



**TURUN
YLIOPISTO**

Kauppakorkeakoulu

RECOMMENDATIONS FOR BUSINESS SCHOOLS FOR TEACHING SUSTAINABILITY AND ETHICS

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TURUN KAUPPAKORKEAKOULUN JULKAISUJA
SARJA E-2:2024



UNIVERSITY
OF TURKU

MaCuDE
Management Curriculum for the Digital Era

Recommendations for Business Schools for Teaching Sustainability and Ethics

MaCuDE: Phase 3 report, task force of Future of Work/Learning

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10.6.2024

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1 Introduction

The Management Curriculum for the Digital Era (MaCuDE) was a research project, launched by Stevens Institute of Technology in 2019 to explore an increasingly topical question: how should business schools deal with the changes in the educational environment driven by digitalization? The question pertains not only to how and what should be taught in business schools for them to remain relevant in preparing the workforce of tomorrow, but includes also the question of towards what kind of a work-life should the students be prepared for?

The task force Future of Work and Learning was led by University of Turku, and set out to explore the latter phenomenon in more depth. Our approach and findings can be found in our first report, where we scrutinized the phenomenon from five vantages: 1) Work contents, 2) Task-specific skills, 3) Metaskills, 4) Work environments, and 5) Work modes. Compiling the emergent insights from each perspective led us to make six suggestions to business schools, explained in more detail in the report, but concisely here:

1. Allow, enable and support the students to encounter many types of knowledge.
2. Embed deep digital and information literacy.
3. Make teaching metaskills an explicit part of the curriculum.
4. Address the environmental crises and teach explicitly circular economy, emission neutrality, energy efficiency – clean, green and sustainable business.
5. Focus on the teaching of ethics.
6. Teach the students self-reflection skills, where to compromise, where to hold on to their principles. Teach them the need of structure and the need of flexibility, the costs of both bondage and freedom. Aim at making your students good and balanced human beings – the rest will follow from that.

This follow-up report focuses explicitly on the points four and five. While sustainable and ethical actions should have been essential for businesses, business managers and business schools throughout their history, in the very recent years humanity has newly awakened to the threats posed to our very habitat if they remain unaddressed. As business schools have been at the forefront of shaping unsustainable business practises, it is essential that we take an equally major role in trying to find the solutions – both in our research, but maybe most importantly, by nurturing new generations who not only know how to solve the problems, but are deeply motivated to do so – and maybe most importantly, have faith in their abilities and agency to make a difference.

2 Environmental issues

2.1 The problems of Anthropocene

Humans are the only species that have succeeded in shaping the planetary processes to the extent where the scientist debate whether the changes we've wrought warrant a specific name for the resulting geological era. There is also some debate about where the beginning of Anthropocene should be timed, with the majority positioning it into the 19th century, accompanying the industrial revolution, and from our perspective, accompanying also the time when the contemporary types of companies began to emerge.

More important than the label are the changes our current socio-economic-technological system has created in the planetarily short timespan of 150 years. While the benefits for human health and wealth have been notable (life expectancy in the 19th century was 29, now more than 70; Global GDP was then appr. 1 billion dollars, whereas now it is 135-fold), the impacts on planetary systems are equally vast, but not of same valence. First, there were 1 billion people in 19th century, now we need to feed 8 billion. Our Co2 emissions are today more than 177 times more than a century ago. In the 19th century, natural ecosystems comprised 75% of the landmass, now the number is 40%, and includes polar regions, deserts and other areas where in addition to humans few other species can live. A little over a century ago, 18% of biomass (meaning all living animals) consisted of wild fauna, whereas now the percentage is 2%. The rest 98% is either humans or animals we use for food, or in some few cases, for work. ¹

What makes these changes worrying, even from a very human perspective, is the nascent understanding that actually, we all live in space. We are surrounded by vacuum, and kept alive only because of the planetary systems that have created a breathable atmosphere, potable water and nutritious soil. These three essentials for humans have materialised because of complex planetary processes that depend on the functioning of many of its components. While natural life has multiple redundancies, we have still managed to tinker with enough of those components that nature has not been able to fix what we have destroyed. Metaphors abound: we are playing a global game of Jenga towers without knowing how many blocks there are to remove before the tower comes crashing down,

¹ These, and more numerical data can be found from <https://ourworldindata.org>

or that we are like gorillas let loose in a spaceship, tearing down walls, ripping apart wires and smashing the electrical systems without understanding that they keep us alive.

There are also more scientific ways that try to drive the point home. The Stockholm Resilience Center² has carried out extensive research on the planetary boundaries since 2009, and their findings paint a dire picture.

