

Business Ethics in North America: Trends and Challenges

Joseph A. Petrick · Wesley Cragg · Martha Sañudo

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Abstract Using 15 years of data (1995–2009) from literature reviews, survey questionnaires, personal interviews, and desktop research, the authors examine North American (Canada, Mexico, and the United States of America) regional trends in business ethics research, teaching and training. The patterns indicate that business ethics continues to flourish in North America with high levels of productivity in both quantity and quality of teaching, training and research publication outputs. Topics/themes that have been covered during the time period are treated with an acknowledgement of the concomitant marginal impact on improving ethical business behavior and contexts—as recurring domestic and global scandals attest. Major North American business ethics challenges/issues to be addressed in the future are identified.

Keywords Business ethics · North America · Regional trends in business ethics research · Teaching and training · Future North American business ethics challenges

Introduction and Contextual Background

This report on business ethics in North America includes data from Canada, Mexico, and the United States of

America. It has been the most productive global region for business ethics research, teaching and training for the past 15 years (1995–2009). Its dominance is a function of many factors including but not limited to the following conditions: the USA's early and sustained institutional and instructional interest in business ethics, the quantity and quality of faculty business ethics instructional expertise and publications, an array of traditional and high quality regional book and journal publication outlets, faculty research publication pressures from host institutions, peer pressure to advance business ethics research and teaching from professional association memberships/networks, emergence of business ethics centers/institutes along with chairs of business ethics in schools and faculties of management and business administration, the institutionalization of organizational ethics, legal, social, and political infrastructures that reinforce many business ethics norms, a steady stream of business scandals to stimulate multiple stakeholder interest, a free media that fully expose business scandals, the Association to Advance Collegiate Schools of Business (AACSB) international accreditation that recommends some degree of business ethics emphasis in business education, the emergence of the Ethics and Compliance Officer Association (ECO) and the Corporate Responsibility Officer Association (CROA), the United Nations' Principles for Responsible Management Education (PRME), and public demand that business educators do more to sensitize future managers to their personal ethical responsibilities, those of the business entities for which they work and the ethical responsibilities of the wider business community.

By way of contextual background of business ethics in North America, in 2002, Hood and Logsdon (2002) undertook a comparison of Mexico, Canada, and the United States of America that examined the impact of business

J. A. Petrick (✉)
Department of Management & International Business,
Institute for Business Integrity, Raj Soin College of Business,
Wright State University, Dayton, OH, USA
e-mail: joseph.petrick@wright.edu

W. Cragg
Department of Philosophy, Schulich School of Business,
York University, Toronto, Canada

M. Sañudo
Instituto Tecnológico y de Estudios Superiores de Monterrey
(ITESM), Monterrey, Mexico

ethics in each country from different national cultural perspectives. They hypothesized first that, because Mexican culture had much higher power distance, masculinity, and intuitive problem solving approaches, Mexican firms would be less likely than USA or Canadian firms to have formal ethics codes. Second, they hypothesized that Mexican firms were more likely to bribe public officials than USA or Canadian firms because of high uncertainty avoidance, high power distance, high collectivism, and the belief that humans are both good and evil. Finally, they hypothesized that Mexican firms would be more likely to treat lower-level employees well than USA or Canadian firms because of high collectivism, high uncertainty avoidance, high power distance (paternalism), and a more casual attitude toward work. In addition, they noted that both Canada and Mexico had stronger socialist or social welfare traditions and both were ideologically to the political left of the USA. Furthermore, they cited research which indicated that Mexicans tend to have an overarching interpersonal orientation that includes respect and obedience, perceiving criticism as denoting a lack of respect, and being allocentric by paying more attention to the needs of others than their own. In contrast, Americans and Canadians tended to value task achievement, competition and were more individualistic giving a higher priority to their own values, goals, and viewpoints. Husted and Serrano (2002) studied the corporate governance practices of the largest ninety companies in Mexico and found that since all Mexican companies were family-owned, appointing board directors was largely a family matter. In contrast to the outsider corporate governance model of the USA (non-family and non-kin-based with prioritized investor interests), the Mexican model was a family-centered model characterized by the following features: (1) concentrated equity ownership; (2) de facto subordination of investor interests to managerial interests; (3) weak emphasis on minority interest protection in securities law and regulation; and (4) relatively weak requirements for transparent disclosure. These features have presented Mexican business with clear ethical challenges, but responsive congruent changes have been and are being made because of what Husted and Serrano (2002) call the “mimetic isomorphism within Mexico, where business people are responding to governance movements in the United States, Japan, and the European Union.” Ryan (2005) reported that by 2005 all three corporate governance systems in North America had become embroiled in fundamental transformations. Most of Mexico’s corporations were being run by a small group of controlling shareholders operating in an economic system rife with corruption. Recent political reforms designed to challenge this state of affairs together with a desire to tap global equity markets had heightened interest in improving corporate governance structures. Corporations in the USA

