at a low rate of interest set by the Federal Reserve and lend at a higher rate. Is this socialized capitalism? For a morally mature person, seeking short-term financial returns for oneself while being less concerned about the long-term impacts on other people, families, countries, or the world, is a conflict of interest. Financial benefits to self can blind one to negative effects on others. In addition, free market ideology provides an excuse for selfish behavior.

New regulations on financial markets are necessary, but they will not prevent future abuses. If one’s primary objective is to generate revenue, many will find a way to do it through new, complicated deals in a clever, concealed fashion. Since the deals are complex and murky, the potential harm to other parties is not fully assessed. Most agree that greater integrity is needed in business, government, and in all of society—until one has an opportunity to “get my share.” Business and government leaders ask, “What’s in it for me?” The ethics of rules that many of us have taught for decades (rights, justice, and utilitarianism) sometimes unwittingly encourages this individualistic mentality. We take into account the needs of other individuals, but less so the needs of the community. The terms “common good,” “public good,” and “the greater good of others” are not often used. Yet successful business leadership, as well as parenting and teaching, demand considerate, compassionate behavior.

A developed conscience and professional ethics for business managers at every level of a firm would bring more acceptable moral actions and policies. An ethics of character, or virtue ethics, broadens our outlook by encouraging us to also consider the needs of family, neighborhood, firm, nation, and world. Such a mature, balanced approach enables us to deal more effectively with ethical issues of the individual and the firm, and also equips us to better solve the large moral problems that face us all, such as poverty, wars, crime, and global climate change.

A morally mature person is willing to sacrifice personal benefit for the good of others. However, we are not born with moral maturity. It must be deliberately nurtured and developed. Without moral maturity, adults behave like moral adolescents; this is especially dangerous when those adults have money or power. Without moral maturity, business leaders engage in selfish actions that needlessly hurt others. On the other hand, Business Ethics Quarterly enables us to develop insights and models that provide a roadmap to greater integrity and moral maturity.

Gerald F. Cavanagh, S.J.

BUSINESS ETHICS: THE LONG AND WINDING ROAD

It has been a long and somewhat difficult journey to the twentieth anniversary of Business Ethics Quarterly. We arrive here because of the commitment, hard work, and generosity of those who started the Society for Business Ethics and BEQ. The journal’s three editors, Patricia Werhane, George Brenkert, and Gary Weaver, created an engaging forum for new ideas and quality research. While we have traveled far, we have a way to go to solidify the place of business ethics in business education, research, and practice.
There are still too many business schools that fail to support teaching, research, and, perhaps by extension, the improvement of ethics in business today. When I started doing business ethics in the 1980s, people outside of the academy would comment, “that subject must be important in business schools because of the insider-trading scandals.” They later said the same thing about Enron. Yet, we did not see a sea change in business schools. True, more of them require business ethics courses, but relatively few have created tenure-track positions in numbers comparable to those for other required courses, such as management or marketing.

Business ethics faculty and courses were, and sometimes still are, marginalized, because some business schools do not want to invest in hiring regular faculty to teach them. Some schools do not want to add a full-semester course to the curriculum, either for staffing reasons or because they cannot carve out the time for it. As a result, some schools relegate business ethics courses to adjunct staff who either have no academic background in the field, or do have the appropriate academic background but cannot get a tenure-track job because the school cannot or will not create one. In some MBA programs, business ethics is a required course, but it is not graded or is graded pass/fail. When business ethics courses are treated differently from other required courses such as marketing and finance, students get the message: Regardless of the quality of the instructor and the course, “business ethics is not as important as other courses.”

The picture for teaching and research in business ethics has improved because a new generation of business ethics scholars is entering business schools with PhD’s and tenure-track positions in traditional business areas and subsequently teaching and writing about business ethics. You see this trend in the BEQ articles published in the past ten years. Early on, philosophers wrote most of the articles, but there were also articles by scholars from other disciplines. If you look at contents of early BEQ issues, you find work by some of the most distinguished scholars in the field today. One reason they are successful is because those who knew ethics learned more about business and those who knew business learned more about ethics. Over these past twenty years, the best articles in BEQ have been those that manage to find a kind of sweet spot, where a sophisticated understanding of both business and ethics come together. In recent years, more BEQ articles are by scholars with traditional business degrees in areas such as management, strategy, etc. I hope that these new scholars will continue to work toward finding that sweet spot, too.

While you do not have to be a philosopher to do business ethics, somewhere down the line you have to know something about ethics. What constitutes “knowing about ethics” is hotly contested among business ethics scholars. As a philosopher, I used to think this was not a problem, but over the years I have come to see why this is as much of a problem for philosophers as it is for people in other disciplines. It gets to the heart of who is qualified to teach business ethics, what should be taught in a business ethics class, and what constitutes quality research. In short, there is an underlying epistemological problem with business ethics that needs to be resolved in a convincing yet heterogeneous way if the field is to gain more and better institutional support from business schools.
The picture is not all doom and gloom. On the bright side, there are a handful of excellent PhD programs in business schools that focus on educating doctoral students in both business and ethics. We also find (what I hope will be) a growing number of business schools that have made the commitment to business ethics by hiring a full complement of tenure-track faculty members to teach the subject. In part, what makes these programs so impressive is the fact that they are still quite rare. I sometimes wonder where business ethics would be today if corporations and other wealthy individuals had not endowed chairs, programs, and centers for it.

So, will the recent collapse of the international banking system change the way that business schools regard business ethics? Some of the problems that plague the financial industry business also plague business schools. As Joel Podolny, the former dean of the Yale School of Management, notes, far too many deans are forced to play by the numbers and not by their educational mission or the school’s obligations to society. Driven by business school rankings, Taj Mahal–like building campaigns, and the belief that quantitative research is the ticket to academic respectability, it is not surprising that some business schools are still not friendly to business ethics.

Down the road, the future development of business ethics will rest on three things. First, our ability to articulate why business ethics is fundamental to business education, and what constitutes quality research in a field in which scholars hail from a variety of disciplines and research traditions. Second, business education needs a complete overhaul. This includes changes in everything from curriculum to new criteria for business school ratings and accreditation. And last, but not least, we must keep our eyes on the ultimate destination—ethical businesses and morally responsible people to run them.

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The State and Future Directions of Business Ethics Research and Practice

It seems to me that the current state of business ethics is dominated by paradoxes. On the one hand, ethics plays a more prominent role in the public rhetoric of business than at any time in business history. Under conditions of globalization, corporations have, with few exceptions, found it necessary to create a corporate code of ethics and publicly commit to respecting that code in their operations. In doing so, they have available to them the advice, exhortations, and demands of governments, international institutions, and organizations like the OECD and the United Nations, voluntary sector organizations like Amnesty International, national and international industry associations like the ICMM (International Council on Mining and Metals) and cross sector partnerships like the Kimberley Process. Paradoxically, it is unlikely that there is any other period in business history when unethical business conduct has had so damaging an impact on so many economies and the people whose well-being is dependent on them in so many parts of the world. Over the last two decades, the world has watched the bankruptcies of corporations like Enron and WorldCom, the collapse of global professional firms like Arthur Andersen, the