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# Talking Back: Risks Worth Taking: The Moral Formation of Business Professionals through Jesuit Business Education

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# Risks Worth Taking

## *The Moral Formation of Business Professionals through Jesuit Business Education*

By Kathleen McGarvey Hidy

**T**he moral formation of business professionals in business education can no longer be ignored. Recent history records the devastating economic and societal consequences wrought by unethical behavior perpetrated by and through the activities of business. Empirical data suggests these impacts will worsen if, as studies suggest, the next generation of young business leaders possesses a broken moral compass.

With this urgent need, Jesuit business schools have a unique, mission-driven opportunity and, arguably, a responsibility to mold and to mentor future business leaders in ethical excellence and to provide both undergraduate and graduate business students with a moral compass as well as to cultivate in these students the courage to follow that compass's course.

### *The Perfect Storm*

On the eve of the fifth anniversary of Wall Street's 2008 economic meltdown, a survey of 250 financial services industry insiders revealed a startling finding:

Wall Street's future leaders – the young professionals who will one day assume control of the trillions of dollars that the industry manages – have lost their moral compass, accept corporate wrongdoing as a necessary evil and fear reporting this misconduct.

The report by Labaton Sucharow, *A Wall Street in Crisis: A Perfect Storm Looming*, examined the ethical mindset of an industry five years after it weathered a financial crisis with worldwide reverberations. The report concluded that destructive forces threaten to envelope Wall Street again in a "perfect storm" of greed, weak leadership,

and fear. Disturbingly, the report uncovered an alarming mindset among those with 10 years or less experience in the financial services industry. This next generation of leaders, when compared with those with more than 20 years of experience, were twice as likely to believe that financial services professionals have to engage in unethical or illegal activity in order to be successful. They were more than four times as likely to engage in illegal insider trading if they knew they would not be caught. They were more than twice as likely to believe that their

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## Talking Back



Most of the AJCU institutions have business schools. Saint Peter's, as elsewhere, is intent on educating business students for whom human values and needs are of prime importance.

organization's leadership would ignore suspicions of a top performer's illegal insider trading if large profits resulted from this activity, with one in five believing that leaders would not report such a crime to authorities. And they were almost three times more likely to fear retaliation for reporting wrongdoing in the workplace.

This empirical data suggests that the next generation of business leaders in the financial services industry may have lost its moral compass. Corrupted by the belief that unethical and even illegal behavior is a passport to climbing the corporate ladder, these young

professionals are also cowed by a culture of fear that intimidates into silence those who witness corporate malfeasance. Is this perfect storm, this ethical crisis, limited to Wall Street, or are the young business professionals of Main Street (or Madison Avenue or Silicon Valley) also ethically challenged?

An answer is suggested a study published in 2011 by professors at Harvard University and Northwestern University which examined students with an "economics education" and identified the role this education may play in attitudes toward greed and related immoral or unethical behavior. Specifically, the study found a

correlation between an "economics education" and "positive attitudes towards greed." The authors wrote that the "uncontested dominance of self-interest maximization as the primary (if not sole) logic of exchange, in business schools and corporate settings alike, may lead people to be more tolerant of what other people see as morally reprehensible."

This study raises an alarming issue: does business education have a morally neutral impact on students or, worse, does business education corrode the ethical decision-making of students?

## ***Moral Formation and Jesuit Business Schools***

Whether Jesuit business school education should undertake the moral formation of its students invites educators to consider two fundamental questions. Is the moral formation of its business students central to a Jesuit business school's mission? If so, how can this moral formation be achieved?

Every Jesuit business school must answer the first question affirmatively – yes, the moral formation of its students is central to its mission. To ignore this question or, worse, to see character-building and ethical training as beyond the province of a Jesuit business school renders the mission statements of the Jesuit universities and their business schools as meaningless words or slogans used on brochures or plaques or even syllabi to create an image or impression of a brand – the Jesuit legacy – without an authentic institutional commitment and plan to deliver on that mission statement.

Both the Association of Jesuit Colleges and Universities (AJCU) and the Jesuit Superior General, Adolfo Nicolás, have issued public statements in the past year and a half about the vitally important role Jesuit universities and colleges have in the transformation of individuals and, ultimately, society. Speaking in October 2013 at an unprecedented meeting with the board of trustee chairs and the presidents of the 28 Jesuit colleges and universities in the United States, Father General noted that “Jesuit institutions exist only because of the particular, scripturally based faith perspective that led to their establishment.” This faith perspective, which distinguishes Jesuit institutions from secular ones, carries a claim about what happens to an individual through the work of a Jesuit institution: “In the Ignatian concept of

service, growth leads to transformation. If there is no transformation, then the school or the parish is not Jesuit. The ultimate objective is an individual's transformation and, through individuals, the transformation of society.”