Planetary boundaries

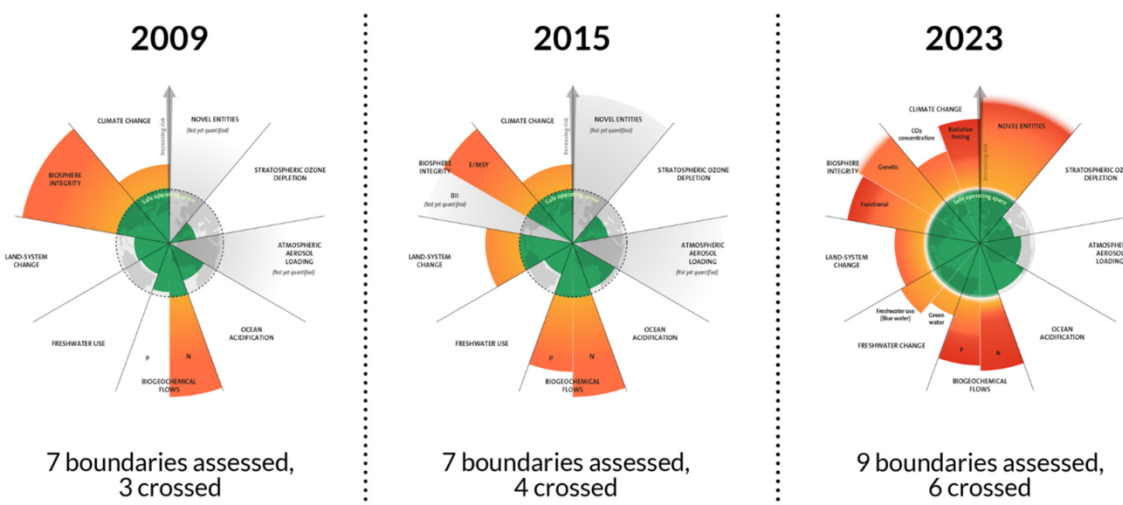


Figure 1: Planetary boundaries by Stockholm Resilience Center

The most well-known and serious environmental crises are the climate change and biodiversity loss. While they are intertwined to a degree, they require different solutions, and emerge through different pathways. Climate change has been acknowledged better by the lay individuals for longer, with notable publicity garnered by the updated [IPCC reports](#), whereas while biodiversity loss is equal in severity, it has started to gain attention only in the very few past years, owing greatly to two notable publications, the [Dasgupta review](#) in 2021, and the [IPBES global assessment report](#) in 2019.

The root cause for both of these problems is the same: our overconsumption³. However, its impacts on climate and biodiversity emerge through different pathways. While climate change is a complex

² See more at <https://www.stockholmresilience.org/research/planetary-boundaries.html>

³ And this really means OUR overconsumption, meaning us middle class people in the rich global north who live on the better side of the poverty line. While we are the minority of global population, we use the majority of Earth's resources and are primarily responsible for the environmental problems.

phenomenon, ultimately it is driven by energy use. It is both a question of the quality of the energy, but also a question of the quantity, the demand for energy. In turn, biodiversity loss is driven also by climate change, but also by four other major factors: land use, living and non-living resource exploitation, pollution and alien species. The dilemma is that trying to find solutions in a piecemeal fashion, we might help mitigate the other problem while making the other worse. Electric vehicles provide an apt lesson: while an electric car emits less carbon dioxide and is thus better for the climate, extracting the raw materials required for batteries from ground destroys biodiversity in those regions. If then the increased demand for electricity is additionally covered by unsustainable energy sources, the benefits of less emissions per car are quickly outweighed by the harm caused by the industrial scale demands of energy use – even if the problems of eliminating the waste accumulating from the obsolete vehicles are not considered.

Among sustainability scholars, there is a high unanimous agreement about the problems. However, when it comes to seeking solutions, two main schools of thought emerge, dubbed here as the Green Growth and the Deep Ecology paradigms. The dividing line pivots on the belief of whether or not it is possible to decouple resource usage from economic growth. In the Green Growth paradigm, it is believed that it is possible to find sufficient sustainability solutions within the current economic system, and to utilize technology to decouple the use of natural resources from economic activities to an extent that enables remaining within the planetary boundaries. On the other side, the proponents of Deep Ecology point out that the environmental calamities are predominantly due to the current economic system, which in turn has always relied on the energy delivered by fossil fuels that seemed endless at the time of their harnessing, and as such is fundamentally unable to decouple the economic growth from increasing energy demand – the use of natural resources.

Without the crystal ball of technological advances, and considering the urgency of the environmental crises, it seems wisest to follow both avenues of thought: it is necessary simultaneously to seek immediate solutions achievable within the current economic system, with the existing technologies, and to strive for longer lasting solutions, be they based on an overhaul of economic system or on the development of genuinely sustainable and endless energy.

To recapitulate the current environmental issues in need of consideration from businesses and business education alike, the following table presents concisely the identified drivers of two main environmental problems. Underlying the direct drivers that can be measured are the more indirect drivers resulting from the organizing principles and values of our current societies. Fundamentally, all

the problems are underpinned by overconsumption.⁴ This poses a serious question for business: for if the aim of business is increased economic growth, how can that growth be achieved if consumption needs to be cut down? Or an even more serious question: if economic growth isn't the sole aim of firms, what should they instead be aiming at?

Drivers of environmental calamities / what should business and business education consider			
CLIMATE CHANGE		BIODIVERSITY LOSS	
Quality of energy Quantity of energy	Green or unsustainable Can energy demand increase ad infinitum?	Land use Resource exploitation Pollution	% of destroyed vs natural ecosystems Extraction of materials Waste, chemicals, micromaterials...
Feedback loops	When natural processes reach tipping points, they become irreversible and worsen the problem, e.g. polar ice	Alien species Feedback loops	Transported organisms destroying other ecosystems When viable ecosystems are sufficiently few and far apart, they become unviable
Demography and socioculture, technology and economy, institutions and governance, conflicts			
Basic assumptions, aspirations and values – overconsumption-based socio-economy			

Figure 2: Main drivers of environmental problems, modified from IPBES 2019 report and IPCC 2023 report

The proposed solutions fall into two categories: 1) using technological advances to facilitate decoupling material and energy use from economic growth (impacting what is consumed and how it is produced), for example by developing green energy sources, circular economy solutions and mitigating existing problems through geoengineering (like removing co2 from atmosphere) and 2) envisioning novel economic systems like degrowth, doughnut economy, or regenerative business.⁵

As the situation is urgent, we don't have the luxury of debating which of the proposed solutions is best, and to wait and see how the environmental problems should be solved. Instead, we need to try

⁴ See e.g. <https://overshoot.footprintnetwork.org/newsroom/country-overshoot-days/>

⁵ See e.g. <https://degrowth.info/en/degrowth>, <https://doughnuteconomics.org/about-doughnut-economics> and <https://www.weforum.org/agenda/2023/03/regenerative-business-sustainability/>

every solution, if only to buy us more time. For business schools this means that there are many avenues through which they can become a part of the solution.

