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Ethics after Enron

Business morals matter for Elizabethtown professors

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LANCASTER COUNTY, PA - Over the middle of the ocean in a hot air balloon, five people — a doctor, a lawyer, a CEO, a priest and an artist — realize their balloon is sinking. If the balloon crashes into the ocean, everyone on board will certainly die; however, if one person gets tossed overboard, the balloon will be light enough to continue on its way.

How do you decide who gets to stay on the balloon — and who doesn't?

"Ethics isn't always about right and wrong. Sometimes, it's about deciding which course of action is more 'right' than others," said Bill Alexander, who is co-teaching a course at Elizabethtown College entitled "Business Ethics PH255."

"It's complex to be ethical. How do you figure out the right move, particularly if you're just working with a series of gray areas?" Alexander said. "It's a skill, like playing chess, and we're trying to teach that skill to the next generation of business leaders."

Though Elizabethtown College business students aren't likely to ever find themselves trapped on a sinking hot air balloon over the sea, complex ethical questions are almost certain to be a part of their everyday careers once they graduate.

"If you have to lay off 50,000 workers, how do you decide which ones go and where? These are the kinds of painful ethical decisions that a business needs to make in order to stay competitive," he said.

Alexander's teaching partner, Father David L. Danneker, adds more issues to the list.

"In this country, for example, bribing police and elected officials is illegal. However, in many other places around the world, bribery is the only way to do business. How do you balance that?" said Danneker, who also teaches as an adjunct professor in Elizabethtown College's philosophy department.

"How much pollution is 'justifiable'? How does a business defend not offering health care benefits to the people who do work for them?" Danneker said. "We're teaching issues that any businessperson is going to have to face when they enter the working world," Danneker said. "Only, we're teaching our students how to reach fair solutions, ethically."

Begun in 2002, the class at Elizabethtown College focuses on issues like justice and duty and also covers more practical areas such as whistle-blowing and discrimination in the workplace.

The class also looks at different schools of ethics such as utilitarianism, a philosophical theory concerned with figuring out the greatest good for the greatest number of people.

"I began teaching at Elizabethtown College in the religious studies department in 1994, but it wasn't until five years ago that I was approached to begin teaching a business ethics class," Danneker said. "In the wake of so many corporate scandals like WorldCom, Enron and Arthur Andersen, to name just a few, a lot of people in the business community were absolutely appalled.

"Classes like these started popping up all over the country to teach ethics to the

next generation of business leaders," he said.

Though Danneker's early classes tended to focus more on the philosophy of ethics, he soon realized his students needed a more grounded approach to apply the theories learned in the classroom to everyday business situations.

Danneker, who has his Ph.D. from St. Louis University and also serves as pastor of nearby St. Peter Parish, then began hearing about Alexander from members of his parish.

"I graduated from West Point and served in the U.S. Army Corps of Engineers. After serving in Vietnam, I returned home and eventually took over my family's business: H.B. Alexander Enterprises, a commercial construction company in Harrisburg," Alexander said.

After 23 years as a CEO, Alexander said, he retired in 2000 and took up a retirement career in education; he also works as an adjunct professor at Wharton School of Business at the University of Pennsylvania in Philadelphia.

"In the class at E-town, Father Danneker mostly deals with the concept of ethics, whereas I talk a lot about applying ethics to business. Proper treatment of employees, ethics in the electronic marketplace — basically, I'm trying to teach students how to do the right thing," Alexander said.

"It's hard when students want right answers, and all you can do is agitate them with ... shades of gray," he said.

For Danneker, however, there are areas in ethics where there are definite concepts of right and wrong.

"Some things are always wrong, like theft or dishonesty, but there's a lot of middle ground out there That's what makes this topic so interesting," Danneker said. "Another thing that I think is interesting is that I've found that businesspeople tend not to think in these terms."

Business, he said, more than any other profession, tends to attract analytical thinkers, people who do well with numbers and figuring out the bottom line.

"Sometimes it's difficult because you are forcing people to think in ways they haven't often had to do before. They can talk about capitalism or how corporations govern and work, but how do you solve a problem that has no right answer, or an answer that's just the lesser of two evils?" Danneker said.

"This is difficult stuff, and maybe it should be."

For Alexander, what his students take away from the class is the importance of morality to long-term profits.

"Ethics is something that needs to be done in every generation," he said, "and students need to understand that there's nothing wrong with doing good while doing well at the same time.

"There's more to running a business than just numbers and net worth," he said.

As for the balloon question, Danneker said the only ethical thing to do would be to ask for volunteers to go overboard.

"If no one volunteered, then I would have to ignore their professions and find out who had children to support. In that scenario, then I guess that the priest would have to be the one to go overboard, because priests tend not to have families," he said. "However if all things were equal, then I suppose I would have to go by lots.

"After all," he said, "it's the only ethical thing to do."

To learn more about the class visit www.etown.edu or e-mail admissions@etown.edu.