CAMPAIGN AACSB: ARE BUSINESS SCHOOLS COMPLICIT IN CORPORATE CORRUPTION?

DIANE L. SWANSON
Kansas State University

WILLIAM C. FREDERICK
University of Pittsburgh, Pennsylvania

DISCUSSION OF A CONTEMPORARY ISSUE

I recently had the pleasure of working with Diane Swanson on the article that she and Robert Paul published in Volume 10, Number 1 of JIER: “Violations of Ethical Expectations: The Toxicity of Organizational Pain and Some Remedies.” In the course of one of our many conversations, Diane mentioned her current displeasure with the stand on teaching ethics that had been taken by the Association to Advance Collegiate Schools of Business (AACSB) and the activities she had undertaken to encourage the AACSB to change.

This sounded like a wonderful subject for a contemporary issues discussion in JIER. I encouraged her to put together a paper that would permit our readership to understand the dimensions of the issues that surround the teaching of ethics within American business schools and the problems confronted by professors who want to give the topic of ethics greater emphasis. This is the result.

Charles J. Coleman, Editor

Campaign AACSB is a large-scale, collective effort to upgrade and strengthen ethics accreditation standards in U.S. business schools. Hundreds of business school professors, plus numerous business managers, several former business school deans, and many business school students are waging the campaign. They have taken aim at the Association to Advance Collegiate Schools of Business (AACSB), which grants accreditation status to the nation’s business schools. The campaigners charge that AACSB’s weak ethics standards unwittingly contribute
to corporate crime and corruption by failing to mandate a required ethics course as a condition of accreditation, leaving the decision to each individual school.

In accreditation language, the standard in question is AACSB’s position that the curriculum management process will normally result in an undergraduate degree program that includes learning experiences in several general knowledge and skill areas, including ethical understanding and reasoning abilities, without the requirement of specific courses in the curriculum [1, p. 65]. Supporters of Campaign AACSB disagree with this assumption. In their opinion, business degree programs often “normally result” in curriculum that shortchanges or sidesteps ethics altogether while still garnering AACSB’s coveted stamp of approval. The proposed standards suggest as much, given the example of how a school with learning goals that require students to incorporate ethical considerations into decision making may embed the measurement of accomplishing those goals into a capstone business-strategy course [1, p. 60]. The rub is that serious ethical analysis does not fit neatly or coherently into conventional business-strategy coursework, a point made by scores of knowledgeable professors who have protested the proposed standards. We document some of these endorsements after summarizing events that sparked Campaign AACSB.

THE BACKGROUND

By the summer of 2002, corporate corruption had cascaded, shocking the conscience of the nation, wiping out thousands of employee pensions, putting tens of thousands more on the jobless rolls, and shaking investor confidence to the core. Public trust in business dropped to disastrous lows: chief executive officers and stockbrokers were trusted by only 23 percent of the public, just a few points above used car dealers at 15 percent. In late June, President George W. Bush told the nation, “We must have rules and laws that restore faith in the integrity of American business” [2]. Two weeks later, he spoke directly to Wall Street financial leaders, saying, “We need men and women of character, who know the difference between ambition and destructive greed, between justified risk and irresponsibility, between enterprise and fraud. Our schools of business must be principled teachers of right and wrong, and not surrender to moral confusion and relativism” [3, emphasis added]. The president called for “a new ethic of responsibility,” which he obviously was applying to the nation’s business schools as well as to corporations [3].

Simultaneously with the president’s urgent messages, Business Week pointed out that, “Sure, most B-schools are loudly condemning such ethical breakdowns. But what are they doing to really combat recurrences of such behavior? The short answer: Not much. . . . Deans have issued elegant statements of indignation. . . . [but] adding a strong ethics component to the B-school culture will be no sure thing” [4].
That’s when we decided to issue *A Call for Business School Responsibility* to business school faculty members in the United States and abroad. We were aware that several top-level corporate executives charged with fraud, theft, and corrupt behavior were MBA graduates of top-ranked business schools. Had their business school education pointed them too narrowly toward getting ahead while ignoring the ethical impacts of their decision making? In late September 2002, we urged business school ethicists to “take concerted action (1) to counteract and correct the effects on our students (present and future) of the behavioral excesses of corrupt corporations and (2) to begin a comprehensive inquiry into the role that business schools and the AACSB, play in inculcating a normatively amoral attitude that encourages unethical, fraudulent, corrupt, and illegal behavior by business practitioners” [5].

