

The Business of Ethics

"To keep a competitive edge, business has to develop an ethical edge." — **W. Michael Hoffman, PhD**
Hieken Professor of Business and Professional Ethics; Founder and Executive Director, Bentley Center for Business Ethics



When Mike Hoffman established the Bentley Center for Business Ethics in 1976, "business ethics" was considered an oxymoron. Today, the Center is training business faculty and ethics practitioners around the globe—yet scandals continue to rock the financial world. What will it take to really change the ethical paradigm for business?

You have said that business education has lost its fluency in the ethical dimensions of business. In what way? Business schools, like business in general, long ago adopted the paradigm that corporations exist solely to make profits for shareholders. But there is a right way and a wrong way to seek profits—a more human dimension to business.

How do we shift the paradigm? Ethics needs to be incorporated into the business school curriculum at every level, in every discipline. It's not about taking one philosophy course and thinking, now I've had my ethics. It's about changing one's view of what business is all about. The Center for Business Ethics has been training business faculty, both at Bentley and around the world, in the teaching of ethics.

Is ethics education enough? It's important to train future business leaders to have a moral compass as well as to work *within* corporations to develop appropriate ethical cultures that will withstand the pressure to seek short-term profits at the expense of long-term goals—which we know can lead to financial and ethical collapse.

Are corporations getting it? We have a long way to go. Less than ten years after Enron, WorldCom and Tyco, we had the sub-prime mortgage meltdown. Part of the anger of society right now is that the people who seem to be responsible for this meltdown are not being held accountable. There have to be strategies in place for holding people accountable—and we don't have those yet.

"Business ethics"—still an oxymoron?

I do think businesses now recognize that to keep a competitive edge, they have to develop an ethical edge. The business ethics movement is making inroads slowly, but we are making progress.

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