In 2013, the AJCU issued *Some Characteristics of Jesuit Colleges and Universities: A Self-Evaluation Instrument*. This document specifically raises the issue of the moral formation of students in Jesuit professional schools, asking those schools to assess whether they “share a common commitment to the joining of professional, technical training with personal and moral formation of their students as persons rooted in the Jesuit, Catholic tradition?” The document further underscores that the focus of a Jesuit university or college should be to build a university culture committed to “relationality and responsibility” measured, in part, by whether the university helps “to foster a culture for students that draws attention to their actions as moral agents. Does the university assist students in cultivating virtues that will serve them over the course of their lives?”

This mandate for Jesuit business schools to engage in the moral formation of its students is clearly rooted in the Jesuit centuries-old pursuit of using schools to, literally, change the world. In his book *Heroic Leadership*, Chris Lowney explains that Jesuits have, throughout their

history, chosen formal education as “an extraordinarily valuable instrument for the work in the development of human potential.” And William J. Byron, S.J., in his *Jesuit Saturdays: Sharing the Ignatian Spirit with Lay Colleagues and Friends* writes that the Jesuit purpose in higher education is to “move” (or to borrow Father General's word, transform) students' “minds and hearts” in a “Godward” direction. Father Byron explicitly sees a Jesuit education as cultivating reflective students capable of “ethical deliberation,” students whose “character is shaped by the Jesuit educational experience.” Later, Father Byron notes that “virtues are essential ingredients of a Jesuit education” and that a “Jesuit education is the education of the heart, cultivation of the will, development of the mind.” If the moral formation of their students is the mission of Jesuit business schools, the question of how they should undertake this task must be examined and debated.

### ***The ABC (and D) of Moral Formation***

The moral formation of a business student is a multidimensional undertaking that seeks to transform students, not simply to transfer information to students. Reflection and debate should center on what such an undertaking involves in practical terms as well as how the approach at the graduate level might differ from the undergraduate level. That said, the moral formation of a business student should begin with the following “ABC and D” of character training:

**A**waken in a student the ability to apprehend and appreciate ethical issues which arise in business;

## Talking Back

**B**roaden a student's knowledge of frameworks and principles of how these ethical and moral questions might be addressed;

**C**ultivate the student's will to seek ethical and moral outcomes as a business professional; and

**D**eepen a student's sense of belonging to a community committed to pursuing ethical outcomes in and through business pursuits.

The first aspects of moral formation – the pursuit of knowledge in the realm of ethics and morality, the capacity to reflect on ethical or moral dilemmas, and the refinement of a student's ability to perceive such issues embedded in business scenarios – are presumably the stock and trade of what a Jesuit university education, graduate and undergraduate, provides. To some degree, these are already incorporated into business curriculums at both secular and faith-based universities throughout the United States.

Cultivating a student's will to seek ethical and moral outcomes as a business professional and deepening a student's sense of belonging to a community committed to pursuing ethical outcomes in and through business pursuits are not items easily reduced to an action plan, or learning outcome, or pedagogic approach.

They involve engaging the student at a level deeper than the intellect; they seek to develop a student's will. Shaping a student's desire and will to seek ethical outcomes as a business professional, activating her conscience, strengthening a student's moral resolve, developing the virtues of courage

and prudence ... these are the real challenges of moral formation in business education and this is where the discussion and debate should be centered.

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here to begin? Expose business students to business professionals and business professors who model good character and who have weathered ethical storms in their professional lives. Mentor the students on these issues. Make those conversations the centerpiece of the interactions. Allow students opportunities to consciously create a moral compass for use in their professional lives and encourage them to "test drive" their compass, to see how it will guide them in ethical dilemmas. Create a sense of community through the student's education and beyond graduation, and anchor the business school community's identity in ethics, character building, moral formation. Make the school community the incubator of ideals, aspirations, and goals centered on moral formation; make it a safe harbor for students and graduates to explore the ethical and moral challenges presented in their careers.

None of this will be accomplished without institutional buy-in. Administrators, faculty, staff

must not only approve of moral formation as a legitimate undertaking but, more important, must purposefully work to advance this goal. The culture of an organization depends in great part on the cohesiveness of a community's shared vision and the degree to which that community seeks to integrate that vision in every aspect of its shared life. A Jesuit business school which seeks to cultivate the moral sensibility of its students and works to empower them to act on this sensibility in their professional endeavors must develop a culture which reflects that vision.

Culture-building is an art form, not an agenda item. It requires leaders who are not technocrats but persons of vision and passion and persuasion.

Think St. Ignatius. It requires faculty who dedicate themselves to a calling higher than careerism, who seek to inculcate in their students both the rigors of their disciplines and the desire to respond morally to a problem arising from that discipline. It requires staff who embrace the ethos of moral formation and work to create an environment mirroring that ethos.

The work of moral formation by a Jesuit business school involves creativity, imagination, resource allocation, leadership, and risk. The main risk is that moral formation will be misunderstood and miscommunicated as antithetical to the goals of diversity and inclusivity, as weakening the intellectual underpinnings and rigor of the academic program, or as threatening the marketability or broad appeal of the Jesuit business school. These are risks worth taking. The mission depends on it. ■