faced a dispersed ownership base that tended toward inattentiveness. Infamous scandals, for example, Enron, had rocked the global investing community and the US government and had led to passage of the Sarbanes–Oxley Act which in turn had generated backlash against what some in the corporate section regarded as an overreaction. As in the USA, corporate scandals in Canada had led to reinvigorated scrutiny of corporate governance standards, principles and practices governing board composition, and interlocking membership. New corporate governance guidelines were debated and endorsed and the authority of the Ontario Securities Commission was strengthened. Ryan concludes that, although the Mexican, USA and Canadian approaches to corporate governance varied in terms of ownership dispersion, level of corruption, and legislative intervention, in the years leading to 2005, all three countries shared a common interest in strengthening corporate governance and regulatory reform. We note, however, that over this same time period from 1995 to 2009, the interest of European, Asian and other regional faculties, institutions and professional associations has been growing along with quality business ethics research, teaching and training, with the result that North American dominance in the field has slowly been decreasing over that 15 year time span (Chan et al. 2009). Our study has led us to the conclusion that the challenge for business ethics in North America now is to design more normatively robust economic and business models and more practical and effective ways to improve organizational and practitioner moral performance with the goal of fulfilling obligations to market stakeholders while building international legitimacy and justified levels of trust on the part of non-market stakeholders.

Selective Review of Literature

Before 1995, the major bibliographies of North American business ethics teaching and research were compiled by McMahon (1975) and Jones and Bennett (1986), respectively. They provided useful information regarding mainstream business ethics teaching and training in academic contexts and published business ethics journal articles in the 1970s and 1980s. In what follows, we offer a synopsis of research undertaken since 1995. It is relevant to note that Mexico is often not included in classifications linked to North America, even though a proximate geographical location puts the country in this region. Since Mexico is a Spanish speaking nation with a Roman Catholic culture, the classification of Latin America is often used to distance Mexico from its northern geographical and economic neighbors. However, when in 1994 Mexico entered the North American Free Trade Agreement (NAFTA) with Canada and the US, the country experienced strong

pressures and adjusted to many northern business practices even though Mexico's national cultural differences remained intact (Husted et al. 1996). We will refer to the national cultural differences between Mexico and its northern partners when appropriate.

Cowton and Dunfee (1995) reported on a telephone survey of business school faculty in North America (largely from the US) concerning the international dimensions of business ethics education. What they discovered was that the international dimensions of business ethics received limited attention in business school curricula with over half of the faculty surveyed indicating that less than 10% of their ethics teaching focused on global issues. Teaching objectives varied widely with some faculty emphasizing a relativistic approach oriented around a diversity of perspectives while others stressed universal ethical values. The respondents in this study identified a great need to develop teaching materials less dominated by US corporations, examples and content.

Dunfee and Werhane (1997) reported that although many challenges remained, business ethics was flourishing in North America. Prominent organizations gave annual business ethics awards, ethics officers and corporate ombudspersons were more common and more influential, and new ideas were being tested in practice. On the academic side, two major journals specializing in business ethics had become well-established, other major journals were including articles on business ethics more frequently and new organizations emphasizing ethics were coming into existence. Within business schools, the number of endowed chairs was growing and the ethics curriculum was expanding. The authors also noted that Canada was emerging as a major player in business ethics education and research while business ethics in Mexico was just beginning to emerge as a focus of interest in both the business and academic communities.

Arruda (1997) noted that business ethics in Mexico was facilitated both by the religious tradition of Roman Catholic social doctrine and the cultural tradition of respect for the family. However, economic and political corruption combined with illegal drug trafficking created a business environment predominantly tinged with fear and reticence toward ethical conduct, although isolated academic and non-academic efforts were being undertaken with a view to enhancing ethical business practice through education, publication, and professional activities.

DeGeorge (2005) provided a detailed history of the formation and leadership of the Society for Business Ethics and its key role in providing a forum for North American business ethics research and shared teaching resources. This Society and its institutional affiliations with the American Philosophical Association and the Academy of Management have continued to provide important and distinctive contributions to North American business ethics research and teaching.

In a 2007 article, Jones Christensen et al. report on how deans and directors of the top 50 global MBA programs (as rated by the *Financial Times* in their 2006 Global MBA rankings) responded to questions about the inclusion and coverage of the topics of ethics, corporate social responsibility, and sustainability at their respective institutions. This study investigated each of the three topics separately and revealed that:

- (1) a majority of the schools required that one or more of these topics be covered in their MBA curriculum and one-third of the schools required the coverage of all three topics as part of the MBA curriculum;
- (2) there was a trend toward the inclusion of sustainability-related courses;
- (3) there was a higher percentage of student interest in these topics (as measured by the presence of a Net Impact club) in the top 10 schools; and
- (4) several schools were teaching these topics using experiential learning and immersion techniques.