The response has been overwhelming. Shortly after we issued *The Call*, Duane Windsor, professor of management at Rice University, wrote an *Open Letter on Business School Responsibility* to top accrediting officials in AACSB, proposing that AACSB mandate a stand-alone course in business ethics as a condition of accreditation [6]. Subsequently, large numbers of management professors, ethics experts, business practitioners, and other interested citizens responded to our call by flooding AACSB offices with e-mail endorsements of Windsor’s *Open Letter*, copying us on their correspondence. We have archived these statements by knowledgeable professionals who have conveyed that business education is at a fork in the road. As the president has declared, business schools can continue down the slippery slope of moral ambivalence or command the higher ground of ethics coursework that cannot be sidestepped, downplayed, or buried. Voices from the campaign have asked AACSB to take the higher ground. Documented below, their call is for visionary moral leadership from AACSB, to be matched in each business school by required instruction in ethics and corporate social responsibility. Nothing less is acceptable if another round of corporate corruption is to be avoided in the future.

**THE ETHICS COMMUNITY SPEAKS**

Lynette S. Autrey Professor of Management, Duane Windsor, wrote his *Open Letter on Business School Responsibility to AACSB*, October 8, 2002, excerpted below:

The role of business and society instruction and scholarship depends on the moral wisdom and social conscience of the whole body of the school’s faculty. Accreditation standards adopted in the early 1990s led over the years to a slow deterioration in the role of business and society in MBA curricula. An essential feature in [those] accreditation standards was a shift to a high degree of flexibility in how schools could structurally address mission delivery. In direct contrast, the accreditation standards of the early 1970s established a clear guidance [and] plainly pointed business schools in the direction of some
kind of required course in business and society, social issues in management, business ethics, legal environment, public policy. The business and society faculty lacks sufficient voting strength to influence curricular outcomes, while the [newer] doctrine of flexibility has made voting strength a critical matter. The AACSB ignores this reality. There is not a question of deliberate intent to erode ethics and responsibility. Rather, there are enormous pressures at work on everyone: volatile rankings, getting funds, competition for faculty lines, student placement statistics, etc.

To neglect business ethics, business-government relations, and corporate governance dimensions of management is to cast doubt on the social usefulness of AACSB in this crisis. Institutionalization of ethics must be held superior to flexibility of curricular approach. AACSB should take a public stance and provide specific guidance to business schools. AACSB ought to make business and society coursework mandatory, a universal and essential mandate in the public interest [6].

After we published Windsor’s letter in several academic outlets, a groundswell of urgent endorsements ensued [7]. We quote a small sample. For starters, Edwin Hartman wrote to AACSB, pointing out the need for expert ethics knowledge and training in business degree programs:

Only people who have some understanding of moral reasoning can successfully teach business ethics. Teaching business ethics without this background is like teaching operations research with no knowledge of mathematics. Any attempt to teach ethics exclusively in courses in management, marketing, finance, accounting, law, etc. is likely to fail. The same can be said of assigning business ethics courses to faculty who have little or no formal background in the field. The [AACSB’s] proposed rules enable business schools to say that they are teaching ethics when they are not [8].

Legal scholar Thomas Dunfee, vice dean and director of the University of Pennsylvania’s Wharton School’s undergraduate division, agreed:

In law, actions are judged on a test of foreseeability, not on the basis of mere hopes. The current draft standards will have little or no effect on actual business school practice in this critically important area. The standards must incorporate some testable requirement for the coverage of business ethics and relevant business law in business school curricular [9].