2.2 Status quo of sustainability education in business schools

The good news is that there is a huge demand for sustainability experts in the field. An interview research conducted⁶ within Finnish companies and consultancies operating in the Nordic countries revealed that companies have genuinely awakened to the environmental issues and seek experts to lead their sustainability transformations. This call has been answered by universities and business schools, with a notable increase over the past few years in courses that carry the title “Responsible” or “Sustainable” in their heading, and a [vast number of degree programmes](#) tailored especially to meet the requirements of managing sustainable business. There are also [interesting futures scenarios](#), developed especially to describe the diverse possible futures which may materialize through and impact on business education to aid the business schools to consider their educational preferences.

The courses are increasingly offered as self-study online courses⁷, which can be combined into a curriculum with either a sustainability focus, or a more traditional focus. Most of the sustainability courses are created by other than business faculties within the universities, but the number of courses tailored especially to business students is increasing. The scope of courses varies, but most often they are relatively minor courses, granting 1-2 study credits, and accordingly often focus on describing the problem and presenting solutions on a general level. This has both a positive and a negative side: on the one hand, such courses are desirable for students in need of a couple of credits to graduate, and as self-study courses provide a relatively convenient method of study for most students, such courses facilitate spreading information about environmental problems to also such students not otherwise too keenly interested. On the other hand, the information may remain somewhat shallow and disconnected

⁶ As part of an interdisciplinary BIODIFUL research project. Academic results pending publication, but material is available at <https://biodiful.fi>

⁷ Some examples from Finnish universities:

<https://opas.peppi.utu.fi/en/course/JO022204/95074?period=2024-2027>

<https://www.jyu.fi/en/open-university/courses-offered/pw-mooc-i-introduction-to-planetary-well-being>

<https://climateuniversity.fi>

from the other studies the student deems “more important”. Worse, knowledge about the problems without an accompanying sense of being able to do something to solve them may trigger anxiety or impotence. In-depth courses (spanning 6 or more credits) that specifically focus on how to manage sustainable business are still somewhat rare in business schools.

The increase of degree programmes on sustainable business studies is welcome, and their graduates should find it relatively easy to become employed. Instead of scrutinizing them in more detail, in the remainder of this sub-chapter I focus on how sustainability awareness penetrates a more “typical” business student with a major in e.g. management, accounting or marketing.

The students can be loosely categorized into three groups: the Choir, the Schizophrenic and the Agnostics. Discussions with business school teachers who supervise bachelors’ and master’s theses work reveal an increase in students, who without prompting want to write their thesis about some aspects of responsibility or sustainability. These students are increasingly worried about the environment, and have often self-opted to include sustainability related materials and courses into their curriculum, with the intent of becoming a part of the solution. Many confess to environmental anxiety⁸ and seek to balance their business education with the insights gleaned from sustainability studies. Both the demand and the offerings have increased notably within the past five years, with graduates from mid-2010’s being surprised at the speed of change they encounter in their alma mater⁹. For the choir, the students inherently interested in sustainability, the quality and quantity of relevant education is increasing, though this does require some effort on behalf of the student to design his/her own curriculum to match these interests.

The Schizophrenic are students who encounter sustainability in some mandatory courses, reflect somewhat on the issues, but are not self-motivated to seek optional sustainability courses. The reason for the name lies in the fact, that these students recognize the different learning goals between the sustainability studies and the traditional business studies. A marketing student may have just finished a 2 credit sustainability course where the problems on overconsumption have been strongly highlighted, and continue onto a marketing class where the emphasis is on how to make the customers buy more. A management student may have just learned to question the *raison d’être* of firms as mere money

⁸ Again, material from BIODIFUL research project.

⁹ Based on alumni discussions within Turku School of Economics, Finland. I don’t have the global statistics available, but informal discussions with colleagues from abroad highlight the same tendency.

making machines in the course describing sustainable entrepreneurship, only to continue onto a strategy class where the financial bottom line is the end all.

The same schizophrenic attitude prevails also among faculty members: many have included sustainability related themes into their research, but continue to teach the very same marketing and strategy models that have contributed to the environmental problems at hand. Due to academic freedom, there are no mechanisms for a faculty or a business school to streamline teaching from dean downwards, but the responsibility lies staunchly on the shoulders of individual faculty members. The problem is that unless one has for a longer period been involved in responsibility or sustainability research, many teachers feel incompetent teaching in any other way than what they were taught originally – hence the prevalence of old premises, theories, models, priorities and case examples.

The schizophrenic are by far the largest body of students and teachers, and as such, also the most promising avenue for increasing sustainable business knowhow.

The Agnostics come in many age groups, and highlight the polarization of values among younger generations. Research shows¹⁰ that while in general the female members of z-, y- and alpha-generation have more liberal and green values than their predecessors, the trend within males is notably different: the values of young men are increasingly conservative, and (too) often coupled with climate denialism. While differences between individuals always outweigh the differences between any human groupings, there is a notable mass of both students and faculty members in business schools averse to environmental issues. Unfortunately, the agnosticism is gendered¹¹. Business schools are to a large extent burdened with alumni, faculty and students, who, while not unaware of the increasing discussion of the environmental issues, choose to either ignore the severity of the issue, or to decide that as it materializes only after their passing, they do not need to consider the long-term impacts of their actions and decisions.

While some optimists prefer to believe that environmentalism is a generational issue, and that as the older generations who have not needed to pay attention to sustainability issues, retire, the younger generation is automatically more prone to engage in responsible and sustainable business. This may be

¹⁰ See e.g. <https://www.ggd.world/p/what-prevents-and-what-drives-gendered> and <https://www.ft.com/content/29fd9b5c-2f35-41bf-9d4c-994db4e12998>

¹¹ While the sample size is non-relevant, it however describes the phenomenon. For the past four years, we've had a 6 credit course titled "Firms in sustainability transition" in our business school. The intensive course takes 30 students each year, and of the 120 students passing the course during the time, 9 have been male.

true to an extent, but as the current value trends show, generational shift alone will not solve the problems. As long as agnosticism is coupled with highly valued graduate degrees and promising career avenues, we continue to contribute to the environmental problems.

