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An Historical Look at Teaching Civic Virtue and Moral Formation: The Role of Character Education in American Business Schools

Christine Beech, DM¹

Introduction

As the United States grapples with a surge in civil unrest around racial disparities, a growing economic divide, and an appropriate response to the global pandemic, the debate around what it truly means to be an American citizen has been growing. At the core of this controversy is the question of what should have primacy: personal freedoms or civic responsibility. While this debate is by no means a new one, the need to address the underlying issues has been increasingly urgent as the topics are polarizing the country and the economic impacts are spreading (McGahey, 2021). More and more frequently, the question is asked, "How did we get to this point?"

I believe part of the answer to how we got here may lie in the lack of civic education and character formation in our educational systems. While we may agree with the need for an educated citizenry in principle, there exists deep historical tension between the role of secular and religious institutions in providing the platform for moral formation (Boyd, 2010; Suissa, 2015). We cannot agree on who to listen to, or perhaps who should have the right to speak into our lives and help us define what makes an objectively good or bad citizen.

We find a general resistance by the American people to allow any outside voice (secular or faith based) the authority to define what is good, moral, and right (Boyd, 2010). There is a national pride in the ability of each person to choose for themselves what is right; yet what are they to base that choice on? Some may gain their moral foundation through engagement with a faith-based curriculum, but such education will not be universal. If we do not provide the foundation for ethical and moral formation as part of their scholarly education, how are these students to grow in their ability to discern right from wrong and seek to understand their role as a citizen of this nation? This paper argues for the need to provide character education in our universities, and looks specifically at the rationale behind integrating virtue-based education into our business schools as we seek to develop the economic leaders of our society.

How to Define Character Education

Whether advocated by religious or secular leaders, as a construct, virtue education is grounded in moral formation and implies an objective good and the ability to achieve happiness by living virtuously (Kristjánsson, 2020). Yet, objective good is not a universally accepted premise, with many advocates contending that the right choice in a given situation is relative and not objective (Boyd, 2010; Morrin, 2018). Further, there is a belief that morality and religion are synonymous; and the result can be that the rejection of religion precipitates a rejection of morality as a concept, or at the very least the authority to teach what is moral or virtuous (Boyd, 2010; Morrin, 2018).

Conversely, those who support the place of religion in moral education may argue against the authority of the government to legislate morality.

Currently, within the United States, the societal pressures to support civic well-being or convey specific actions as morally right are increasingly partisan, with political beliefs driving the level of willingness to seek the common good. We need look no further than the current debates around vaccination to see the influence of political affiliations on the determination of the morally right action. This circumstance has led to entire swaths of our society rejecting a course of action, not because there is a firm counter argument, but because they reject the authority of the speakers (USA Today, 2020). To address this tension of authority to teach morality, it is important to remember that there have been both religious and secular advocates for moral formation since the days of Aristotle. Whether considered through a lens of virtue, ethics, or perhaps civic duty, historically we see a need to discuss the common good and its role in the ability of an individual to flourish (Dovre, 2007).

Ultimately, the influence of each of these parallel movements around education on morality and the common good in both religious and secular circles has gained or lost ground over time in conjunction with their political power. Watz (2011), in his description of character education, notes this and suggests that support to provide formal character education for students can be viewed over time as “a wave that the tide has carried in and out due to societal pressures such as political, religious, or corporate influences.” This tension has resulted in a lack of a clear definition around character education, a fragmented approach to such education, and the inability to garner broad support on a consistent basis in the American educational system (Boyd, 2010; Watz, 2011).

Character Education and the American Business School

While support for character and virtue education in general may ebb and flow based on societal pressures, even when it is supported, its role in the business school has been largely relegated to one or two business ethics courses, and for the most part, has not been effective or foundational to the curriculum (Rivera, 2019). Much of the literature about character education offers the distinction that citizenship education and moral education are divergent topics, with citizenship education being the purview of a civic or social sciences course, while moral education falls into a philosophical realm (Althof & Berkowitz, 2006; Davies, Gorard & McGuinn, 2005). Business schools have been largely left out of this discussion, yet advocates for holistic character education, who believe that it encompasses both citizenship and moral education, suggest that schools should integrate character education into all areas of the organization.