AACSB heard from another strong voice of experience when James Weber, the director of Duquesne University’s Center for Leadership in Ethics, wrote:

The current lapses in corporate accountability and responsibility mandate a greater, not lesser, emphasis on the social, regulatory, political, and ecological environments of business operations. Now is the time to increase the emphasis upon these areas in business school curricula. The [present] accreditation guideline language often motivates some business school faculty, unaware of the importance of these fields for student study and corporate practice, to move for the elimination of courses in these areas [10].
Statements from esteemed scholars continued to pour into the AACSB office. Darden School’s Patricia Werhane, founding editor of *Business Ethics Quarterly* and professor of business ethics, sent this comment:

> Despite the fact that it would appear that business ethics courses have not succeeded in preventing corporate scandals, we forget that there are thousands of corporations, at least 900 of which are in the Fortune 1000, and hundreds of thousands of managers and executives, who “do the right thing” most of the time, who do not lie, cheat, or steal from their employees, customers, and shareholders, who work diligently and with great progress on environmental issues, and who engage in global capitalistic ventures without taking advantage of less developed peoples. Without business ethics front and center in every business school curriculum our future record may be more tarnished [11].

Her successor as *Business Ethics Quarterly*’s editor-in-chief, George Brenkert of Georgetown University, in endorsing the *Open Letter*, added:

> Some may suspect that there is a certain self-serving nature to such endorsements coming from those in the ethics community. The other view of such endorsements, however, is that members of the ethics/social responsibility community make it a point to be aware, on a daily basis, of the negative implications and harmful effects of inadequate treatment of ethics in our nation’s business schools and businesses [12].

Dinah Koehler, an environmentalist at the Harvard University School of Public Health, conveyed another kind of warning:

> Business school education does not clarify the human impact of pollution and why we as human beings should care about the long-term intergenerational effects of pollution, not to mention the impacts on the ecosystem. It would be irresponsible not to inform the future business leaders of the threats to their personal health and that of the public they will sell to, particularly as they will be in positions to either ameliorate or exacerbate human health. Today’s business students are not adequately informed of these concerns, due to curricula limitations and lack of qualified professors. AACSB should take a proactive stance toward sustainable business practices [13].

John Jermier, editor of *Organization and Environment* and professor of environmental science at the University of South Florida, echoed the same thought:

> For too many years, AACSB has taken a passive stance toward critical social and environmental issues. This has allowed schools and colleges of business to achieve full accreditation by AACSB without giving proper attention to issues of ethics, and social and environmental responsibility. More forceful guidance from AACSB is essential [14].

We add our own voices to the rising chorus, clarifying what ethics means to these commentators. From our perspective, “ethics” is being used in a very broad generic sense. “Ethics” sometimes refers to a strictly philosophical approach,
where one discusses rights, justice, and fairness in an abstract way, without relating it to any one context such as a business firm. Those who oppose teaching ethics to business school students usually have this meaning of “ethics” in mind, believing it to be impractical and difficult to apply on the job. However, if “business ethics” means any right-wrong actions taken by corporations, there is a compelling case for making students aware of the many, many times they will face such situations when they themselves become managers. Experienced managers know these right versus wrong factors are always present. So, “ethics” in this broader, contextual, practical sense covers such areas as business law (especially the Sarbanes-Oxley law), public policy (SEC guidelines), organizational ethics (e.g., corporate governance), and corporate social responsibility (obligations to community and stakeholders).

MEANWHILE, BACK AT THE AACSB RANCH

While sorting through the piles of e-mails favoring a stronger ethics requirement for business schools, AACSB officials were asked whether they would meet with representatives of the 100-plus endorsers of Windsor’s *Open Letter* [15]. In mid-November 2002, Diane Swanson inquired whether we might attend a forthcoming AACSB committee meeting to discuss accrediting standards: “We represent constituents who would like to work with AACSB to improve the delivery of ethics education” [16]. Milton Blood, AACSB’s director of accrediting, responded by asking whom we represented: “Who belongs? What is your organization’s major activity or purpose? What would be the goal of the dialogue? Meanwhile, the issues you support are evident in AACSB activities” [17]. No invitation was extended.

Two months later, in mid-January 2003, we tried again, asking to meet with AACSB’s Blue Ribbon Committee on Accreditation Quality to make our case. We also requested a chance to speak directly to the deans of all AACSB-accredited business schools—during the association’s upcoming annual conference, before they voted on new accrediting rules. “As professors, we want business schools to be, and to be seen to be, part of the solution to corporate irresponsible behavior rather than as part of the problem. As a group, we have ideas and action plans to achieve that goal, including the findings of a Task Force studying the teaching of ethics in top-ranked business schools, and we wish to share our viewpoints and research data with AACSB officers and members directly and in person” [18].