The study noted a fivefold increase in the number of stand-alone ethics courses since 1988, and included additional findings with regard to institutional support of centers or special programs, integration of these three themes into the curriculum, teaching techniques, and notable practices in relation to all three topics. Of the top 50 business schools listed, 21 business schools were based in the US, 4 in Canada, and none in Mexico.

A study by Ma (2009) provides a general overview of business ethics research over 10 years (1997–2006) and discusses potential future research directions in business ethics based on his findings. Using citation and co-citation analysis, this study examines the citation data of journal articles, books, and other publications tracking business ethics research collected in the Social Sciences Citation Index (SSCI). The results show that major research themes in business ethics had shifted over the previous decade from research on ethical decision-making and on the relationship between corporate social responsibility and corporate performance to research on stakeholder theory in business ethics and on the relationship between consumer behavior and corporate social responsibility. The results of this study have helped map the invisible network of knowledge production in business ethics research and provide insights into future business ethics research needs and direction. This study relates directly to the first, third, seventh, eighth, ninth, and tenth challenges for North American business ethics research, teaching, and training contexts identified later in this article.

A Hartman and Werhane (2009) report examines a modular approach to business ethics instruction and integration in light of the fact that the AACSB does not require the inclusion of a specific kind of ethics course as part of a business

degree. The AACSB recommendation has been satisfied by some programs by establishing a stand-alone course in ethical decision-making; in other cases, the recommendation has been addressed by integrating ethical decision-making into the existing curricula; in yet others, the recommendation has been implemented by some combination of the two strategies, or through some alternative mechanism like the modular approach. The modules in use include topics such as ethical decision-making in business ethics, ethical theory, ethical relativism and cross-cultural applications, ethical leadership, and ethics and the corporate culture. Modules examined are designed to facilitate assessment of learning and ongoing improvement of the business ethics curriculum. This report relates directly to the second and fourth challenges for North American business ethics teaching and training contexts identified later in this article.

In the final study to be examined here, Chan et al. (2009) use 10 years of publication data (1999–2008) from 10 leading business ethics journals to examine global patterns of business ethics research and contributing institutions and scholars. Although North American academic institutions continue (as of the date of the report) to lead in contributions to business ethics research, Asian and European institutions have made significant progress in this regard. The authors' study show that business ethics research output is closely linked to the missions of the institutions in which researchers are located driven by their values and religious beliefs. An additional analysis of the productivity of highly ranked institutions suggests that business ethics research is highly concentrated within each institution around the work of a limited number of eminent scholars.

Methodology

The research strategy used by the authors to assess the current status of business ethics in North America proceeded in four stages and built upon the research methods used by Jones Christensen et al. (2007), Ma (2009), and Chan et al. (2009). The project itself was one component of a Global Survey of Business Ethics directed by Dr. Deon Rossouw in South Africa. The first stage involved the selection of regional and country coordinators together with the articulation of their responsibilities. For North America, the regional coordinator was Dr. Joseph Petrick. The country coordinators for Canada and Mexico were Dr. Wesley Cragg and Dr. Martha Sañudo, respectively. The researchers focused on three dominant language groups: English (USA and Canada), Spanish (Mexico), and French (Canada).

The second stage involved the identification of data sources and data collection. Data collection proceeded along three tracks: the expertise directory track (divided into individual and institutional expertise), the published

bibliography track (divided into books and journal articles), and the teaching/training track (divided into teaching resources and training resources). Criteria for data collection along all three tracks were determined and included ethics semantics and terminology and the development of standard operating protocols. In line with Enderle (2010) and Jones Christensen et al. (2007), business ethics was defined to include the macro-context of environmental, economic, social, and political systems, the meso-context of industry standards, organizational ethical culture, corporate social responsibility and functional business fields, such as finance ethics, and the micro-context involving individual, interpersonal, and group business moral issues. The concern about systemic issues is relatively new for North America, but it has been an important part of business ethics in Continental Europe since the 1970s.

For the first track, surveys were emailed to business school deans/directors and ethics centers/institutes to identify individual and institutional expertise. Twenty-five percent or more of a person's professional activity in research and/or teaching/training in the field of business ethics was required for inclusion as an expert in the field. The existence of business ethics centers or institutes was accepted as *prima facie* evidence for a distinctive level of institutionalized expertise. However, the lack of a dedicated business ethics center/institute did not exclude some schools that demonstrated their institutional expertise by committing their resources to advancing business ethics in other ways, for example, increased funding for endowed chairs in business ethics. Some schools excelled in both ways. For example, in our study, the Schulich School of Business at York University was ranked highly because of having endowed chairs in business ethics, corporate social responsibility, and sustainability and a recently launched Centre of Excellence in Responsible Business whose goal is to integrate and support research on business ethics, corporate social responsibility, and environmental sustainability being undertaken across the whole faculty. (Note: The Schulich School of Business was named #1 in the world in The Aspen Institute's biannual *Beyond Grey Pinstripes* survey in the year 2009–2010, a global ranking of the top 100 MBA programs that are preparing future leaders for the social, environmental, and economic perspectives required for business success in a competitive global economy).

