

Mass Media Coverage

Professor J. Scott Armstrong

Published in *The Wharton Journal*, October 19, 1978

Armstrong Sells Ethics to MBA's

Written by Gorsline

Supporting a question that the *Harvard Business Review* judged "too dangerous, too impractical," Scott Armstrong fights for social responsibility. Teaching a course with an average enrollment of six, he brings the issue to Wharton. Associate Professor of Marketing J. Scott Armstrong spoke with the journal recently.

Armstrong's background is as diverse as the courses he teaches. With graduate degrees from Carnegie-Mellon and M.I.T., he has taught at the Stockholm School of Economics and worked as a surveyor's assistant and steelworker. His research ranges from the abstractions of factor analysis to the practicalities of the graffiti problem.

His outlook on the traditional system of American education is dark. "People have no idea when they're learning anything," he notes. Hence he believes that no course should be required in an institution, and he has worked on projects to eliminate grading.

Armstrong especially believes that a course in social responsibility in business, or business ethics, should not be required. In schools where a course is required, it is "a dismal experience," in which few faculty and students wish to participate. University courses do little to influence behavior and attitudes, precisely the target of business ethics courses. Yet, "flying in the face of all empirical evidence on education," he teaches such a course, and he remains optimistic.

Armstrong's course is an opportunity to experience, through role-playing, the conflict entailed by an irresponsible act, and a chance for students to reflect on their behavior. "You can learn if you want," he adds, "but if you do, it's no fault of the teacher."

MBA students and managers alike tend to avoid issues of responsibility when confronted with them in the classroom or boardroom. When individuals say, "it's not my responsibility," Armstrong says, "nobody winds up questioning anything." The questioning MBA must do something. Too often the issues are ignored altogether, particularly in the university. "We run our educational programs as if everything's fine."

The American Association of Collegiate Schools of Business has refused recognition of Wharton's course in social responsibility as a suitable policy and planning course. The association faulted it for not being "managerially oriented" and not looking at "a broad picture of the firm." Armstrong guessed that ethics courses do not receive much emphasis in other top-of-the-line business schools.

In the business world, attitudes toward responsibility tend to change little. Younger managers tend toward less responsible behavior, perhaps, Armstrong reasons, because of the obedience factor explored by Stanley Milgram. Indeed, there may be a trend toward more irresponsibility among the young. Armstrong asks, "Can you trust anyone under thirty?"

Managers who flout codes of ethics often take one of two strategies, which Armstrong calls the ox and the fox. The ox chafes under regulations and will break the law when it is to his or her economic advantage. The fox, on the other hand, lives within the letter of the law, and succeeds by manipulating laws and regulations for personal and corporate benefit.

A double standard is often applied to irresponsible behavior. "When we do things, we're rationally responding to the situation; when others do it, they're bad people," Armstrong says.

Armstrong's solution to the problem is drawn from the principles of American revolutionaries, among others. He advocates the freest possible market conditions, and democratic decision-making by corporations. Armstrong's democracy would make directors responsible to all stakeholders in the firm – customers, labor unions, communities – and not just its stockholders. His espousal of such individual benefit maximization is often considered by the business and academic communities to be "not practical."