Alas, it was to be another interminable project. Back came a quick answer from Blood: “I must deny the two requests you made for personal representation. There will be no opportunity for meeting with the BRC [Blue Ribbon Committee]. Their final proposed standards will be posted in early March, and that will finish their work. Also, there is no opportunity available for presentation at our annual meeting” [19]. No reason was given for refusing to allow the assembled deans to hear the collective, experienced voices of business ethics scholars, teachers, and
researchers. When asked for a statement reflecting AACSB’s official position for this issue of *JIER*, Blood said:

AACSB International—The Association to Advance Collegiate Schools of Business is taking steps to enhance its long-standing support for ethics education for all business students. Like many organizations related to business education, the association responded to recent revelations of corporate malfeasance by searching its own activities for ways to strengthen the role it plays in preparing graduates for management careers. As an organization that provides global leadership in business education, AACSB has championed the inclusion of ethics in business curricula for many years.

Since the organization is in the third year of a thorough review of its accreditation standards, that was one immediate area for attention. A Blue Ribbon Committee on Accreditation Quality (BRC) has been working since July of 2000 to update and enhance the accreditation standards and processes. Drafts of revisions have been posted at the organization’s Web site (www.aacsb.edu) for comment, and leaders of the organization have participated in many conferences and meetings with business educators where they have sought and received feedback on the drafts.

The currently available draft of revised standards is not official, and must secure approval of AACSB’s Board of Directors and then a vote of the accredited members. It does reflect the conscientious work of the committee working with the benefit of considerable comment from faculty members and administrators at member institutions. Relative to previous accreditation standards, the draft reaffirms the importance of ethics education for business graduates and emphasizes its position among curricular requirements. The committee gave ethics education more prominent placement in the standards to bolster its importance in business education.

Separate from work with the accreditation standards, AACSB’s New Issues Committee, a sub-committee of the Board of Directors, established ethics education as its highest priority. As a result, this group has provided its own suggestions to the BRC, and it has begun developing a set of resources that will be made available to all members through an ethics education resource center to be placed on the AACSB Web site. This work is still in progress, but it is anticipated that when the Web site resources are completed they will include materials such as syllabi of business ethics courses, ethics modules for use in business functional area courses, codes of conduct for faculty and students, and samples of behavioral oaths for business graduates.

In short, AACSB recognizes its role as a standard setter and as a facilitator in business education. It will continue its strong support for ethics education for all business students [20].

While puzzled about AACSB’s closed-door policy, we applaud AACSB for granting ethics an elevated priority through its new committee (which has yet to actually do anything). Yet Blood’s statement indicates that AACSB may be stuck on recreating the wheel, perhaps unaware, at least through direct contact, of the abundant ethics expertise that has been widely available for decades. A more
enlightened response from AACSB would have been to invite dialogue aimed at building upon that wealth of knowledge represented by endorsers of the campaign. We have not been able to identify any of the “faculty members” whose “considerable comment” is said to have been of “benefit” to accrediting officials. At minimum, AACSB could have responded directly to the clearly articulated call for a course dedicated to ethics rather than blandly sidestepping it altogether. Why the evasion? Could it be that the modest request for one ethics course threatens to disrupt a network of status quo arrangements within accredited schools?

**ACROSS THE CURRICULUM OR STANDALONE?**

AACSB’s doctrine of curriculum flexibility, which allows each business school to set its own ethics requirements, effectively absolves schools from requiring any courses in ethics. Deans can claim that ethics is incorporated into curriculum overall, meaning that professors from disciplines such as marketing, finance, operations management, accounting, and strategic management can claim to teach a smattering of ethics topics in their courses. In reality, however, these professors find it burdensome to try to integrate well-developed variants of ethics across the curriculum, particularly given their understandable desire to teach their own areas of expertise first and foremost. This myth that ethics can be successfully integrated into conventional functional courses is laid to rest by two longtime voices of experience. One is from David Messick, Kaplan Professor of Ethics and Decision in Management of Northwestern University’s top-ranked Kellogg School:

> Some sort of an ethics requirement [is] a necessity for business school accreditation. B-students need to be made aware of the fact that they have duties to others in society [beyond] themselves and their paymasters. At Kellogg we have initiated a new major called Business and Its Social Environment that is designed to highlight both strategic and ethical aspects of social forces that are not directly market forces but which can determine the life or death of businesses. Our goal in this major is to focus on the centrality of these issues, be they human rights, environmental concerns, or insensitivity to communities and social norms. We believe that such an appreciation is no longer an option for men and women who aspire to be the economic leaders of the next generation. It is a necessity [21].

