

'I Promise That...'

Students Sign M.B.A. Oath on Business Ethics, But Do They Keep Their Commitments?

By DEBORAH STEINBORN

In the spring of 2009, the financial crisis well under way, Scott Holley and many fellow graduates at Harvard Business School signed a noble new promise called the M.B.A. Oath, to "serve the greater good" and create sustainable economic, social and environmental prosperity world-wide.

"The question of ethics is one you come across regularly in business, in different settings day to day," says Mr. Holley, vice president at Harken Capital Advisers, a Boston-based adviser to private-equity firms.

The oath sparked an ethics revolution of sorts in business education. It's drawn thousands of signatures from B-school students worldwide, won over the United Nations and other influential organizations, and morphed into a stand-alone nonprofit group last year.

Even so, Mr. Holley admits he hasn't "gone back to the oath, read it, or thought about it" since graduation, and he's not alone. Reminding signers of their personal commitments is just one hurdle the so-called "Oath Project" must overcome to sustain a credible image. Others include weeding out phonies and ensuring that aboveboard sign-

ers are more than just hastily putting pen to paper. Follow-up is even more crucial since organizers intend to spark a world-wide transformation of B-school curricula.

"Symbols matter," says Rakesh Khurana, a Harvard Business School professor of organizational behavior who helped formulate the document. "Does the oath create a moment of reflection? Yes. It also has catalyzed a necessary debate about

A club at National Chengchi University in Taiwan offers regular discussion groups.

what we should expect from our businesses and business schools."

Thunderbird School of Global Management adopted an oath of honor, incorporating it in 2006 into admissions, curriculum and commencement ceremonies. But it took a global financial crisis for the idea to be considered more than a curiosity in business education. In early 2009, Max Anderson, a classmate of Mr. Holley's, got the ball rolling on a similar oath for Harvard students. "We lit a match," says Mr. Ander-

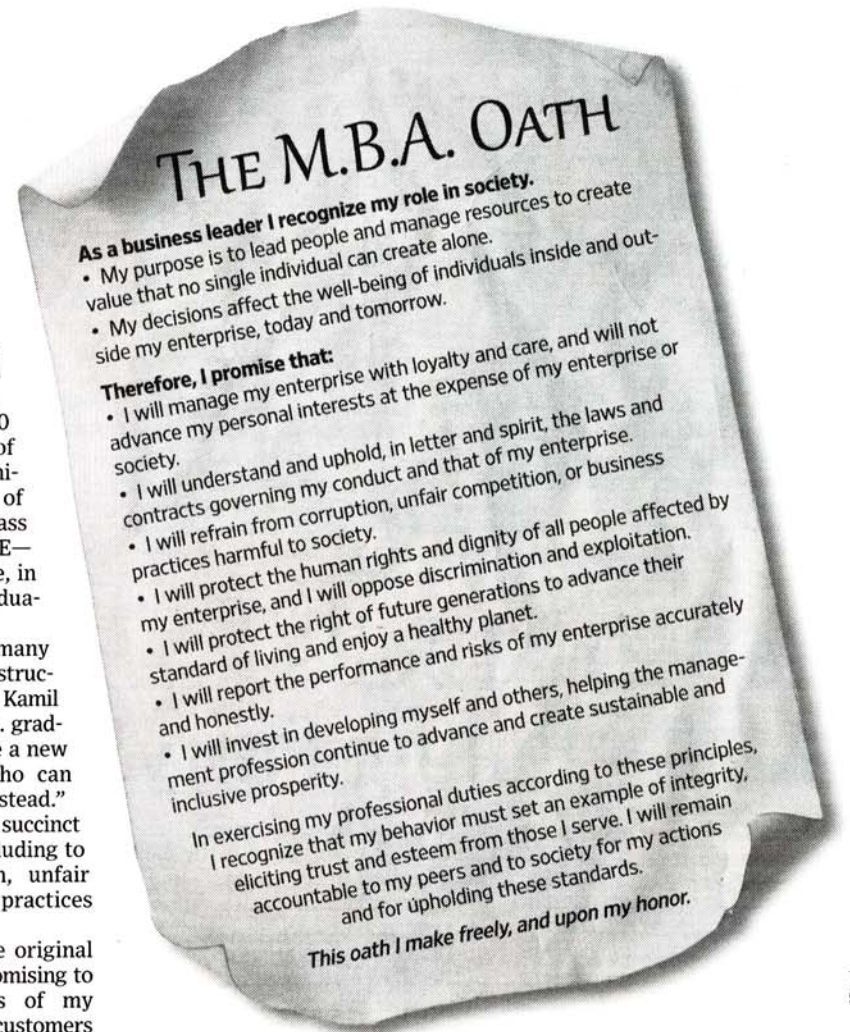
son, now a manager at Bridgewater Associates in Westport, Conn. "And the fire caught on in all sorts of places."

