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## Discover a course for the good

MBAs are placing new emphasis on ethics, corporate governance and social responsibility to avoid the mistakes that led to the economic crash

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Two

Thomas says managers must be able to 'hold their head up high' about decisions (Bryan Meade)

months after Paula Thomas began her MBA, the economy tanked and she lost her job. She didn't let this stop her, though, completing her studies and setting up her own business, Simply Digital.

The courses that interested her most were about business ethics and corporate governance.

"It's very important in business to be able to make decisions and stand over them, and to be able to hold your head up high about them," she said.

The irony is that if more business graduates had felt the same way, at least some of the dubious decisions taken in recent years might have been avoided and the global economy might not have nose-dived quite so dramatically.

Given that Enron — now a byword for dirty dealings — was recruiting 250 MBA graduates a year in the 1990s, it is valid to wonder just what type of people such courses were sending out. Moreover, what remedial action, if any, has been taken by the institutions that educated them?

The Henley MBA is one of the most prestigious business courses in the UK and Ireland. Two years ago, its content was restructured.

“The thinking was that people were turning their back on the MBA because they associated it with the scandals that had taken place in the financial sector, particularly in the US,” said Mary Hogan, who runs the Henley MBA programme at the Irish Management Institute.

In response, it developed new programmes on corporate governance and corporate and social responsibility. “People were realising that if you lose your reputation you lose your market position, and this had to be reflected in the course,” said Hogan.

The economic crisis is driving other changes in business courses.

“Ireland has established a bad reputation internationally as a result of its flawed banking and construction sectors. Now people are much more oriented towards good corporate governance to pull back from this,” she said.

Students’ reasons for undertaking postgraduate business courses have changed too. “At the moment, many of the people who are on the course are concerned with trying to figure out ways of internationalising their business,” said Hogan.

“Firms have made the cuts and tightened up. What people now want from an MBA is to figure where to go next, based on the realisation that you can’t rely on the sluggish Irish market to trade your way out of recession.”

For Denis Harrington, the head of the graduate business school at Waterford Institute of Technology, a key concern is ensuring that graduates enter the workplace “fit for purpose and fit for life”.

To do this, it is important to focus not only on the course content but also on the individual’s personal and professional development.

“If you are educating the next generation of [business] leaders, you need to ensure they have the capacity to be self-aware as to their values, their strengths and their weaknesses as an individual,” he said. “That was always there, but there is now a heightened awareness of the importance of it. Indeed, Harvard has introduced a moral code it wants students to sign up to.”

Harrington cautions against allowing the curriculum of a business school to be governed wholly by the economic cycle, however. He points out that anyone applying to study business at postgraduate levels must be clear about why they want to take the course.

“There are wrong reasons for doing so, including simply chasing the qualification,” he said. “It should be about the development, personal and professional, that goes with it. That is what leads to meaningful exchanges between students.

“For colleges, it is very important to look at your selection criteria. You can end up with the wrong people in the room.”

Someone who sees an MBA as simply a passport to wealth would be just such a wrong person, according to Orla Nugent, the MBA programme director at the Michael Smurfit Graduate Business School of University College Dublin.

“If you are only doing your MBA to make money, that’s not enough. That’s not what all this education is about,” she said.

Applicants to the Smurfit school are vetted to identify their motives. “We will turn people away if we think they are doing it for the wrong reasons,” she said.

And if there is a silver lining to the economic downturn, it may be that business courses are soaking up information as a result.

“All the stuff that is happening in business provides an unbelievable opportunity from a learning point of view, because you learn most when you get things wrong,” said Nugent.

She has also seen a stronger emphasis on personal development in business courses introduced in the past 10 years.

“I don’t know how things were when the Enron guys were doing their MBAs, but ethics is an important part of our course,” she said.

For Wallace Ewart, the head of graduate business studies at Griffith College Dublin, this much greater understanding of the importance of ethics is a direct legacy of the business scandals of recent years.

“Under pressure in business, people forgot some of what they learnt and followed the dollar, as it were. I think there might now be a re-emphasis on consideration of the outcomes of the decisions we make — the total outcomes.

“People will be more aware of the impact a business is making on society,” said Ewart.

Similarly, he hopes academics will take a greater interest in what is going on in the business world.

“I’d like to think there are loads of academic papers out there charting the impact of cheap credit, for example. But I suspect there aren’t that many,” he said.

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