2.3 Development suggestions for sustainability education in business schools

2.3.1 Take advantage and support the Choir

For the Choir, there are already ample opportunities to choose either a degree specializing in sustainable business, or to shape an individual curriculum leading to a more traditional degree to encompass responsibility and sustainability education. However, the offerings may not be found from all universities and business schools, but require additional effort on behalf of the student to peruse the online offerings and other open courses. This may result in a non-coherent entity, if the faculty of the home school is not equipped to assess the comprehensiveness and quality of the courses beyond the amount of credits they yield. So, the first suggestion is:

1) **Become an excellent curator of existing content.** If your home school does not offer a sufficient number of sustainability courses to provide a comprehensive educational back-bone in responsibility and sustainability issues, educate your faculty to search and suggest a set of existing courses open to your students – either from the other faculties within your university or even further afield. The field is highly varied in both quality and contents, so familiarizing the faculty with a quality set of existing offerings may, in addition to helping the student, also lift the burden of your faculty needing to re-invent the wheel with always scarce resources. By curating the contents, you can ensure the quality of learning provided to your students.

Also regarding the self-motivated learners, they often manage to accumulate relevant and wide-ranging knowledge that goes beyond what a teacher not specifically researching sustainability issues has time to acquire. That knowledge needs not to be feared but embraced, leading to the second suggestion:

2) **Utilise the innate interest of students feeling strongly about environmental issues.** Have them work as assistant teachers in relevant sessions, encourage their interaction with other students in and out of classroom, and show them appreciation. Be eager to supervise

sustainability and responsibility related thesis work; they are the easiest way for the teacher to gain a timely understanding of the discussions of a specific field – no need to search yourself, just get the ready-made package! Ask them to present their work at faculty events, and showcase the benefits of such dedication (an award or a grant never goes amiss.) In addition to supporting the student, this may inspire other students to follow the example – especially if you ask the alumni working as sustainability experts to come back and speak to students.

It may not only be students who are innately interested in environmental issues – you might employ dedicated sustainability scholars. In addition to cherishing their research, bringing together likeminded people strengthens the overall knowhow within any field – especially if they originally feel alone in their immediate contexts. Therefore, the third suggestion:

3) Create formal and informal opportunities for the sustainability “evangelists” to meet.

What many sustainability scholars and professionals state in seminars and conferences is that the only reason they have the stamina to continue what often seems an uphill battle within their immediate spheres, are the networks of likeminded individuals which empower them, spread practical insights, and when necessary, commiserate together. Make an effort to create a club, a seminar, a discussion series focused on the sustainability themes relevant in your school, and make sure that both students and faculty feel welcome to join. You might end up with a bundle of actionable suggestions as to how to improve sustainability education in your school!

2.3.2 Try to minimize and mitigate schizophrenia

While freedom of thought and education are the essence of academia, and meddling in the individual interests, beliefs, epistemologies and expertise of faculty members is frowned upon, it is the responsibility of all business schools to make sure that their faculty is up-to-date in such existential questions as the looming environmental calamities. Entrenched arguments lead only to digging deeper trenches, but introducing the environmental facts in development days, in faculty sessions, in disciplinary meetings and enticing participatory discussion goes a long way. The experienced schizophrenia in the students cannot be mitigated but with a concerted effort from the side of the faculty. So, to the first suggestion:

1) Make sure that all teachers are aware of environmental data, trends, and figures. Such sources as Our World in Data, Stockholm Resilience Center, IPBES and IPCC pool together the latest environmental data and often offer it in nicely digestible tables and figures. Promote using such materials in faculty sessions, make them easy to find for teachers looking for materials, and

let the scholars draw their own conclusions and reflect their messages as pertains to their own fields of expertise.

People commit better to solutions they have been involved in drafting, than to solutions mandated from above. Your most valuable asset as a school are its engaged employees, so let them figure out how they want and could be a part of the solution. Especially as the situation currently is such that while there is ample knowledge about the problems, and already some solutions, all new insights and solutions are still sorely needed. Follows second suggestion:

2) Don't try to find ready-made solutions for each discipline, but encourage your teachers to create their own. Have for example disciplinary workshops about the drivers of biodiversity loss (nicely explained in the IPBES report), and have the teachers engage in discussions about how they for example see the linkages between global supply chain management and resource extraction, strategy and land-use, marketing and pollution. Ask and give them time to reflect, and encourage them to assess their teaching materials from that perspective. Have them create learning cases of genuine problems, and encourage them to seek solutions together with the students, without the need of teacher always knowing best and having all the answers. One tip though, after perusing quite a number of sustainable firm -related research, this approach by [Dyllick&Muff](#) has turned out to be very helpful in defining what sustainable business could be like¹².

Finally, break out of the Friedmanian straightjacket of “[business of business is business](#)”. Equally harmful mantras include “the invisible hand”, and the grandfatherly advice of [Keynes](#) about how “*For at least another hundred years we must pretend to ourselves and to every one that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight*”. While I'll discuss these tenets in more detail in the chapter discussing ethics, they have equal relevance here: economics and business are rife with such unquestioned mantras that propagate such practises that are not only harmful to environment, but have also shown not to deliver on their original purpose. This leads, for now, to the third suggestion to mitigate schizophrenia:

3) Embrace critical thinking. Truly. (Meaning career achievement metrics – i.e. salary)

While business in the most effective mechanism through which humanity has transformed natural

¹² This might also provide some food for thought: <https://biodiful.fi/en/blog/nature-positive-business-models/>

resources into human benefits, and as such has had a positive impact on many human lives, and still has the potential to do so, many of the very [foundational assumptions that shape how we think about business are at the core destructive to the planet](#). As researchers and teachers we no longer have the luxury to merely build on the thinkers of old, [creating their theories in contexts that looked notably different than the reality in which we now find ourselves](#). Recruit critical thinkers, and have them engage with students and other faculty members. Reward them based on their novel insights, not solely based on how well they manage to shoehorn their articles into journals upholding the old bastions. An individual nay-sayer may feel quite alone, but seek them out, support them and have them teach both students and other teachers.

