- the deathbed-promise example (pp. 50–51)
- business as combining self-interest and social good (or egoism and utilitarianism) (pp. 52–53)
- the convenience store owner and acting from a sense of duty (p. 54)
- Martin's promise as an illustration of the categorical imperative (p. 55)
- hypothetical imperatives vs. the categorical imperative (p. 56)
- two alternative formulations of the categorical imperative (pp. 56–57)
- three features of Kant's ethics in an organizational context (pp. 57–58)
- three critical inquiries of Kant's ethics (pp. 58–59)

- how Ross's theory differs from utilitarianism and from Kant's categorical imperative (p. 61)
- four important characteristics of human rights (p. 63)
- the difference between negative and positive rights (p. 63)
- how rule utilitarianism differs from act utilitarianism (p. 66)
- the optimal moral code and the analogy with traffic rules (p. 67)
- two objections to rule utilitarianism (p. 67)
- two points drawn from Chapter 1 that can help moral discussions (p. 68)
- two-step procedure for morally evaluating actions and choices (p. 70)

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FOR FURTHER REFLECTION

1. What value, if any, do you see in business students studying the basics of ethical theory?
2. Which normative theory or general approach to ethics do you find the most plausible or attractive, and why?
3. Can people who disagree about normative ethical theory still reach agreement on practical ethical questions in the business world? If so, how?

CASE 2.1

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Hacking into Harvard

EVERYONE WHO HAS EVER APPLIED FOR ADMISSION to a selective college or who has been interviewed for a highly desired job knows the feeling of waiting impatiently to learn the result of one's application. So it's not hard to identify with those applicants to some of the nation's most prestigious MBA programs who thought they had a chance to get an early glimpse at whether their ambition was to be

fulfilled. While visiting a *Businessweek Online* message board, they found instructions, posted by an anonymous hacker, explaining how to find out what admission decision the business schools had made in their case. Doing so wasn't hard. The universities in question—Harvard, Dartmouth, Duke, Carnegie Mellon, MIT, and Stanford—used the same application software from Apply Yourself, Inc. Essentially, all

one had to do was change the very end of the applicant-specific URL to get to the supposedly restricted page containing the verdict on one's application. In the nine hours it took Apply Yourself programmers to patch the security flaw after it was posted, curiosity got the better of about two hundred applicants, who couldn't resist the temptation to discover whether they had been admitted.[19]

Some of them got only blank screens. But others learned that they had been tentatively accepted or tentatively rejected. What they didn't count on, however, were two things: *first*, that it wouldn't take the business schools long to learn what had happened and who had done it and, *second*, that the schools in question were going to be very unhappy about it. Harvard was perhaps the most outspoken. Kim B. Clark, dean of the business school, said, "This behavior is unethical at best—a serious breach of trust that cannot be countered by rationalization." In a similar vein, Steve Nelson, the executive director of Harvard's MBA program, stated, "Hacking into a system in this manner is unethical and also contrary to the behavior we expect of leaders we aspire to develop."

It didn't take Harvard long to make up its mind what to do about it. It rejected all 119 applicants who had attempted to access the information. In an official statement, Dean Clark wrote that the mission of the Harvard Business School "is to educate principled leaders who make a difference in the world. To achieve that, a person must have many skills and qualities, including the highest standards of integrity, sound judgment and a strong moral compass—an intuitive sense of what is right and wrong. Those who have hacked into this web site have failed to pass that test." Carnegie Mellon and MIT quickly followed suit. By rejecting the ethically challenged, said Richard L. Schmalensee, dean of MIT's Sloan School of Management, the schools are trying to "send a message to society as a whole that we are attempting to produce people that when they go out into the world, they will behave ethically."

Duke and Dartmouth, where only a handful of students gained access to their files, said they would take a case-by-case approach and didn't publicly announce their individualized determinations. But, given the competition for places in

their MBA programs, it's a safe bet that few, if any, offending applicants were sitting in classrooms the following semester. Forty-two applicants attempted to learn their results early at Stanford, which took a different tack. It invited the accused hackers to explain themselves in writing. "In the best case, what has been demonstrated here is a lack of judgment; in the worst case, a lack of integrity," said Derrick Bolton, Stanford's director of MBA admissions. "One of the things we try to teach at business schools is making good decisions and taking responsibility for your actions." Six weeks later, however, the dean of Stanford Business School, Robert Joss, reported, "None of those who gained unauthorized access was able to explain his or her actions to our satisfaction." He added that he hoped the applicants "might learn from their experience."