For the second track, the identification of peer-reviewed journal articles published over the 15-year period was restricted to a small number of leading journals to ensure uniformity of comparison and some overlap with the journals targeted by Ma (2009) and Chan et al. (2009). The journals targeted in our study are set out in Table 1. The task of identifying scholarly books in business ethics was delegated to a set of business ethics experts. Both searches adhered to a

Table 1 Academic journals surveyed for North American business ethics research

Academy of Management Journal (AMJ)
Academy of Management Review (AMR)
Business and Professional Ethics Journal (BPEJ)
Business and Society (B&S)
Business and Society Review (BSR)
Business Ethics Quarterly (BEQ)
California Management Review (CMR)
Ethical Theory and Moral Practice (ETMP)
Ethics and Informational Technology (EIT)
Harvard Business Review (HBR)
International Journal of Value Based Management (IJVBM) ^a
Journal of Business Ethics (JBE)
Journal of Corporate Citizenship (JCC)
Journal of International Business Studies (JIBS)
Journal of Management Studies (JMS)
Journal of Marketing (JM)
Journal of Personality and Social Psychology (JPSP)
Strategic Management Journal (SMJ)
Teaching Business Ethics (TBE) ^a

^a Both IJVBM and TBE rolled into JBE in January, 2004

core word search protocol which was occasionally supplemented with complementary keyword arrangements. The core word search protocol was based upon the country/theme/activity sequence, e.g., Mexico/corporate social responsibility/research. The core themes included: business ethics, corporate social responsibility, ethics and economics, sustainability and ethics, corporate citizenship, ethical issues in organizations, ethical issues in decision-making, finance ethics, accounting ethics, marketing ethics, management ethics, information technology ethics, supply chain ethics, stakeholder theory and ethics, investor ethics, corporate governance ethics, human resource management ethics, consumer behavior and ethics, environmental ethics, business and government corruption, international business ethics, leadership ethics, ethics and business strategy.

For the purpose of identifying business ethics teaching and training, the third track, inclusion was restricted to academic resources with explicit ethics identifiers of people, courses, and programs. The ethics identifiers included the core word search protocol used for research output in course and/or program titles.

A variety of tactical operational processes were used to obtain data for the three tracks including: AACSB institution email surveys, professional association membership surveys, structured literature reviews from targeted journals, electronic inventories of scholarly business ethics books published during the timeframe, desktop research of institutional websites, professional conference solicitations, professional networking contacts, and personal interviews.

The third stage involved data collation and analysis to determine emergent patterns and preliminary findings. The fourth stage focused on preliminary conference presentation of interim findings and journal publication of terminal findings.

The research primarily involved the collaboration of three North American business ethics resources: (1) the North American regional director and the Institute for Business Integrity (IBI) staff at the Raj Soin College of Business at Wright State University in Dayton, Ohio; (2) the Canadian country coordinator and the Canadian Business Ethics Research Network (CBERN) staff at the Schulich School of Business at York University in Toronto, Canada; and (3) the Mexican country coordinator and Business Ethics and Democracy Center staff at the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) in Monterrey, Mexico. Additional support was provided by the director and staff at the Center for Business Ethics at Bentley University in Waltham, Massachusetts.

Findings and Discussion

The research findings are summarized in Table 2 organized according to the three tracks.

With regard to track one, levels of both individual and institutional business ethics expertise are noted. The level of individual and institutional expertise is one of the critical factors accounting for the dominant business ethics contributions in teaching/training and research in the North America region. The kind and degree of institutional support for business ethics is another key factor that can leverage the research and teaching/training contributions of business ethics faculty. Not every institution has the strategic vision and financial resources demonstrated by the Schulich School of Business at York University, but identification, recognition, and leveraging of individual and institutional expertise in business ethics is not only intrinsically valuable to a wide range of stakeholders but it also serves to provide brand leadership for many business schools seeking market differentiation at a modest investment.

The authors' study confirmed some key findings by Chan et al. (2009) that business ethics research output was closely linked to the missions of institutions driven by their values or religious beliefs and that research productivity from the highly ranked institutions was for the most part generated by a limited number of eminent scholars in any given institution.

With regard to track two, the quantity and quality of books and academic journal articles produced by North American business ethicists over the 15-year period is impressive. The relative national differences and similarities among the top 25 academic journal research themes are

Table 2 North American business ethics comparative resource matrix (1995–2009)

North American business ethics resources by survey tracks	Mexico	Canada	USA
<i>Track one: expertise track</i>			
1. Individual business ethics experts	23	53	244
2. Institutional business ethics expertise	4	26	140
<i>Track two: research publication track</i>			
3. Published articles in peer-reviewed journals	113	945	2,721
4. Scholarly books published	87	869	2,046
<i>Track three: teaching/training track</i>			
5. Training programs by AACSB institutions	2	16	48
6. Training programs by non-AACSB Institutions	4	11	77
7. Courses offered by AACSB institutions	14	102	1,246
8. Courses offered by non-AACSB institutions	25	120	1,078
9. Mandatory undergraduate course requirement in AACSB institutions (%)	30	50	40
10. Mandatory post-graduate course requirement in AACSB institutions (%)	20	30	30

indicated in Table 3 with an “X.” An “X” indicates a higher relative contribution to that theme; a country without an “X” does not mean there was no contribution from that country but that there was less of a contribution relative to other countries.