2.3.3 Stop rewarding the agnostics

We humans are fine-tuned to note double standards. If your school claims to promote sustainable business, then it should not promote such actions that are unsustainable. These include donations from and collaboration with companies not upholding sustainability standards and responsible business conduct, awarding honorific titles to individuals with a CV of successfully destroying planetary processes, meriting scholars publishing novel insights about how to promote hyper-consumerism even more ingeniously, supporting research projects purely aimed at shifting the negative externalities of business out of sight, or giving top grades to students whose essay solutions lead to environmentally destructive actions of the learning case companies, regardless of the profits offered.

A high order, I know. However, in the current political atmosphere it is most likely impossible to make the environmental crises accepted and acted upon throughout the business sphere, from political decision-makers to business practitioners, to faculty and students of business schools. Anyone ever engaged in a social media “debate” can attest to the difficulty of making people change their minds with logical reasoning. So, the tool remaining to the business schools that do believe in the severity of environmental crisis, is the ability to withhold support from such actors. We not only get what we measure, but also what we reward, and as long environmentally destructive business is rewarded, even by such merits that can be offered by business schools, such actions remain desirable.

Walking the talk is difficult, regardless of whether the talker is an individual, a business school or a business. Being perfect can never be the goal – nor can the pursuit of it hinder more modest endeavors – so wherever your school finds it possible to shift the metrics and rewards to fit genuinely sustainable actions, do so. Every little bit helps. The situation is so urgent that if we wait and look for perfect solutions, such solutions are obsolete.

3 Ethical issues

3.1 The problem of ethical ignorance

Ethics is the science that explores the reasons for why something is deemed good, something bad. Morality in turn is the personally chosen adherence to the prevailing ethical framework of the specific context. In a nutshell, ethics are the agreed-upon rules of the game, whereas morality is the personal choice to adhere – or not – to them. In Europe, there have been three main normative ethical frameworks¹³, that have in different times mandated the rules of good and bad, and shaped the societies accordingly.

In Ancient Greece, the prevailing normative ethical framework was that of virtue ethics. The purpose of life was to seek eudaimonia (often translated into good life), which followed if one lived virtuously. An act was deemed good, if it was virtuous (e.g. courage was virtuous, whereas overt boldness or timidity were bad, kindness was virtuous, whereas overt meekness or rudeness was bad), and the philosophers enjoyed listing and defining virtues, what is virtuous and what is a vice.

Enter Christianity and deontology. Instead of an act being in itself judged as good or bad based on its virtuousness, the good and bad were based on God-given rules. Following the rules was good, whereas breaking them was sinful. The purpose of life shifted from a good lived life to a good afterlife, which could be reached if the rules were followed and sin was avoided.

Consequentialism in the form of utilitarianism rose together with political economy, the early version of economics in late 18th – early 19th century. Adam Smith and John Stuart Mills were not only creating a novel economic system, but also promoting a normative ethical framework to fit the nascent system. In utilitarianism an act in itself has no valence – instead, its goodness or badness is judged based on its consequences. The purpose of life shifted again, back from afterlife, to a life lived in pursuit of wealth, both personal and of larger collectives. While the philosophical approach is more complex, what has since taken place as the normative ethical framework we live by, is a kind of short hand version: any means that help us reach the ends of economic growth are deemed good.

¹³ As a footnote one should also mention Marxist normative ethical framework which has played a smaller role in the events of the 20th century: good is what combats the existing class structure, whereas bad is what upholds it. While less prevalent than the three main frameworks, it however played a role in shaping the societies that evolved in the past century, giving rise to not only the attempts of communism, but also in its more moderate form to the social democratic aspirations of some European countries.

While lived life has always been more nuanced and complex, and these short descriptions but simplified strawmen, the underlying normative ethical frameworks underpin what is considered normal and taken for granted in any society. One could even say that the less we consider the ethical frameworks we live by, personally reflect the rules based on which I deem something as good, and something as bad, the more impactful are the socially accepted norms as they become invisible in their taken-for-grantedness. One needs but to read any newspaper to find how economic growth is used as a synonym for good, and any threat to it is judged bad.

Like all philosophers, also the forefathers of political economy set out to explore what kind of societal system would be good for most people. The creation of capitalist economy was underpinned by the sincere desire to deliver a system that would increase the welfare of nations¹⁴. From its onset it was deeply coupled with utilitarianism to the extent, that by 1930, as Milton Keynes pondered the ethical nature of the system, he explicitly stated that as greed and avarice are better for economic growth, and economic growth was seen as the panacea, then greed and avarice were good. In short, where greed and avarice were vices in the ethical framework of virtue ethics, and sins in the deontological Christianity, in utilitarianism they became righteous locomotive powers of the economic system.

It is altogether another discussion whether economic growth should have the status of the ultimate aim, and whether its promises have been delivered, but the ethical ramifications that follow from sanctifying all actions as long as they are financially profitable are at the core of the problem of business ethics. Though few people are explicitly educated in the historical roots of political economy, and the emergence of its accompanying ethical framework of utilitarianism, they however, especially after business education, have been socialized into such an ethical ethos, where greed, avarice and disregard of any collateral damage wreaked in the pursuit of profits are acceptable. The prevailing mindset of the past hundred years has made economic success, on the level of individual, firm or society the only metrics that count, when the valence of deeds is assessed.

While the original intent in promoting utilitarianism was laudable, and the solidity of the structural underpinnings of capitalist economy can be debated, this ethical ethos has caused problems unseen by the forefathers of economics. As immorality means not adhering to the societal norms widely accepted by the collective within which one functions, it is no wonder that the drastically negative environmental and social impacts resulting from the actions of many firms, are not actually carried out

¹⁴ One should pay attention to the title of Adam Smith's book: "The Wealth of Nations" (1776). For Smith, a British upper-class gentleman, the ultimate beneficiary of his economic system was the nation – a distinct entity in its own right, not the individuals it consisted of. Individuals were the means to help nations prosper, and their prosperity was a side effect.

by immoral people, but moral people adhering to the ethos of simplified utilitarian ethical framework unquestioningly accepted as the underlying foundation of our current societal system.