And Jeffrey Gale, professor of management at Loyola Marymount University added this comment:

> As I currently teach in the Strategic Management area, I can affirmatively say that this course is NOT the appropriate primary venue for inclusion of ethical, legal, or societal concerns. I find it increasingly distressing that students coming through our business programs have so little idea of the influence of government, corporate governance, and legal standards upon what they do. While microeconomics may provide theoretical arguments as to how an ideal world “should” work, there is a dimension of how it does
work in practice that only the inclusion of business and society material can provide [22].

Following suit, Patsy Lewellyn and Jerry Calton warned AACSB about the dangers of tacking ethics onto functional courses that were never designed to convey the broad, historic fundamentals of corporate social responsibility. Lewellyn wrote:

I am an accounting professor, and I have never taught a course in business and society, but I believe so firmly in the importance of this matter, and in the role of the AACSB to shape business education, that I encourage AACSB to enhance the significance of business ethics in forthcoming standards. Just as accounting is considered the “language” of business, a course in business and society could be considered the “concordat” of business. Without an understanding of the fundamental agreement that lies implicitly between business and civilization, students simply will not have the basis required for values-based management that their future will require [23].

Calton wrote:

The traditional approach to designing the business curriculum around a core of functional areas that embrace the “value-free” assumptions of social science while adding a gloss of value-based ethical platitudes and mini-cases along the way . . . has not worked well in the past and is less likely to work in a new political and corporate environment that is desperately searching for a “quick fix” for the crisis of legitimacy in corporate governance, and by implication in management education.

The AACSB principle of “flexibility” simply gives business school deans and faculty an excuse to marginalize ethics by scattering a few ethics modules throughout the curriculum. Somehow, business ethics and the essential role of managerial integrity in fair dealing must be located at the core of a curriculum reform agenda. What we need is a moral crusade and a thoroughgoing rethinking of the business curriculum, not a quick fix [24].

The long-term corrosive impact of AACSB’s across-the-curriculum doctrine is felt not only at the student level but in faculty strength as well. AACSB’s flexibility policy can contribute directly to reducing or eliminating the number of faculty teaching ethics, social responsibility, and public policy. Always few in numbers, business and society professors face a stacked political deck when curriculum is voted on and courses are reduced or eliminated by faculty vote. Although a few schools have developed excellent programs in face of these pressures, these gains are easily lost when professors retire or move to other universities and are not replaced. The University of Pittsburgh’s Katz Graduate School of Business is only one example among several, although surely a uniquely audacious one, where the axe fell on its required ethics curriculum even as sensational news of the corporate scandals was still unfolding.
Speaking of this long-term trend, Donna Wood, preeminent business and society research scholar and former Katz faculty member, explained:

Since AACSB adopted “mission-driven” standards, the trend has been toward dropping the required Business & Society/Business Ethics course in favor of more electives. The urge to aggrandize among other areas appears to be overpowering in the absence of an external pressure to continue B&S/BE. The AACSB has a deep professional obligation to its stakeholders—the business community and the world’s societies. Accreditation serves as a seal of approval, a mark that students in accredited schools are learning all the essentials. The message of today’s standards, however, and those proposed, is that ethics deserves verbal acknowledgement but no resource base—i.e., it is not essential. This should be tremendously disheartening to all who care about the future of business and its many contributions to human well-being [25].

The folly that permits or even encourages morally flexible guidelines calls into question the ethical climates of colleges of business themselves. Denise Rousseau of Carnegie Mellon University sees these climates and those of corporations as interrelated and mutually dependent upon one another. In her opinion, ethics training is not so much a matter of coursework per se but rather of emphasizing ethical organizational behavior as an antidote to the narrow, self-serving misconduct implicit in all too many corporate cultures.