How can we instead begin to see the value of a business education through the lived experiences of our graduates and their ability to flourish as they contribute to our society and economic well-being (*Character Education in Universities*, 2017)? How can we learn from history and work toward integrating character education into the business coursework of university students in such a way as to lead to the development of civic virtues that result in the execution of business for the common good of society?

A Contemporary Look at Virtue in Business

Identifying a direct correlation between corruption and lack of virtue education in business schools may be hard to confirm; however, it seems clear that virtue and business in America have had a difficult relationship. The business world has been repeatedly called to account for a lack of values as a result of the well-publicized business scandals of the '70s, '80s, and '90s to include WorldCom's fraudulent investments, the Ford Pinto cover up, and the RJR Nabisco buyout based on fraudulent information that became a poster child for Wall Street corruption (Taylor, 1992). In each of these cases the corruption was grounded in a desire to focus on the well-being of the company over society writ large, as well as a desire to increase profits at all costs (Mukunda, 2014).

Following these scandals, much was made of the changes in business school education, with classes in corporate social responsibility (CSR) being integrated into the curriculum with the goal of creating a more ethical and socially-focused group of business leaders (Schlegelmilch, 2020). Yet fast forward to the 2000s and we have the Enron scandal in 2000 and a financial collapse prompted by the discovery of the Bernie Madoff and the Lehman Brothers mortgage schemes in 2008, suggesting the changes did not produce the desired results (Schlegelmilch, 2020). We see that despite legal changes to curtail the opportunity for unethical actions in business, as well as educational efforts to teach CSR, the power of Wall Street and the financial sector to encourage unethical business practices is as strong as ever (Mukunda, 2014). This suggests that a more holistic approach is called for, one that infuses the discussion of values, virtues, and ethics into all aspects of a business education in such a way as to produce business leaders who are morally grounded in conducting business for the common good of society versus individual gain. This is a paradigm shift and not as simple as adding to the curriculum. The following section will address these challenges.

Character and Virtue Education in the Business School

The study of business in a university setting is the largest discipline on American campuses today, providing an outsized impact on college graduates in our society (USDE, 2019). These same students go on to be leaders in our economy and lead the organizations that influence our society. As a result, what is taught in that curriculum will necessarily influence the future actions of our society. Unfortunately, the standard study of business has focused on the science of business, turning decisions into calculations and devaluing the human component (Mintzberg, 2004). The students are not educated or equipped to make values-based decisions, or even articulate their own values in many cases (Mintzberg, 2004). Classes in business ethics are present in the core curriculum, but as an overview and more of a standalone concept versus being imbued in the content of each course (Mintzberg, 2004). It is, thus, not surprising that business graduates are unable to articulate a business ethic much less a philosophy of social responsibility.

The history of business is one that suggests the focus on fiscal returns as a primary responsibility of any publicly traded business has created an environment where ethical behaviors, even if considered as part of the equation, are not rewarded, and are indeed penalized (Forsha, 2017). This history has created an inherent tension for professors teaching values, virtues, and ethics in our institutions of higher education, and then launching the students into a corporate world that does

not play by those same rules. Yet, as we consider the concept of values being “caught, taught, and sought” by students as they receive their education (Kristjánsson, 2020), the absence of values and virtues in the business school curriculum would provide its own unintentional educational outcomes. If the students are not “taught” the morality of their economic decisions, they are certainly able to “catch” the lack of values-based discussions and may “seek” to make their business decisions absent the consideration of those values. We will have arguably created a society filled with leaders who are conditioned to make calculated decisions that result in positive fiscal outcomes, with only a nod toward the ethical ramifications of their decisions.

One can certainly argue that the values-based education will not equip them to effectively lead in a world driven by profit over ethics, and that argument has some merit. It’s not enough to suggest that we are teaching students how it *should work*, we must arguably teach them how it *does work* in business (Painter-Morland, & Slegers, 2018). As long as corporations hold to the standard of a fiduciary duty to maximize shareholder returns and consider share price and shareholder returns as synonymous, then the ethical dilemma of how to act remains.