So, the problem is this: as the very foundational, collectively accepted, taken-for-granted and unreflected ethical framework supports greed and positioning all other outcomes against the metrics of their economic profitability, how can we drive home the point that there are more valuable goals towards which the actions could be aligned? Like for example the habitability of our planet. The unquestioning acceptance of the economic ends having achieved a paradise-like quality is evidenced in the surreal positioning of sustainability discussions, where the necessity for sustainable business is argued for because of the impacts of environmental calamities on economy. Taking a step back, one would think that economy comes somewhat later in the necessities we humans require, with stuff like tolerable temperature, breathable air, potable water and nutritious soil being far ahead in the list of things we humans need for satisfying our needs. Maybe the problem is the short human life-span – the individual economic ends are reachable during my lifetime, whereas the true repercussions of my actions are suffered only by the generations I'll most likely never meet.

Anyway, the fundamental dilemma is the fact that while we don't acknowledge, reflect or discuss our prevailing ethical framework, and question whether it is sustainable in the reality we now find ourselves in, circa two centuries later than the framework solidified, it continues to form the very structure of what we consider normal, and according to which we act. We are all blind to our basic assumptions, which function like contact lenses: we see the world through them, but cannot see them unless we remove them and explicitly scrutinize them. We've had the contact lenses of utilitarianism-based economic system on for such a long time, that we have forgotten that 1) we are wearing them, and 2) we made them, they were not grown by evolution, and as such, we can remove them, assess them, change them into something more suitable, or at least polish them and fix the scrapes.

3.2 Status quo of teaching ethics in business schools

There are two distinct, but intertwined issues that need considering when addressing ethics and morality; namely the fact that the two are two distinct things. The first is about philosophy of how we should define good and bad, and the second is about personal choices. As such, I'll deal with them separately.

3.2.1 Ethics

Ethics is a sub-branch of philosophy. Philosophy, in turn, is a discipline cleared out from most business schools to make room for something deemed more pertinent for the future work-force. With the negative impacts of business becoming more visible, some business schools have started to offer

courses in business ethics, or in ethical research conduct, but while there surely are gems of courses in which the students actually engage in the cornerstone of philosophy, reflective discussions, the majority of courses consists of lists of rules, regulations – and at best, a mind-blowing cavalcade of names of historical figures who said something at some point in history.

As such, everything related to ethics or philosophy remains far-removed from the tangible reality and issues the students feel they are dealing with. Where mandatory, the learning is often shallow, where optional, very often opted out.

The problem reaches far beyond ethics, but the lack of ethical reflectivity follows from the overall philosophical ignorance. Many business schools are stuck in the 19th century when it comes to philosophy of science: one of the fundamentally wrong assumptions the forefathers of economics made was to cast economy into the mould of naïve realism based natural science¹⁵, adopting an ontological stance where things like money or firm were of an independent reality, an epistemology where everything can be datafied, measured and made into numbers, and accordingly quantitative methodologies seeking proofs, not understanding. Without taking a stance of the “right” ontological, epistemological and methodological choices accompanying any social scientific efforts, for now it should suffice to say that especially in the sphere of business and management research, we at least should define and argue carefully our personal choice of our philosophical underpinnings, be they naïve realist, critical realist, pragmatist, constructionist, phenomenological or something else.

In most business schools it is possible to gain a Master’s degree without ever encountering such concepts as performativity or social construction. Most worryingly, in some business schools it is even possible to gain a doctorate while continuing to blindly take for granted that economics or management are akin to natural sciences, and that there simply is no such thing as philosophy of science in their research! Ignorance of choices does not mean that the choices have not been made – just that they have been made, well, ignorantly.

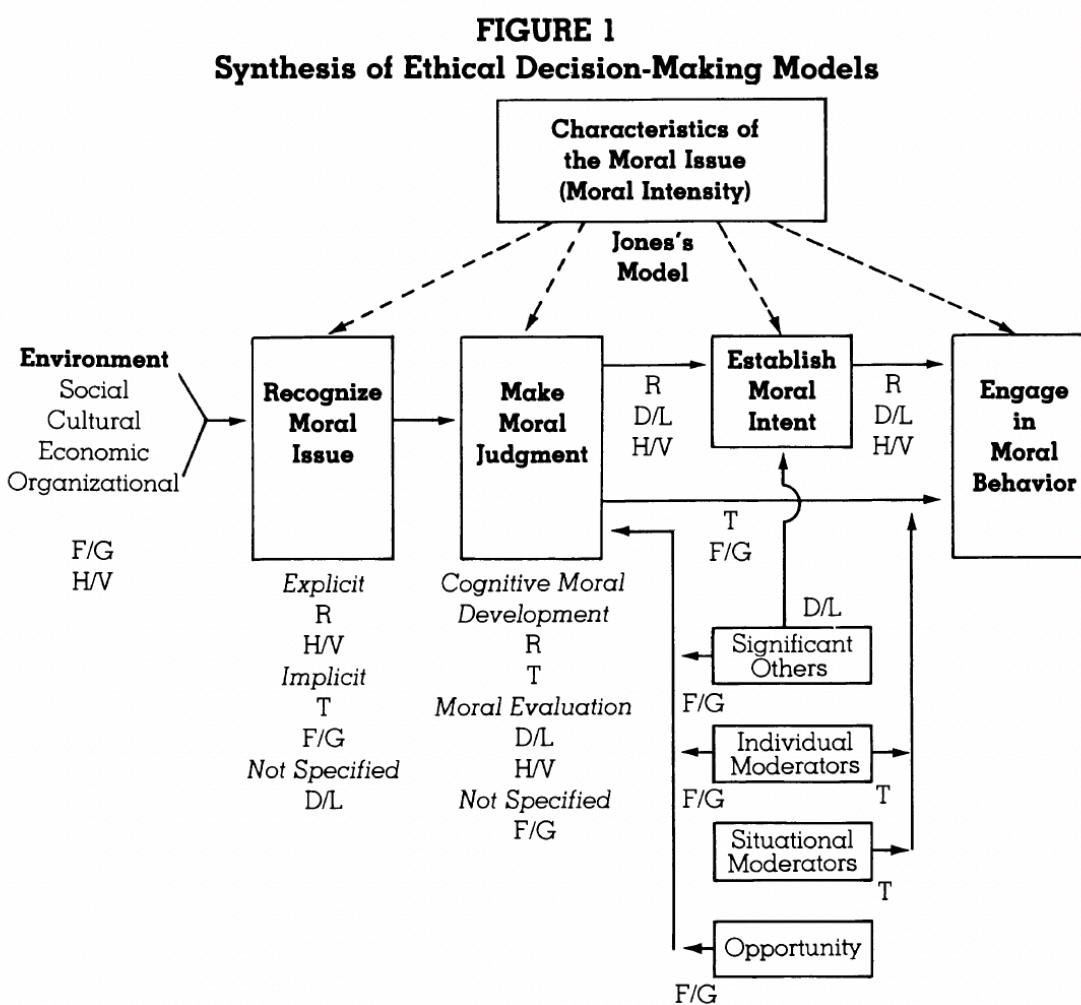
In sum, the status quo of teaching ethics in business schools is as shallow as is the understanding of the importance of the philosophy of science in general. Throwing names of philosophers and schools