There is little reason to believe that the distinctive competence of management education is in inculcating in would-be managers a fundamental set of moral principles when families, communities, schools, and churches already have had more sustained and pervasive opportunities to do so. What management education can promote effectively is exposure to and experience with ethical environments, their building blocks and ways of organizing them. Ethical environments are those settings where activities are organized in ways that reinforce principled action and ethical outcomes. Ethical organizations create environments that reinforce collective action by shaping thinking and behavior in ways that reflect coherent, shared understanding of moral values.

How would we teach ethical organizing? Designing our curricula to model ethical principles is one means including openness to scrutiny, balancing multiple interests and assessment criteria (from individual mastery of subject matter to collective skill building). We might even do well to ask the question to what extent business schools themselves function as prototypical ethical organization. It is very difficult to learn to do something for which there aren’t readily available models. In working to make our own ethical organizations, we strengthen our ability to help future managers learn to design organizations robust enough to pursue multiple goods in a fashion open to scrutiny, critique, and learning [26].
AN OBVIOUS SOLUTION

This solution to the standoff is obvious: require a course in ethics while striving for across-the-board infusion of ethics into the business school curriculum. This solution is so simple and straightforward that the wall of resistance from AACSB is truly difficult to fathom. Brian Peach said it best:

AACSB should include in its new standards a two pronged effort: First, not only mandate an ethics course, but provide some basic guidance as to expected contents. Specify faculty expectations. Second, explicitly mandate that schools provide compelling evidence that ethics is a common component of relevant business courses. This should not be either/or. And if we really get serious, the accreditation review process should ensure student sampling to measure the extent to which students perceive an ethics emphasis [27].

In a similar spirit, well-known management scholar Archie Carroll posed a pointed question:

Does the AACSB Board, and do our deans, want reporters to stick their microphones into their faces and ask what we are doing about business ethics in the climate of today and have to respond, “very little, but we are flexible and it’s really not our responsibility”? I think not. That would be a scandal competing with Enron, WorldCom, Andersen, and all the rest. I believe it has been due to our past equivocating and “flexibility” that we find ourselves in the position we are. One resolution to the stand off is obvious: require a course in ethics while striving for [coverage across-the-curriculum]. The AACSB needs to take assertive, moral leadership and require this topic coverage in all undergraduate and MBA curricula [28].

As a group similar to ours proposed in 1977, one required threshold course in ethics and corporate social responsibility need not dampen other curricular initiatives. Nor does it dictate the design or placement of individual courses in curriculum [29, p. 2]. Moreover, requiring one threshold course does not preclude professors from addressing ethical and environmental issues across the curriculum. Potentially, everyone gains by keeping the primary material on ethics and social responsibility intact within a threshold course. By design, this approach encourages cross-fertilization of ideas within other business courses. It is an eminently “flexible” base for any and all schools to infuse greater ethical awareness in their students. Although this solution is not a panacea for corporate wrongdoing, coursework in ethics can be a first resort for enhancing the moral reasoning of future managers.

This is not to deny Denise Rousseau’s contention that families, communities, schools, and churches have more sustained and pervasive opportunities to inculcate ethics in would-be managers. But as Don Schepers wrote to AACSB, the ethical lexicon provided by families and other institutions is not readily transferable the complexities of contemporary business.
There is an underlying sentiment, I believe, that is dangerous. There is a sense that ethics is what we learn at our parents’ knees. While there is truth to that, such truth is only partial. The ethical education I received at my parents’ knees had little to do with the complexities of sweatshop issues, global outsourcing, or special-purpose entity accounting, for example. These are the critical discussions we must have in the business school environment if we are to be true to the purpose of the university environment, i.e., education of the whole person. Failing that, we become mere technical schools. Laudable as that might be, it is not the purpose of university [30].

In the final analysis, our Call for Business School Responsibility is a call for integrity in business practice and business education, as Sandra Waddock, one of the most prolific scholars in Social Issues in Management, wrote so eloquently:

By definition, integrity means wholeness, adherence to a code, and honesty. Integrity is necessarily built on ethical practices of managers, ethical systems that support the work of employees and managers, and ethical relationships. Such definitions need to be central to management education—and to the practice of management itself—if our system of business and the educational system that supports it is to survive intact into the future. It is time to refocus management education on integrity—on what really matters to successful organizations and societies—and away from the narrow conceptualization of maximizing wealth. AACSB should make required content in ethics and business and society a central element of management education now and into the future [31].

