

Business Vows: Promising to Be Ethical

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Twenty percent of Harvard's graduating MBAs this month (160 of 600) have created and signed a new "MBA Oath" that pledges them to use their managerial skills and opportunities to serve the greater good, act responsibly and ethically, and refrain from advancing their own narrow ambitions at the expense of others (NY Times, 30 May 09). Apparently, Columbia Business School has required all of its business students for the past three years to pledge to an honor code: "As a lifelong member of the Columbia Business School community, I adhere to the principles of truth, integrity, and respect. I will not lie, cheat, or steal, or tolerate those who do."

Of course it is better to actually do it than talk it. Acting green is much better than "greenwashing," to use a contemporary example. We need to walk the talk. Talk, vows, and pledges don't guarantee behavior, as a long list of failed priests, spouses, politicians and other vow-makers demonstrate.

But silence is no good either. Who will stand up and speak up for truth and fairness? For respect and promise-keeping? For personal accountability and responsibility? Tough as it is, dangerous as it is, we desperately need men and women of character and guts who will stand up, speak up, and act up for what is right in business and the marketplace as much as in politics and other domains. So I love what these Harvard MBAs have done.

The Professional Tradition

What these Harvardites have done is tap into a 2500 year old tradition going back at least to the medical school of Hippocrates in 4th or 5th century BC Greece. All students trained by Hippocrates or his successors must make a sacred vow ("profess") before all the gods and goddesses and before each other to do no harm of any kind to their patients but rather serve their health with justice and to the best of one's ability and training. They must preserve confidentiality of patient information and communication, refrain from taking sexual advantage of vulnerable patients, never act outside of their training (e.g., doing surgery), and never act against life even if desperate patients asked for it. Google "Hippocratic Oath" to read the actual verbiage I have summarized here.

The point is that Hippocrates and his medical colleagues were providing their students with powerful, dangerous knowledge that could not only help but grievously hurt others. Therefore only students willing to take the vows and practice their skills within a clear community of moral responsibility were allowed this knowledge. If you just thought of medicine and health care as a path to making a personal fortune off desperate, vulnerable patients, you would never receive training to be a doctor. This same tradition was extended to law and religion: no education and credentialing unless you clearly committed yourself to the values and standards of the profession.

There were four basic characteristics of the professions as they developed in the centuries after Hippocrates:

First, higher education. Professionals acquired some advanced, specialized knowledge and training in their field. They possessed "dangerous" knowledge giving them the capability to seriously help or harm people. They were also expected to have as a prerequisite a broad, liberal, integrated education. The narrow specialty needed to be balanced by the texture of broad knowledge of history, literature, language, science, and so on. This is the historical root of what we call "general education" requirements in college curricula. Some of us continue to believe that this "GE" package is (or should be) the best and most important thing any graduate will study in college.

Second, a commitment to service. This was not mercenary, not commerce for commerce's sake. It was not about money but a career, a vocation, to serve others. Professions were about enablement, about meeting complex human needs. There was a prevailing altruism among professionals.

Professionals were typically supported by “honoraria” – not by fees for service. The “sock” hanging on the back of the doctoral hoods we professors wear at graduation ceremonies originated as a way for anonymous donations of support to be given to support professionals like judges so they would be blind to who gave them money.

Third, a pledge to high ethical standards. Professionals never were content to observe the minimal standards of the laws of their cities and nations. To be a credentialed professional meant voluntarily swearing to higher standards --- not migrating to the lowest common denominator. The laws of Athens or Macedonia were not sufficient for Hippocrates and the Oath his community created.

Fourth, practice within a professional association. Professionals carry out their service within a self-governing society of peers that exercises discipline, and assures both technical competence and ethical compliance. Governing themselves has often meant that state governments have granted such professions a good deal of autonomy. Lawyers could be disbarred, doctors could be banned from medical practice, clergy could be defrocked. Of course, when the professional associations lost their disciplinary focus, state regulatory agencies had to step in, ham-fisted or not.

Professions and Business Today

We must not idealize the professions of the past of course: plenty of racism, sexism, and other forms of prejudice turned these professions into “old boy networks.” And the high rhetoric and tradition was corrupted in various ways.

In our era a great deal of medicine, law, and religion has abandoned the professional ideals and traditions. Naked ambition, greed, and the exploitation and abuse of the weakest members of society is far too common. Sure there are exceptions but the practices of many professionals today are a disgraceful betrayal of trust. It’s often about institutionalized exploitation, not just about individuals who make self-serving harmful choices.

Meanwhile many companies as well as business and technical specialties have moved closer to the professional tradition. When companies create and adopt mission statement and codes of ethics they are behaving like traditional professions. The American Society of Civil Engineers, the Certified Public Accountants, the American Marketing Association, and the Society of Human Resource Professionals are just a few examples of newer professions where a code of ethics and a professional association have been created. Fortunately or unfortunately, one doesn’t have to be part of these professional communities to work in that area so there is little sanction on bad performance beyond the laws of the land.

Nevertheless, the modern professionalization of business is a good thing that we need to extend and improve, not reject or ridicule just because it is sometimes hypocritical or superficial --- and always imperfect.

Let’s continue to challenge our professions, our companies, and our business schools as well, to articulate high standards to which we publically pledge ourselves and support each other and hold each other accountable.

The alternative is to migrate to the ethical-legal bottom and provoke the state into taking over just to try to protect its citizens. And that gets ugly even if it is essential. There is a better way we can take.

The MBA Oath: Setting A Higher Standard for Business Leaders (Portfolio, April 2010) by two Harvard MBAs at the heart of this movement, Max Anderson and Peter Escher, explains the concept and rationale. The basic idea is to challenge business students and leaders to commit themselves to high values and ethics --- not just high salaries and profits. It is modeled on the classic "Hippocratic Oath" for physicians. Here it is. If you were writing such an oath for business leaders what would you want included?

The MBA Oath

As a business leader I recognize my role in society.

- My purpose is to lead people and manage resources to create value that no single individual can create alone.
- My decisions affect the well-being of individuals inside and outside my enterprise, today and tomorrow.

Therefore, I promise that:

- I will manage my enterprise with loyalty and care, and will not advance my personal interests at the expense of my enterprise or society.
- I will understand and uphold, in letter and spirit, the laws and contracts governing my conduct and that of my enterprise.
- I will refrain from corruption, unfair competition, or business practices harmful to society.
- I will protect the human rights and dignity of all people affected by my enterprise, and I will oppose discrimination and exploitation.
- I will protect the right of future generations to advance their standard of living and enjoy a healthy planet.
- I will report the performance and risks of my enterprise accurately and honestly.
- I will invest in developing myself and others, helping the management profession continue to advance and create sustainable and inclusive prosperity.

In exercising my professional duties according to these principles, I recognize that my behavior must set an example of integrity, eliciting trust and esteem from those I serve. I will remain accountable to my peers and to society for my actions and for upholding these standards. This oath I make freely, and upon my honor.