Although there are overlapping research themes, relative national differences of research themes suggest that North

American business ethics research is organized thematically around interests areas of emphasis and expertise that differ from country to country. Among the areas of research continuity in all three countries are the topics of individual ethical decision-making and consumer behavior in relation to corporate social responsibility. Mexico, however, emphasizes research on corruption and transparency,

Table 3 North American business ethics research themes (1995–2009)

North American business ethics research themes	Mexico	Canada	USA
1. Individual ethical decision-making	X	X	X
2. Corporate social responsibility and corporate performance		X	X
3. Status of business ethics		X	X
4. Stakeholder theory in business ethics		X	X
5. Consumer behavior and corporate social responsibility	X	X	X
6. Leadership/management ethics	X		X
7. Corruption and transparency	X		
8. Business, human rights and democracy	X	X	
9. Corporate governance		X	X
11. Business discipline-related ethics issues (e.g., finance ethics, accounting ethics, marketing ethics)		X	X
12. Business, socio-economic justice and poverty	X		
13. Business, government and rights of indigenous peoples	X	X	
14. Business, government and institutional reform	X	X	
15. Business ethics education		X	X
16. Business ethics theoretical frameworks		X	X
17. Business, virtue ethics and character development	X		X
18. Organizational ethics and legal compliance			X
19. Business ethics and business strategy		X	X
20. International business ethics		X	X
21. Environmental ethics and sustainability		X	X
22. Economic–political system ethics			X
23. Global corporate citizenship		X	X
24. Business employee rights and responsibilities		X	X
25. Business ethics and intergenerational justice		X	

leadership ethics, human rights, socio-economic justice and poverty, rights of indigenous peoples, institutional reform, and character development. Canada and the USA share research concerns on the status of business ethics, corporate social performance, stakeholder theory, corporate governance, business functional area ethics, business ethics education, business ethics theoretical frameworks, business ethics and business strategy, international business ethics, environmental ethics, and sustainability, global corporate citizenship, employer rights and responsibilities. Canada places slightly more emphasis on

government and the rights of indigenous peoples and intergenerational justice, while the USA emphasizes leadership ethics and economic political system ethics.

With regard to track three, the relative national differences and similarities among the business ethics teaching and training themes organized by tracks are indicated in Table 4. Business ethics teaching and training are offered

at business schools and philosophy and religion departments. The growth of business ethics centers/institutes indicates a consolidation of research, teaching and training resources which supplement the core curriculum of the business schools. However, the lack of a formal business ethics requirement for AACSB accreditation, along with the AACSB endorsement of curricular flexibility and local business school politics, has and can contribute in the future to directly reduce or eliminate the number of professors teaching business ethics in business schools (Swanson and Frederick 2003). In addition, the resistance to sound business ethics education from solely functionally trained business faculty can be mutually reinforcing and adversely impact business ethics (Swanson and Fisher 2010). The optimal but infrequently implemented scenario is to have required, stand-alone courses at both the undergraduate and graduate levels with business ethics integrated across the curriculum, along with other business

Table 4 North American business ethics teaching and training matrix (1995–2009)

North American business ethics teaching and training by survey tracks	Mexico	Canada	USA
<i>Track one: business ethics teaching themes</i>			
1. Business ethics terminology/literacy	X	X	X
2. Secular and non-secular need for business ethics	X	X	X
3. Business ethics theories (in simple isolation <i>and</i> in complex tradeoffs)		X	X
4. Business ethics applied to critical and constructive macro-level analysis (economic–political–social systems that support or inhibit ethical development)		X	X
5. Business ethics applied to critical and constructive molar-level analysis (organizational ethics and ethical work cultures)		X	X
6. Business ethics applied to firm <i>market</i> stakeholders (employees, investors, creditors, suppliers, distributors, board governance, business partners, competitors)	X	X	X
7. Business ethics applied to firm <i>non-market</i> stakeholders (government, community, domestic and global public/society, media, activist groups, nature, future generations)	X	X	X
8. Business ethics applied to critical and constructive micro-level analysis and individual moral responsibility (individual and group ethical decision-making)	X	X	X
9. Business ethics applied to business functional areas (finance ethics, accounting ethics, marketing ethics, technology ethics)		X	X
10. International business ethics issues		X	X
<i>Track two: business ethics training themes</i>			
1. Business ethics terminology/literacy	X	X	X
2. Secular and non-secular need for business ethics	X	X	X
3. Individual responsibility for workplace honesty	X	X	X
4. Positive workplace attitudes and adjustment	X	X	X
5. Business ethics and business etiquette		X	X
6. Business ethics and legal compliance		X	X
7. Resolving ethical issues in the workplace	X	X	X
8. Responsible business leadership and organizational ethics		X	X
9. Business ethics applied to business functional areas (finance ethics, accounting ethics, marketing ethics, technology ethics)		X	X
10. Organizational citizenship behavior and career reputation management	X	X	X

ethics initiatives such as guest speakers, service learning projects, and endowed chairs of business ethics.