¹⁵ A big discussion I won’t delve into here, but if convincing is still needed, see e.g. <https://www.routledge.com/Ontology-and-Economics-Tony-Lawson-and-His-Critics/Fullbrook/p/book/9780415546492>

of thought to students who have no means of connecting the relevance of what they are hearing to what they are practically doing does not go far to promote ethical reflection.

3.2.2 Morality

While life rarely unfolds as a tidy progression of decision-making boxes, the theory of ethical decision-making process is very practical when dealing with the individual morality. Following is an image captured from one of the pivotal papers of the theme (Jones 1991), but for a paper especially utilizing the framework to discuss business educations, see Drumwright, Prentice and Biasucci (2015).



Key:

- R = Rest (1986)
- T = Trevino (1986)
- D/L = Dubinsky & Loken (1989)
- F/G = Ferrell & Gresham, (1985)
- H/V = Hunt & Vitell (1986)

Figure 3: Synthesis of Ethical Decision-Making Models, from Jones 1991, p. 370

Explained simply, first of all we are embedded in a normative ethical framework, here denoted as Environment, which forms our foundational notion of good and bad, the rules of the game. When we encounter an issue, we first have to recognise if it is a moral issue, something we need to give the valence of good or bad. Then we have to cognitively solve it, make a judgment of what would be a good thing in this context. Next, we have to establish our own moral intent, do we want to do, what is good? For example, an accountant may know that paying taxes is right, and can cognitively formulate a plan to do it accordingly, but has the underlying intention of instead to try to find a loophole to avoid paying taxes. Finally, after puzzling all this out in ones' mind, one has to also do the right thing, maybe sometimes against peer pressure or prevailing other social norms.

In business schools we educate the students to recognize the moral issues, most often as they align with rules, laws and regulations of the field. In sustainability issues, this stage is often well taken care of in education, with students gaining knowledge about diverse environmental regulations and responsibility standards. There is an increasingly tightening net of responsible and sustainable codes of conduct, and most business schools do an excellent work in enlightening the students of the formal requirements. In current education we also teach the students to formulate solutions to adhere to these rules and regulations. The students gain a cognitive understanding of the rules, and how to conduct business within them.

However, what we currently don't teach or encourage are three things: 1) what is the ethical framework within which the moral questions apply, based on which are things good or bad, 2) moral intent: how do we motivate the students to want to do good, and 3) moral action: how do we empower the students to actually do good even in circumstances where there is social pressure or other issues that make it hard?

3.3 Development proposals for teaching ethics in business schools

3.3.1 Emphasize philosophy to support ethical thinking

While we do live today, our society is built on long trajectories. Understanding why today looks like it does, and to be able to be a part of making a better tomorrow, we need to understand where we came from – and why. Therefore, the first suggestion is:

- 1) **Read the classics!** Take for example Adam Smiths "[Wealth of Nations](#)" as reading material for a course, or set up a book club for the faculty, and really discuss the underpinnings of our economic system. (It's actually a fun read, works also nicely as an audiobook, he has a nicely

sarcastic tone and really insightful thoughts, just disregard the long lists of prices and other irrelevant stuff.) Also Mills, Jevons, Keynes, Coates, Hayek, Friedman, and my personal favourite [Weick \(1979\)](#) merit reading and genuine reflective discussion. Get an understanding of why our economy formed the way it did, what choices were made and why, and reflect what you want to maybe reawaken, what to uphold, what to disregard: question the underpinnings of our current business theories¹⁶. Making students actually read (or listen) to long books also develops the essential metaskills of concentration, distinguishing the essential, critical reflection and integration of individual ideas into a coherent whole.

The state of understanding philosophy of science and its relevance to critical and topical business issues is utterly lamentable in most business schools. Put simply, the second suggestion is:

2) Recruit a GOOD philosophy of science teacher and make his/her courses compulsory.

Not only does the understanding of the underlying philosophical choices we cannot avoid making form a foundation for teaching and discussing ethics, it is also essential for the business and management research to remain relevant – we are burdened with too many theoretical constructs we merely repeat without deeply scrutinizing their validity and desirability in our era. As a bonus, you will teach your students the essential metaskills of reflection, critical thinking, complexity tolerance and argumentation.