It is possible to dwell here and debate the fact that shareholder returns can be envisioned as much more than fiscal, and ground their value equally in societal contributions, or as Aristotle might have suggested, to acknowledge that there is an intrinsic value or shareholder return to be derived from acting from a motivation that places the good of others above our own (Aristotle, 1926). Indeed, if we ground our business education in the concept that our ability to thrive and flourish relies on living our lives in such a way that we value motivations over outcomes (Annas, 2019), then we would be fully justified to place virtuous behaviors over fiduciary responsibilities or shareholder returns. Further, we can debate whether we are tasked to prepare our students for the realities of a corrupt world, or if instead we are to challenge them to a higher standard and teach the moral good regardless of the current realities. There is a moral high ground there that feels right and good, and I for one would prefer to remain there.

However, before we head for the ivory tower, we would do well to remember we stand accused in higher education of failing to live in the real world, or prepare our students for the work they must do after graduation (Schlegelmilch, 2020). We must address this accusation. It would be unfair to the students to ignore the real tensions that exist and to take an attitude of “just say no,” rather than truly offering an alternative. While we can and should focus on teaching to the highest standards of behavior, we must also equip them for success.

The good news is that a morally grounded business education can indeed be a practical one as well. While we so often hear of the business failures and scandals brought about by corrupt practices, not all business leaders have espoused this “profit above all” mantra. There are indeed students of the past who have gone on to act on these concepts of social good and have developed businesses choosing to be socially responsible, ethically grounded, and civically virtuous in their actions. Rather than just the longstanding for-profit and not-for-profit realms in the business world, we now see new options for our business students to explore. With the rise of social entrepreneurship, the concept of business for the common good has evolved; and socially focused businesses are no longer viewed as fiscally untenable (Wilburn & Wilburn, 2014).

Specifically, in response to the foundational challenge around fiduciary responsibility, a continuum of organizational constructs has emerged (Phillips, Lee, Ghobadian, O'Regan, & James, 2015). These include low-profit and Benefit (or “B”) corporations, where the social good is written into the business’s foundational documents, thereby circumventing the long-standing ethical challenge by explicitly stating that the company exists to not only meet their fiscal obligations to the shareholders, but also their societal obligations as outlined in the charter (Wilburn & Wilburn, 2014). In this way, the business leaders are no longer pulled between the two tensions. Now, what *should work* can align with what *does work*. Our business school students now have the option of working for companies who have chosen to act in a manner that supports the well-being of all citizens and not just their shareholders. They can pursue their profession with an explicit purpose of acting for the good of others and thereby contributing to a flourishing citizenship (Annas, 2019). This not only argues for a values-based business education as practical and feasible, but it further puts the onus back on our educational institutions to make sure our students are well versed in these new business structures to empower them and equip them with the knowledge to pursue ethical lives in their profession (Rivera, 2019).

Conclusion

To return to the original question of this text, “How can we learn from history and work toward integrating character education into the business coursework of university students in such a way as to lead to the development of civic virtues that result in the execution of business for the common good of society?” I contend, what we have learned is the importance of a society that can develop citizens that see their own good inextricably woven into the good of others; a society that argues for the need to educate leaders, and specifically, our future business leaders, in virtuous pro-social behaviors. To achieve this goal, our business curriculum must be infused with virtue discussion, grounded in ethical business practices, and shaped to equip our students to lead socially responsible businesses, regardless of their legal structure. We must reject false dichotomies that lead to the dissolution of character education in our business schools, and instead embrace its rich history while adapting it to our modern societal structures.

Indeed, when we see socially-focused business models being espoused by the business community, we recognize that the practitioners are working to integrate values and ethics into their business practices, and that we as educators have both a practical and moral reason to teach socially responsible business structures and practices. Within our business schools, we must integrate the study of social entrepreneurship as part of a values-based education so that we are capable of nurturing the next generation of business leaders to espouse the concepts of business for the common good. To be successful, this type of business education must be housed within universities that are pursuing a renewed focus on character education as a way to ensure that students recognize their role in society and their obligation to use their profession to contribute to their communities and advocate for laws that protect and support its citizens.

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Endnote

1. Christine Beech teaches business in the graduate school of Saint Mary's University of Minnesota and is a student at the University of Birmingham where she is pursuing continuing studies in character and virtue education. She holds a doctorate in business management from the University of Maryland University College (UMUC).