

## More Emphasis on Ethics

**Anecdotal evidence may suggest that business schools are placing a greater emphasis on ethics in their curricula, but a new study seems to confirm it.** Researchers surveyed the deans and directors at 50 prominent business schools around the world about how their institutions taught business ethics, corporate social responsibility (CSR), and sustainability. They found that attention on ethics has increased substantially at many of today's business schools.

The study was conducted by Laura Hartman, a management professor and business ethics expert at DePaul University's Kellstadt

the Center for Business Ethics at Bentley College in Waltham, Massachusetts; and Jamie Carrier, research assistant at Bentley College.

According to the study, business schools report a 500 percent increase in the number of stand-alone ethics courses in the past eight years. Twenty-five percent of these business schools now require that students take a separate course on ethics.

In addition, 84 percent of business schools require that ethics, CSR, and/or sustainability be covered in their MBA curricula. A third of these schools require coverage of all three topics. Sixty-five percent have academic centers related to these topics.

The study spotlights some particularly experiential and immersive approaches some schools are taking to teaching ethics. At Cornell University in New York, for example, business student teams travel to Senegal and Costa Rica to assist the ecotourism business there. Students at IMD in Switzerland spend a week in Argentina meeting with business, civic, and government leaders to learn how business can help the country improve its economy and life for its citizens. And at the University of Maryland, business students are required to visit white collar criminals serving time at minimum security prisons to discuss the consequences of business ethics violations.

"The growing emphasis on ethics at leading business schools mirrors an extraordinary increase in the prominence of ethical challenges in the business environment," Hartman says. "You simply cannot run a global business, or a leading business school, today unless you pay attention to these issues."



## The Leadership-Laughter Connection

**Educators take note: Soft skills such as communication, courage, ethics, and innovation may not be the only hallmarks of leadership to instill in business students. A good sense of humor also may be an essential part of what it takes to be a great leader.**

Humor has long been believed to have a positive effect on workplace environments, but few studies have measured the impact of humor empirically, says Robert Vecchio, a professor at the Mendoza College of Business at the University of Notre Dame in Indiana. A recent study, "The Influence of Leader Humor on Relationships Between Leader Behavior and Follower Outcomes," aims to quantify just how humor impacted employees' perceptions of their leaders. The study was conducted by Vecchio; Craig Pearce, a professor at Claremont Graduate University's Drucker School in California; and Joseph Justin, a graduate student at the Drucker School.

Vecchio, Pearce, and Justin sampled 179 teacher-principal relationships in public high schools in California. The researchers conduct-



Graduate School of Business in Chicago; Lisa Jones Christensen, assistant professor of entrepreneurship at the University of North Carolina's Kenan-Flagler Business School in Raleigh; Ellen Peirce, professor of legal studies and ethics at UNC; W. Michael Hoffman, director of

**“WE FOUND THAT WHEN TEACHERS EVALUATED LEADERS AS BEING MORE HUMOROUS,  
THEY ALSO EVALUATED THOSE LEADERS AS HAVING GREATER INTEGRITY.”**

—Craig Pearce, Claremont Graduate University

ed confidential surveys of teachers about their principals’ use of humor; use of rewards, such as positive feedback, for good performance; and sense of integrity. Teachers also were asked about their own level of job satisfaction, measured by statements such as “In general, I like working here” and “I will probably look for a new job in the next year.” The researchers then surveyed each teacher’s principal about his or her satisfaction with that teacher’s performance.

Pearce notes a surprising correlation between humor and the perception of integrity. “We found that when teachers evaluated leaders as being more humorous, they also evaluated those leaders as having greater integrity,” he notes. The researchers found several other correlations between humor and leadership:

- Teachers who reported an



Robert Vecchio



Craig Pearce

interest in leaving their jobs most often also noted a lack of humor *and* a lack of integrity on the part of their principals. One factor alone did not fully account for their planned defection.

- Teachers who reported that their principals had good senses of humor were less likely to want to leave their positions, even if they also reported low levels of leader integrity or use of reward.

- Principals rated teacher performance lower when those teachers

reported that their principals had a lack of humor and used few rewards or a lack of humor and little integrity.

The study suggests that when it comes to keeping employee turnover low, humor may have a positive effect, says Vecchio. “There’s reason to believe that people are less likely to leave if their leader exhibits humor, even if other negative factors are present,” he says. “Using humor to improve a workplace’s social dynamic can be a plus.”