With regard to business ethics teaching, there are significant relative continuities across all three countries in business ethics terminology, urgent need for business ethics, business ethics applied to market and non-market stakeholders, and business ethics applied to individual and group ethical decision-making. Canada and the USA place more emphasis on business ethics applied to the molar and macro levels (with less emphasis on corruption than Mexico), business ethics applied to functional areas, and international business ethics.

With regard to business ethics training, there are significant relative continuities across all three countries in business ethics literacy, the urgent need for business ethics training, individual responsibility for workplace honesty, positive workplace attitudes and adjustment, resolving ethical issues in the workplace, and organizational citizenship behavior and career reputation management. Canada and the USA place more emphasis on legal compliance, business etiquette, organizational ethics, and business ethics applied to functional areas.

Themes in North American training in business ethics largely indicate an acceptance of the status quo business context and preparation to adjust to and operate within that status quo. There is limited critical analysis or morally imaginative constructive posing of alternative macro and molar standards. However, North American training in business ethics does vary considerably depending on a variety of factors, including whether the institution offering the training is AACSB-accredited or not, whether the program offered is a degree, certificate, or non-degree, non-certificate program, the level of faculty instructional expertise, the mission of the institution, the relative emphasis upon short- or long-term benefits of the training, as well as other factors. In general, North American training in business ethics is geared to provide a foundation in business ethics literacy with primary emphasis upon the ways that practitioners can adjust to and enhance the short-term effectiveness and/or efficiency of current business operations by acting ethically.

Since business ethics training in North America is often more lucrative than business ethics teaching (i.e., as the large and growing North American ethics training industry attests), the gradual and subtle drift in North America would appear to be in the direction of business ethics training over education that emphasizes more profound moral reflection. An individual who is exposed only to business ethics *training* usually stops asking normative questions after the business case for a policy, process, or strategy is made. Faculty engaged in business ethics training in business schools tend to focus on the business case not the ethics case for business ethics. Individuals

exposed to business ethics training are not likely to end up thinking more deeply about whether the ethics case for the business case for ethics is sufficiently morally compelling. They may, for example, end up thinking harder about the role of ethics in strategic planning and day to day management from a risk management and profit maximization perspective. However, an individual who experiences sound business ethics *teaching* will normally question more deeply by asking whether the ethical case for the business case is sufficiently morally compelling. This implicit emphasis on ethics training might be one of the reasons why the region is experiencing the paradoxical condition of both numerous and severe business ethics scandals while at the same time demonstrating widespread exposure to business ethics instruction.

Themes in North American teaching of business ethics vary considerably depending on a variety of factors, including whether the institution offering the teaching is AACSB-accredited or not, whether the course offered is stand-alone, topically integrated throughout the business curriculum, or provided in some hybrid (modular) delivery process, is mandatory or elective, is part of a degree, certificate, or non-degree, non-certificate program, is offered by faculty with appropriate expertise, is congruent with the mission of the institution, is aligned with the vision, values and strategic priorities of the business school/college, and is central to the relative business school/college emphasis upon domestic or global rankings in terms of ethics, business social responsibility, and sustainability curriculum coverage. In general, North American teaching of business ethics is stratified with most top-ranked business schools (all of which are sensitive to reputational prestige and most of which are AACSB-accredited) requiring that one or more of the topics of ethics, corporate social responsibility, and sustainability be covered in their MBA and undergraduate curricula with one-fourth of the top schools requiring coverage of all three areas as part of their MBA curriculum. The broad mainstream of business schools then separates into those schools that are AACSB-accredited and those that are not. Those that are AACSB-accredited comply with the standard of assurance of learning regarding ethics but do so in a wide variety of stand-alone, integrated or modular recommended, required or elective courses, whereas those that are not AACSB-accredited are under no external accreditation pressure to do so and tend in many cases to provide only marginal coverage of the general field. The limited, positive impact of AACSB accreditation standards and recommendations, therefore, has been demonstrated but the prospect of a larger impact with more rigorous ethics requirements looms. In summary, one of the conclusions to be drawn from our study is that while the North American region offers both breadth and depth in business ethics education, the quantity and

quality of the teaching and training vary significantly from institution to institution. If this is correct, there would appear to be a need for a more specific and rigorous AACSB International requirement regarding business ethics in the business curriculum, a more uniformly high standard of business ethics teaching across business school programs at the graduate and undergraduate levels in line with the United Nations' PRME standards, more sharing of business ethics education best practices, and more receptivity by all business faculty to the contribution to business education provided by well-taught business ethics courses. In addition, business ethics education would benefit from more interaction with business practitioners and corporations that are demonstrating best business ethics practices, with the goal of impacting more positively actual business practice at all organizational levels in all industries. Furthermore, more responsiveness to student demand for increased professionalization of business education in order to set a higher moral standard for future business leaders, as illustrated by the MBA Oath movement which originally started at Harvard Business School by business students and is currently spreading across the region, would be warranted (Anderson and Escher 2010).