**IS PUBLIC POLICY THE ANSWER?**

When private institutions fail to deliver what is expected of them, governments often steps in. President George W. Bush’s clarion call for business schools to “be principled teachers of right and wrong, and not surrender to moral confusion and relativism” [3] has been heard on Wall Street, but we wonder if his message has gotten through to AACSB. The nation’s principal accrediting agency for business schools is a private association whose members are deans of the very business schools accredited by AACSB, which means they accredit each other. This less-than-arms-length setup bears an uncomfortable resemblance to the ethically questionable links between corporations and their public accounting/auditing firms. In neither case has private self-regulation always worked for the broader public interest, leading in the case of the accounting profession to new mandatory government rules. Perhaps the privately run AACSB should not have the last word in establishing standards for the nation’s business schools.

Senator Pat Roberts of Kansas, a member of the Senate Committee on Health, Education, Labor, and Pensions (HELP), recently forwarded information about Campaign AACSB to committee chairman Senator Judd Gregg of New
Hampshire. According to Senator Roberts, who also chairs the Senate Ethics Committee, the issue of business ethics education might be considered in some fashion when the HELP committee takes up reauthorization of the Higher Education Act in the 109th Congress. He wrote:

Business ethics is a necessary component to any business degree program. In light of the recent corporate scandals, it is imperative that young men and women are exposed to ethics education long before they enter the workforce. I can certainly understand your initiative to insist all business schools require degree-seeking students take a business ethics course. I, too, believe our colleges and universities must play a strong role in addressing the recent and any future corporate violations. As a member of the Senate Health, Education, Labor, and Pensions (HELP) Committee, I look forward to your further insight as we begin our work on reauthorizing the Higher Education Act [32].

To us, there would be a sense of ironic justice if the same Senate committee that oversees matters of labor and pensions wades into business ethics education as well. After all, thousands of jobs have been lost and pension funds plundered in the wake of the business scandals. These systemic harmful impacts of unethical and unlawful corporate conduct suggest that legislators maybe expected to look into business ethics education as an accountability issue.

The record so far casts doubt on the ability or willingness of AACSB, a private association, to meet its obligations of transparency and responsibility to the public or to enact the needed accrediting changes that would foster robust ethical climates in colleges of business and stronger moral convictions in their students and future business leaders. The writing is clearly on the wall. Will AACSB read it and respond?

Postscript: On April 25, 2003, AACSB approved new standards for Business Accreditation that did not include a stand-alone course in ethics. For more information go to www.aacsb.edu/accreditation/brc/standards.

Note: Diane Swanson (swanson@ksu.edu) and Bill Frederick (BillFred@katz.pitt.edu) welcome comments from interested readers.

ENDNOTES

7. Publication outlets included the International Association for Business and Society and Social Issues in Management Newsletter, Fall 2002.
15. More than 150 professors, practicing managers, students, and other interested citizens as of April 5, 2003, have endorsed Windsor’s letter.
26. Excerpted from Denise Rousseau’s letter to the authors, December 10, 2002. Rousseau is H. J. Heinz II Professor of Organizational Behavior & Public Policy at the Heinz School of Public Policy and Graduate School of Industrial Administration at Carnegie Mellon University and is vice president and program chair of the Academy of Management.
27. Excerpted from E. Brian Peach’s letter to Milton Blood, November 19, 2002. Peach is an associate professor with the department of management at the University of West Florida.
28. Excerpted from Archie Carroll’s letter to Milton Blood, October 14, 2002. Carroll occupies the Scherer Chair of Management and is director of the Non-profit Program of the Terry College of Business Administration at the University of Georgia.
30. Excerpted from Donald Scheper’s letter to Milton Blood, November 5, 2002. Schepers is an assistant professor of management at the Zicklin School of Business, Baruch College, City University of New York.


Direct reprint requests to:

Diane L. Swanson
The von Waaden Professor of Business Administration
Chair, Business Ethics Education Initiative
18D Calvin Hall
Kansas State University
Manhattan, KS 66506
e-mail: www.swanson@ksu.edu