The researchers admit that their study did not take into account the *type* of humor principal-leaders used. After all, some of a leader’s attempts at humor will be welcomed by followers, while others may cause tension or offense. Vecchio would like to do future studies of the “dark side” of humor, when a leader uses humor at the expense of others to reinforce his or her superiority. He also would like to study how gender

## UPCOMING & ONGOING

### ■ MICROFINANCING STUDY

The IRIS Center, a nonprofit policy and research advisory center at the University of Maryland, has been awarded a five-year, \$6 million grant by the Bill & Melinda Gates Foundation to assess the impact of six grants the foundation made in the area of microfinancing. Working in conjunction with Microfinance Opportunities, based in Washington, D.C., IRIS will assess the impact of microfinancing on poverty, sustainability, and scalability.

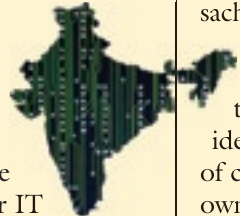
### ■ NEW CENTER AT AUDENCIA

Audencia Nantes in France recently opened a new center that will focus

on research, pedagogy, and consulting in the field of competency development. In addition to advising alumni, training managers, and assisting students, the Centre for the Development of Competencies will examine the role of competencies within organizations.

### ■ IT IN INDIA

The Indian School of Business and consulting firm QAI India have launched the Centre for IT and Networked Economy (CITNE) in Bangalore. The center will conduct research in the information technology industry in India and will also provide consulting, training, and assessment services. In addition,



the center will include a doctoral residency program, aiming to train researchers to study and improve India’s burgeoning IT sector.

### ■ STUDY OF MINORITY WOMEN

Babson College in Wellesley, Massachusetts, will partner with the Center for Women’s Business Research in Washington, D.C., to conduct a multiyear study to identify the challenges that women of color face when starting their own businesses. The study, which is sponsored by Sam’s Club/Wal-Mart Stores Inc., is recruiting women of color who own businesses that are at least 50 percent women-owned and generate revenues between \$250,000 and \$5 million.

## "FLEXIBLE WORK ARRANGEMENTS MAY BE THE MAIN STRATEGIC ADVANCE IN COMING DECADES IN ATTRACTING AND RETAINING MALE AND FEMALE ESSENTIAL TALENT."

—Mary Shapiro of The Simmons School of Management

differences affect the use of humor in the workplace.

Vecchio notes that business schools might improve their students' leadership skills by improving their senses of humor—he knows of at least one leadership program that hired a humorist to teach students how to tell a joke well. "It would be great if we could teach students how to be funny," he says. "Humor requires timing, social sensitivity, and the ability to phrase things well. It's a social skill."

Leaders can use that skill to open the lines of communication between themselves and their followers, Vecchio adds, thereby enhancing their organization's overall performance.

### Women Want Flexibility In the Workplace

Although some believe that women are "opting out" of the workforce to concentrate on other obligations, a study from researchers at the Simmons School of Management suggests otherwise. Instead, researchers found that a majority of women are negotiating more flexible work arrangements as a way to stay in the workforce and maintain their income growth.

Mary Shapiro, lead researcher, and co-authors Cynthia Ingols and Stacy Blake-Beard surveyed more than 400 middle- and senior-level professional women in the U.S. with an average of 20 years' work experience. The women were attendees of the 2006 Simmons School of Management Leadership Confer-

ence. The survey was conducted in collaboration with HP.

The study found that more than 90 percent of the women surveyed have used some kind of flexible work arrangements—such as flex time, telecommuting, and limits on travel—throughout their careers. Eighty-eight percent did so at some point in their careers so that they could maintain full-time jobs while juggling other responsibilities. In addition, the women who used flexible work arrangements reported no loss of income as a result—their incomes were no different from those of women who maintained traditional work arrangements.

Previous studies have indicated that 37 percent of U.S. women have voluntarily stopped working. In the Simmons/HP study, only 18 percent reported doing so.

The belief that more women are opting out of the work force is "a myth based on a handful of anecdotes in the popular press," says Shapiro. By creating more flexible working arrangements, she adds, "women are at the leading edge of shifting the career paradigm for everyone. They're no longer acting as agents of

their employers, but as career 'self agents.'"