Finally, we all need to assess our relationship to the prevailing ethical framework. This applies equally to teachers, researchers, business practitioners and students – as long as we unquestioningly accept economic growth as the ultimate metric against which the valence of any action is measured, we cannot enact such sustainability transformation as is in the current state of the planet necessary. This does NOT mean embracing communism, dismissing the importance of economy, dismantling all business, not rewarding effort or appreciating the benefits the current model has delivered us. Instead it means that we need to question our priorities, basic assumptions and core values, and try to find such ethical frameworks that would enable our continuing habitation of this planet. The third suggestion thus is:

¹⁶ The brilliant paper by [Ghoshal \(2005\)](#), published posthumously hits the nail in the head: the problem is that based on the old underpinnings of economic theories, we have developed management theories which support such ethical framework that strengthens unsustainable actions. And as in social sciences theories are rarely purely descriptive, but often performative (meaning that as we teach them, we shape the subsequent actions of people in ways that make them fit the theories), we continue to uphold and continuously renew the problematic thinking and acting. Without teaching students about philosophy and e.g. performativity there are no ways to stop and genuinely reflect the role of theories used in business education.

3) **Don't teach ethics in separate courses as if there were ready made "tick-the-box" solutions.** Instead, embed ethical reflection and discussion to every lesson and faculty discussion. Engage the people in your school to genuinely pool their thoughts in terms of what you deem genuinely valuable and worth pursuing – if it remains economic growth, that's fine, as long as your fundamental priorities and values are a result of genuine reflection of the status quo of the world, and the choices you have, not just based on such basic assumptions inherited from the European aristocrats in the 19th century, asinine repeated and propagated ad infinitum.

3.3.2 Remake and personalize the moral compass

Obviously, the parts of the ethical decision-making process currently ignored are the ones in need of improvement. The first suggestion therefore, with a risk of repetition, is:

1) **Encourage discussion about what genuinely is valuable and good.** At the very least, don't unwittingly reinforce the notion that as long as solutions are economically profitable, anything goes. Trying to make anyone act in a genuinely sustainable and responsible way, when their innate moral compass leads staunchly to the north of economic growth, is futile. Discuss different values, explore what the students personally cherish, and try to entrench such a personal normative ethical framework where acting morally (i.e. according to it) is actually good also for the wider society and the planet.

The box left undiscussed from the Jones matrix is dubbed Moral Intensity. It moderates all stages of the process, and is in some literature dubbed as moral proximity. In essence it describes the fact that we tend to feel more strongly about such moral issues, which are closer to us (harm to my child) than to similar issues when they concern someone far removed (harm to a Chinese child). Harnessing its effect is essential especially in directing moral intention and empowering moral action. Thus, the second suggestion is:

2) **When discussing the effects of immoral actions, make it personal.** For example, when talking about environmental sustainability, don't show pictures from the waste island in the middle of Pacific Ocean, if your pupils have never been to sea. Instead, ask them for examples when their favourite patch of forest was moved down. Don't showcase impersonal statistics of unemployment, but ask them to interview their family member who was fired. Encourage the sharing of experiences and the building of movements that strengthen the motivation of their individual participants.

Ultimately, acting sustainably requires not only motivation and knowhow, but most of all a sense of agency. A belief in my ability to make a difference, hope that not all is lost, faith in the astonishing capabilities of humanity in the face of calamities. The best way to support agency is to draw from the power of collective feelings, a joint cause connecting people. Having psychologically safe spaces where an individual feels accepted and cherished supports such moral courage that is essential when faced with a situation where doing what feels right is difficult. So, my final suggestion is:

3) Make your classrooms, remote sessions and school corridors psychologically safe.

Encourage students and faculty to be kind to one another, to respect the other person even if the viewpoints differ – critical discussion does not mean that the individual people fight, but that the issues are scrutinized from several vantages. Don't approve of derogatory language, personal affronts or snide and unconstructive comments. Instead, show appreciation to people who are courageous enough to be imperfect and vulnerable, make the students feel that they are smart to ask, not stupid for not knowing. Don't dismiss their thoughts and claim to always have all the right answers – honest exploration leads to better results than fake authority. Showcase positive achievements, even when small: celebrate each right step!

4 Conclusion

The negative impacts of business are well documented. At the same time, as the firms are the most impressive instruments of alchemy humanity has ever devised, they have a vast potential to be a force for a positive transformation. They pool together technology, human ingenuity and perseverance and resources, and as such have a notable impact on how the society functions and develops. However, a firm is not an entity, but a collection of possibilities directed towards the myriad aims and aspirations the individual humans within them and connected to them possess. Thus, the direction of the impacts of business depends solely on the priorities, values, ambitions, assumptions and aspirations of the people involved in shaping their actions – they do not exist in an imaginary economic vacuum linked to the lived reality only by the intake of resources and output of profits.

To achieve not only sustainable, but genuinely beneficial business, we need to educate the young business generation to understand the embeddedness of business within the societies, and the fact that the societies survive only if the planetary processes function on a level where the survival of such a demanding and fragile species as ours, is not a daily struggle of shelter and sustenance. We are not able to eradicate all life from the planet, nor, most likely, kill off humanity, but our current societies, including our economic structures, face an extinction level threat if we continue on the trajectories of the past two centuries.

The good news is that we humans came up with democracy and dictatorship, feudalism and fascism, communism and capitalism – they did not materialise based on evolution type natural laws. They were constructed by the thoughts and actions of people, and as such, they can be remade by people. This means that if we reflect honestly what works in our current societies, economic system and business, and what requires modification or even an overhaul, there is no gravity-like immutable force standing in our way – we can change what needs changing. However, the timespan in which we need to enact transformational changes is short, we all need to pitch in.

Encourage yourself and your students to envision better ways to organize economy and business. Maybe it is from your school, that such thoughts arise that the future generations read them and remember your, or your students name as the founding member of a new and better society!



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**TURUN KAUPPAKORKEAKOULUN JULKAISUJA
SARJA E-2:2024**

ISBN: 978-952-249-648-2
ISSN: 2342-4796