify our essential qualities and capacities. An ethical life consists in pursuing the excellence of these qualities and capacities.

Nel Noddings offers care as the foundation of ethics. She is a post-conventional reasoner because she offers care as a solution to the contradictions and unsupported beliefs of conventional morality. Marilyn Friedman offers care and justice as the ethical values that can resolve the contradictions and unsupported beliefs of conventional morality. As discussed above, Nel Noddings' view of care is quite sophisticated and anything but a "Hallmark card" view. Care often means making the hard choices to promote flourishing human relationships.

David Hume and John Stuart Mill argue for group well-being as the foundation of ethics. They are post-conventional reasoners because they offer utilitarianism as a solution to the contradictions and unsupported beliefs of conventional morality. David Hume argues for stability and property rights. Change at the social level is dangerous, because people's self-interest and personal relationships will cloud their altruistic motivations. John Stuart Mill is more sanguine about social change. Still, he is wary of our self-interested motivations. Moral excellence for these two philosophers, in large part, is knowing our role and fulfilling it.

Immanuel Kant and John Rawls argue for human dignity as the foundation of ethics. We examine their views to see how they resolve the contradictions and unsupported beliefs of conventional morality that they identify. For Kant, the existence of God and our divine element enables us to make free choices in an otherwise causally deterministic universe. This freedom is the ground of our intrinsic value and our duties. One aspect of our duty is never to manipulate ourselves or others in ways that interfere with free choice. In business, for example, it means honest communication and keeping promises. To do otherwise does not merely disrespect the person, but God. With respect to ourselves, it means paying close attention to our motives and not rationalizing. Rawls' challenge is to turn Kant's focus on individual decision-making into a social and political philosophy. He does so, not surprisingly, through the mechanism of rational free choice.

In our discussion of human dignity, we come back to the earlier suggestion that we express our concerns and commitment to human dignity through self-development, relationship development, and group development. We then discuss the empirical research I mentioned in Part I of the paper, that shows that procedural justice and treating people with care and compassion are the best ways to promote their self-development, their relationships, and the group's development.

Part III: Conclusion

In Part I, we examined how to institutionalize the mission and values into the decision-making of a Catholic university. I argued that the best way to do this is to express the mission and values through procedural fairness and care and compassion through all segments of the university. Giving people the autonomy to adopt the mission is the most effective way for them to express it in daily decision-making. In Part II, we discussed a procedure for teaching different ethical frameworks that respects the autonomy of the students to construct their own moral beliefs systems. I argued that the professor and students should express their deep ethical commitments, but in non-doctrinaire and non-coercive ways. Far from being a smorgasbord of ethics, I designed the procedure to help them better understand and recommit to their deepest values.