More than 7,000 M.B.A.s—from the likes of Singapore Management University, Indian Institute of Management Bangalore, Cass Business School and ESADE—have taken the oath online, in the classroom, or on graduation day.

"After traveling in many countries, I realized the destructive power of money," says Kamil Kwiatkowski, a 2012 M.B.A. graduate from Poland. "We are a new generation of M.B.A.s who can create sustainable value instead."

Oath takers make seven succinct bullet-point promises, including to "refrain from corruption, unfair competition, or business practices harmful to society."

Sounds ambitious? The original script was even heftier, promising to "safeguard the interests of my shareholders, co-workers, customers and the society in which we operate." It prompted criticism from finance professors like Theo Vermaelen at Insead in Fontainebleau, France, who termed it an anti-shareholder-value manifesto. (Insead stu-



dents remain conspicuous holdouts, with just 11 oath signers to date).

Many M.B.A. candidates, meanwhile, considered the oath's design flawed and declined to sign. An American TV program—The Daily Show with Jon Stewart—poked fun at the idea of an ethics code for managers. Its on-camera interviews with M.B.A. students from elite B-schools drew roaring laughter from the audience, with one student who declined to sign summing up ethics as "a really fuzzy subject" and the commentator responding, "Why would you sign it, with such controversial vows as 'I will act with utmost integrity and pursue my work in an ethical manner'?"

Oath Project organizers moved to counteract the negative publicity, partly by rewording the text. With help from thought leaders in management, it has been tested and tweaked to become a true "Hippocratic oath for business" that can be applied globally, proponents say.

A bigger problem may be found not in what's being signed but in who's signing. "The Oath Project has very good intentions, but it looks like they need to tighten up around their signing procedures...or risk their reputation," says Martin Damsgaard, project manager at Aarhus School of Management in Denmark.

The M.B.A. Oath list attributes 437 signatures to Aarhus students; Mr. Damsgaard contends that these students, with the odd exception here or there, never attended the school.

"Aarhus is what the sign-up list defaults to on the website," since it is the first school, concedes Mr. Anderson. "It's an issue we need to fix."

Follow-up could improve in other ways. "If there were a visual reminder of the commitment, even a simple email reminder, that would make a difference," suggests Harken Capital's Mr. Holley.

"Follow-up is part of what we do," says Oath Project executive director Debra Wheat. Earnest personal commitment would be lost in a "policed" oath, she stresses. "But we are trying to get out stories of people who take the oath seriously

and build it into their daily professional lives."

To that end, the Oath Project recently introduced a monthly electronic newsletter. But signers must take the initiative and request a subscription online. Word hasn't made it that far yet.

Some M.B.A.s are following through on their own. Students at INCAE Business School in Costa Rica and National Chengchi University in Taiwan have formed campus oath clubs.

The club at National Chengchi offers regular discussion groups in which students and graduates meet and talk business ethics, as well as a series of formal lectures by well-known businessmen, according to Judy Wang, co-founder of the club.

And in Costa Rica, "We wanted to go beyond signing the oath to living it," says INCAE oath club founder Alejandro Castro Alfaro. "We felt that signing a document wouldn't be enough." Having the oath and a community with whom to talk about it "really helps to think through those gray areas, to see what's good and what's bad for business and society," he says. "This is especially true in Latin America, where corruption is so widespread."

The idea that business managers should be held to the same standards of professional conduct as doctors or lawyers dates back to business schools' foundation more than a century ago, if not longer. But maximizing shareholder returns has increasingly presided over any unwritten code of conduct.

If implemented well, the oath project could lead to a whole new, more socially responsible, way of teaching management.

"In broader society the oath hasn't sparked a revolution, (but) at some schools it has led to self-examination," says Harvard's Mr. Khurana.

Often considered a bellwether for business education, Harvard overhauled its curriculum last year, adding required courses heavier on ethics and teamwork. The Haas School of Business at the University of California, Berkeley, and IMD in Lausanne, Switzerland, have done the same. Others may follow suit.