Future Challenges

The authors have collected and documented the following ten future challenges for North American business ethics research, teaching and training identified by survey respondents.

Critical and Constructive Analysis of Political-Economic and Capitalist Systems and Structurally Related Business Ethics Issues

The recent global recession has caused many to question uncritical adherence and endorsement of short-term shareholder wealth maximization strategies (Fox 2009; Bremmer 2010). There is a growing need for business ethics research that is focused on critically and constructively exploring new paradigms of responsible business conduct with a view to shifting business culture and regulatory structures toward approaches and values that recognize that business organizations, their leaders, and managers have ethical obligations that go beyond profit generating goals to include respect for public interests and the contribution of public goods (Cragg 2002, 2009).

Furthermore, different political-economic and capitalist systems have direct impacts on business ethics standards. For example, whether a nation adopts a trickle-down (US approach) or bottom-up (Continental European) systemic approach to bailout-stimulus in times of financial crises

directly affects the following ethics criteria: "moral hazard (helping the perpetrators more than the victims and thus encouraging repeat dysfunctional behavior); (2) proportionality; (3) utilitarian, cost/benefit effectiveness; and (4) the common good" (Nielsen 2010a). The ethics of domestic and global economic systems is assuming a heightened priority at this time (Petrick 2009). There will be a need for new business ethics research focused on critically and constructively posing a new paradigm of responsible political-economic and capitalist systems to enhance the macro-system support for business ethics, such as major structural reform of Wall Street capitalism (Nielsen 2010b), sustainable stakeholder capitalism (Petrick 2010b), Capitalism 4.0 (Kaletsky 2010), or sustainable enterprise economy (Waddock and McIntosh 2011).

Theory Development to Better Handle Contemporary Business Moral Complexity

In addition to historical versions of teleological, deontological, virtue and contextual ethics theories, which are often applied in isolation and in a derivative manner, North American ethical theory is emphasizing pluralism. Ethical Pluralism, particularism, intuition, and human rights' treatments in a non-derivative manner (e.g., Arnold et al. 2010; Cragg 2009) and integrity capacity theory (e.g., Petrick 2008) have added conceptual depth and insight into resolving complex business ethics issues. In addressing complex contemporary business moral issues, recent ethics research proposes that moral expertise requires more than the mastery of a single, conventional moral theory like utilitarianism and that moral knowledge requires the integrated use of multiple principles along with the exercise of sound judgment guided by moral imagination (Werhane 1999, 2002, 2007; Goodpaster 2010).

Civilizing the Corporation, Openness to Comparative Theories of the Firm, and Improving Corporate Governance

While multi-national corporations have provided affordable goods and services to many global consumers, there is a growing demand that corporate practices that exploit employees, forcibly dislocate indigenous peoples and pollute the planet while privatizing financial gains and externalizing social/environmental costs need to be morally constrained and legally regulated (Brown 2010). Their vast power needs to be matched with a more civilizing demonstration of responsibility at the micro and meso levels. Understanding how this "civilizing process" (Brown 2010) can be encouraged will require openness to comparative theories of the firm and the development of corporate governance models that legitimize the input of market and non-market stakeholders by, for example, instituting stakeholder

voting rights at the board level, institutionalizing ethical work cultures, rethinking, and repositioning the roles of corporate ethics officers (Brown 2010; Hoffman 2010).

Critical Assessment of the Roles and Methods of Business Ethics Education Including Constructive Engagement with Digital Media

The most recent AACSB standards regarding the assessment of ethics education in the business curriculum will encourage on-going critical evaluation of diverse instructional styles and methodologies. Increased sharing of business ethics education best practices can only advance the quality of business ethics education (Petrick 2010a; Swanson and Fisher 2008, 2010). The impact of digital media and business ethics blogging has been an emerging modality of timely, shared commentary pressuring conventional business ethics educators to engage in order to reach a broader audience while being appropriately critical of the quality of contributors (Drushel and German 2011; Carrie et al. 2009). In addition, as business schools themselves begin to internalize the value associated with ethical work cultures, the institutionalization of organizational ethical infrastructures within business schools (e.g., business school codes of conduct, business school recognition of exemplary ethical conduct) will likely become areas of research interest and improved business ethics education.