Given the public's concern over the wave of corporate scandals in recent years and its growing interest in corporate social responsibility, business writers and other media commentators warmly welcomed Harvard's decisive response. But soon there was some sniping at the decision by those claiming that Harvard and the other business schools had overreacted. Although 70 percent of Harvard's MBA students approved the decision, the undergraduate student newspaper, *The Crimson*, was skeptical. "HBS [Harvard Business School] has scored a media victory with its hard-line stance," it said in an editorial. "Americans have been looking for a sign from the business community, particularly its leading educational institutions, that business ethics are a priority. HBS's false bravado has given them one, leaving 119 victims in angry hands."

As some critics pointed out, Harvard's stance overlooked the possibility that the hacker might have been a spouse or a parent who had access to the applicant's password and personal identification number. In fact, one applicant said that this had happened to him. His wife found the instructions at *Businessweek Online* and tried to check on the success of his application. "I'm really distraught over this," he said. "My wife is tearing her hair out." To this, Harvard's Dean Clark responds, "We expect applicants to be personally responsible for the access to the website, and for the identification and passwords they receive."

Critics also reject the idea that the offending applicants were "hackers." After all, they used their own personal identification and passwords to log on legitimately; all they did was to modify the URL to go to a different page. They couldn't change anything in their files or view anyone else's information. In fact, some critics blamed the business schools and Apply Yourself more than they did the applicants. If those pages were supposed to be restricted, then it shouldn't have been so easy to find one's way to them.

In an interview, one of the Harvard applicants said that although he now sees that what he did was wrong, he wasn't thinking about that at the time—he just followed the hacker's posted instructions out of curiosity. He didn't consider what he did to be "hacking," because any novice could have done the same thing. "I'm not an IT person by any stretch of the imagination," he said. "I'm not even a great typist." He wrote the university a letter of apology. "I admitted that I got curious and had a lapse in judgment," he said. "I pointed out that I wasn't trying to harm anyone and wasn't trying to get an advantage over anyone." Another applicant said that he knew he had made a poor judgment but he was offended by having his ethics called into question. "I had no idea that they would have considered this a big deal." And some of those posting messages at *Businessweek Online* and other MBA-related sites believe the offending applicants should be applauded. "Exploiting weaknesses is what good business is all about. Why would they ding you?" wrote one anonymous poster.

Dean Schmalensee of MIT, however, defends Harvard and MIT's automatically rejecting everyone who peeked "because it wasn't an impulsive mistake." "The instructions are reasonably elaborate," he said. "You didn't need a degree in computer science, but this clearly involved effort. You couldn't do this casually without knowing that you were doing something wrong. We've always taken ethics seriously, and this is a serious matter." To those applicants who say that they didn't do any harm, Schmalensee replies, "Is there nothing wrong with going through files just because you can?"

To him and others, seeking unauthorized access to restricted pages is as wrong as snooping through your boss's desk to see whether you've been recommended for a raise. Some commentators, however, suggest there may be a generation gap here. Students who grew up with the Internet, they say, tend to see it as wide-open territory and don't view this level of web snooping as indicating a character flaw.

DISCUSSION QUESTIONS

1. Suppose that you had been one of the MBA applicants who stumbled across an opportunity to learn your results early. What would you have done, and why? Would you have considered it a moral decision? If so, on what basis would you have made it?

2. Assess the morality of what the curious applicants did from the point of view of egoism, utilitarianism, Kant's ethics, Ross's pluralism, and rule utilitarianism.

3. In your view, was it wrong for the MBA applicants to take an unauthorized peek at their application files? Explain why you consider what they did morally permissible or impermissible. What obligations, ideals, and effects should the applicants have considered? Do you think, as some have suggested, that there is a generation gap on this issue?

4. Did Harvard and MIT overreact, or was it necessary for them to respond as they did in order to send a strong message about the importance of ethics? If you were a business-school admissions official, how would you have handled this situation?

5. Assess the argument that the applicants who snooped were just engaging in the type of bold and aggressive behavior that makes for business success. In your view, are these applicants likely to make good business leaders? What about the argument that it's really the fault of the universities for not having more secure procedures, not the fault of the applicants who took advantage of that fact?

6. One of the applicants admits that he used poor judgment but believes that his ethics should not be questioned. What do you think he means? If he exercised poor judgment on a question of right and wrong, isn't that a matter of his ethics? Stanford's Derrick Bolton distinguishes between a lapse of judgment and a lack of integrity. What do you see as the difference? Based on this episode, what, if anything, can we say about the ethics and the character of the curious applicants?