The study's strongest message for employers was the fact that 60 percent of respondents noted that they would be more loyal to organizations that offered flexible work arrangements. Says Shapiro, "Flexible work arrangements may be the main strategic advance in coming decades in attracting and retaining male and female essential talent."

### Virtual Marketing Makes a False Impression

A researcher at the University of Washington Business School has a warning for companies inclined to offer consumers "virtual experiences" of their products. Web sites that use interactive images to sell products, rather than text and static pictures, may be more likely to create false memories in the minds of consumers—or, as psychologists call them, "false positives."

As part of her study of interactive marketing techniques, Ann Schlosser, an associate professor of marketing, had 173 undergraduate students visit a Web site to learn how to use a digital camera. Some learned to use the camera on a site that offered a virtual, object-interactive site, where they could interact with the camera by rolling their cursors over it to change settings or make additional information appear. Others learned on a site that featured simple text and static graphics. The students then completed a survey that asked whether certain features were present or absent on the camera.

Schlosser found that more students in the interactive group made "false positives" than did students



Mary Shapiro



Stacy Blake-Beard



Cynthia Ingols

in the non-interactive group. That is, they believed the camera had features that did not exist or that it could perform functions it could not actually do.

“False positives seem to occur because people determine whether a feature is present by retrieving and searching a mental image for it,” says Schlosser. “Because the retrieved image is more vivid for those who visited the object-interactive site, they experienced greater confusion regarding which elements of this image were real or imagined.”

Companies that offer these kinds of interactive experiences to consumers could be inadvertently increasing their customers’ dissatisfaction with their products. When consumers discover that a product does not have the attributes generated through false memories, they may feel misled by the company and less inclined to buy or keep the product, Schlosser says.

## ■ New Tool for Sustainability

Many corporate leaders are considering the adoption of “sustainable business practices” that encompass everything from business ethics and corporate social responsibility to greenhouse gas reduction and corporate greening. Nonetheless, many may still be uncertain about just how embracing sustainability will affect—and even improve—their operations.

To respond to this uncertainty about sustainability, the University of Western Ontario’s Richard Ivey

School of Business has created a new tool for managers and researchers. Its Research Network for Business Sustainability aims to connect researchers, practitioners, government policy makers, and educators to produce cross-disciplinary solutions to some of the world’s most intractable problems.

Tima Bansal, director of the network, has been conducting research in the area of corporate sustainability for nearly two decades. Several years ago, Bansal realized there was a need for a specialized collection of sustainability research to spark more

organizational change in this area. Through the network, researchers will work with practitioners to make sure their research tackles the right questions and finds solutions, while practitioners will have direct access to current research on setting sustainable policies.

“Many academics work in isolation from industry, even though their work ultimately targets managers,” says Bansal. The Research Network for Business Sustainability, he adds, is designed to “bridge these communities and create evidence-based best practices.”



Ann Schlosser

## STUDY BRIEFS

### ■ STUMP THE TRUMP

According to researchers at the Asper School of Business at the University of Manitoba, an acerbic leadership style, like Donald Trump often displays in his television show “The Apprentice,” does not necessarily increase productivity. Their study,

“Predicting Workplace Aggression: A Meta-Analysis,” was published in the January

2007 issue of the *Journal of Applied Psychology*. Through an examination of 57 empirical studies concerning workplace aggression, eight professors found that abusive or caustic bosses can foster a toxic workplace that leads employees to rebel against the bad treatment. This conclusion may seem obvious to most, but perhaps not to the bad bosses themselves. As lead researcher Sandy Herscovis noted to *The Canadian Press*,



“If managers do communicate better and treat their employees better, aggression is far less likely to occur.”

### ■ OLDER WORKERS OVERLOOKED

A recent study by faculty at Auckland University’s Business School in New Zealand indicates that young workers have an advantage when it comes to landing a job. In the study, which the school conducted for the Auckland-based Human Rights Commission, 75 applications were sent to employers who had advertised job openings. Applicants shared similar qualifications and backgrounds, but were different ages, explains researcher Marie Wilson. The study found that those under 55 years old were up to ten times more likely to be finalists for job openings than applicants over 55 with similar qualifications. Employers perceived young workers as more flexible and open to training than their older counterparts, says Wilson. Ironically, these employers also believed that younger hires were more likely to change jobs after short periods of time. ■