Professionalization of Business Education and Responsible Business Leader Performance

There are increasing calls for the professionalization of business education and management, as well as enhanced accountability of business leader ethical performance (Datar et al. 2010; Khurana 2007; Petrick and Quinn 2001). The (Harvard) MBA Oath is a practical expression of this desire for higher professional standards which intersects with proposals for more stringent mandatory ethics requirements by bodies like the AACSB. Those business schools that require systematic, structured coverage of business ethics, integrated with corporate social responsibility and environmental sustainability in both their undergraduate and post-graduate curricula, are providing needed leadership in line with United Nations' PRME standards. Research whose purpose is to explore how to professionalize business education and performance is both a research and an educational imperative (Jones 2010; DeMartino 2011).

Linkage of Business Ethics Research with Other Fields of Research

The linkage of business ethics research with other fields of research (e.g., business strategy, political philosophy,

international business, and legal studies) will provide new lateral directions to broaden the scope of relevance of business ethics to other fields and to inform business ethicists of hitherto undeveloped and underdeveloped conceptual connections. The progression of North American business ethics research from a normative focus on personal moral standards, to collaboration with empirical scientists working at the organizational level, is now being extended to inter- and multi-disciplinary research directed to systemic, organizational, and individual issues which increasingly has an international dimension (Bowie 2010).

Advancing Toward Ethically Sound International and Regional Business Ethics Standards

Globalization has created an increasingly obvious need for the creation of international ethical standards of business conduct, a need that is finding expression in initiatives like the Global Compact, the Global Reporting Initiative, the United Nations' PRME standards, international anti-corruption conventions, and UN principles setting out the human rights obligations of corporations. These initiatives will require the effective integration of normative research with empirical studies focused on the cultural, political, and economic dimensions of cross-cultural, regional, and cross sectoral standard setting and collaboration if corporations, governments, and their leaders are to be persuaded to conduct business guided by reference to sound ethical standards (Brenkert 2010; Sethi 2010; Dienhart 2010; Khanna 2011).

Advancing Economic, Social and Environmental Sustainability

North American economic values and strategies have shaped in fundamental ways the evolution of economic systems that are increasingly seen to be unsustainable from economic, social, and environmental perspectives as evidenced by global climate change, social justice issues, and the global financial crisis (originated in the US) leading to the worst economic recession since the Great Depression of the 1930s. If systemic problems underlying these crises are to be addressed, business ethics research and education have both an opportunity and an obligation to contribute to the building of sustainable systems and practices that address these issues and contribute to their resolution (Desjardins 2010). This will require a focus on environmental issues for as Newton (2010) succinctly and powerfully writes: "No business will be done in a dead world." But it will also require a focus on economic disparities, poverty, social justice, and the building of social and political environments in which all human beings have access to the resources required to build sustainable futures

for themselves and their children. For example, the social entrepreneurship movement has been seeking innovative and sustainable approaches to social and environmental problems that have not been satisfactorily addressed by either current governments or the marketplace (Weiskillern et al. 2007; Waddock 2008).

The Ethics of Systemic and Non-systemic risk Management

The irresponsible shifting of risk onto innocent third parties can have and has had devastating implications for its victims (Carroll 2010). The de-personalization and commodification of risk has opened the door to manipulation by experts and private interests focused on personal enrichment as evidenced by the financial meltdown triggered by leading Wall Street firms and financial institutions (Hubbard 2009; Korten 2009). Setting ethically justifiable regulatory restraints on financial and other commercial activities will be one of the most challenging tasks for the future, a task to which business ethics has a great deal to contribute.

Increasing the Impact of Business Ethics Research and Education on the Business Community and on Society as a Whole

Leading North American business ethicists have bemoaned the marginal impact business ethics research and education has had upon the business community and on society as a whole (Epstein 2010; Trevino 2010; DeGeorge 2010a, b; Cragg 2010). The inspirationally challenging questions posed by Hambrick (1994) continue to illustrate the point: “What would it take for managers and public policy experts to call upon our research when debating important issues about ethical culture and financial industry reform? What if they used our work to design and change organizational cultures and to select and train leaders? What if our students went on to influence the organizations they join in ways that would make us proud?”

Conclusions

The North American region will continue to play a dominant role in published business ethics research, business ethics teaching, and business ethics training along with other regions whose role in this respect can be expected to grow. The most serious recession since the Great Depression of the last century has undermined confidence in conventional forms of US capitalism, economic institutions, and business theory and practice. More than at any other time in the last 80 years, North American models of economics and standards of business education and

practitioner performance have been called into question. Although deeply negative in its impact, the recession and the financial crisis that triggered it have created opportunities for thought leadership as well as for fundamental changes in economic models, business systems, and business ethics education. The need for significantly improved standards of business conduct and business practice, and increased professionalization of business education to ensure that future business leaders and firms contribute ethically sustainable value to the market and non-market stakeholders they impact is clear. The challenge is to ensure that North American business ethics research and education plays a significant role in meeting that need.

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