

JAPAN SOCIETY FOR BUSINESS ETHICS

Introduction

After the end of the so-called “Bubble Economy”, Japanese businesses are still struggling with the longest recession ever. Certainly, we are in the middle of a major economic environmental shift. There is an urgent need for us to transform our business style and improve our business education, so that Japanese business can survive in the new business paradigm of the 21st century. This is no time to preserve old Japanese-style management which permitted questionable business conduct such as, 1) questionable political donations (*Seijikenkin*), 2) questionable socializing with high-ranking bureaucrats, amounting to bribery (*Settai*), 3) corrosive price-fixing exchange (*Dango*), and 4) *Sokaiya* business gang relationships. We must abide by the new rules of the global economy, which requires fair and transparent business practice. Otherwise, we cannot regain the world’s trust or join the mega-competition of the global market. I must also point out that Japanese society has its own idiosyncratic issues of business practice. For example, astonishingly long hours of work that often lead to “*Karoshi* (death from overwork)”, are unheard of in other countries. Diligence and industriousness are not confined to the Protestant work ethic, but rather are universal virtues of the modern world. However, if all this hard work leads to a worker’s death, it is not a virtue, but rather a sickness and a sin.

For this reason, I believe that “business ethics” has the key role to reform Japanese business, both in the academic and the practical sphere. For past 18 years, Japan Society for Business Ethics have tried to popularize business ethics in Japan. Although the general recognition of business ethics has improved, there is also a certain hesitation and skepticism over adopting business ethics as a discipline and practical program.

My assignment here is to report the situation of business ethics in the Japanese academic and business world. However, it is impossible to cover everything, so I will report on only the portion that I am relatively familiar with.

2. Business Ethics in Japanese Universities

In terms of statistical information, there has been a number of nationwide surveys on the current situation of business ethics education in Japanese universities. The oldest research was conducted by the Kanagawa University Institute of International Management and I was one of the members of this project. The survey was conducted in the fall of 1997. Questionnaires were circulated among 370 departments nationwide (including departments of economics, commerce, management, philosophy, social

studies, etc. and 15 graduate schools); 170 valid answers returned. The following chart shows a brief summary of this survey.

	Business Ethics	Related Course	Plan to offer BE in Future
G1=4	Yes	Yes	No
G2=5	No	Yes	Yes
G3=1	Yes	No	Yes
G4=17	Yes	No	No
G5=26	No	Yes	No
G6=20	No	No	Yes
G7=97	No	No	No
Total 170	Yes=22(12.9%)	Yes=35(20.5%)	Yes=26 (15.3%)

Fig. 1 BE in Japanese Universities

According to this result, we can see that only 22 departments offer business ethics courses which is about 13% of the respondents. This number is still low compared with the American situation. However, there is some hope. A total of 26 departments indicated that they have specific plans to offer business ethics courses in the future.

What surprised us was the fact that in 97 (about 57%) of the departments, there is no course on business ethics and related subjects. Furthermore, they have no intention of offering business ethics courses. About 1/3 of these departments mentioned the difficulties in curriculum as the main reason for not offering courses. Several departments mentioned the difficulty of finding appropriate staff to teach this subject. Some schools wrote that it would be inappropriate to adopt business ethics into their curriculum.

In sum, these findings suggest that there is general awareness of the necessity of business ethics, but at the same time there is strong reservation and suspicion caused by misunderstanding and underestimation of business ethics among scholars.

Recent Situation on Business Ethics Education

More recent research on this subject has been conducted by Keio University Mitsuhiro UMEZU's seminar in 2005. This research project was a comprehensive one, consisting of net syllabus research, questionnaires and interview research of students, management scholars and business practitioners.

The overall result indicated that business ethics education in Japan lags far behind that of the United States and Europe. According to this research, only 9.3% of Japanese universities offer business ethics and related courses. Class enrollment average was about 115, even though several classes exceeded 600 students enrolled. These courses were mainly taught by part-timers and were electives rather than required courses. Based on this result, we concluded that business ethics was quite a popular subject among Japanese students; however, from the perspective of course and curriculum, Japanese universities were not emphasizing business ethics and related humanistic management education.

In response to these findings, scholars and practitioners reacted positively to support business ethics education. As many as 53% of business practitioners answered that business ethics education is necessary at the university level, and 78% of scholars answered “Yes” to the question “should business ethics course required?” Many of them reasoned that student days are an ideal time to tackle ethical dilemmas and consider the issues from a wider perspective before entering the business world. Although 85.5% of students who responded expected to be faced with ethical dilemmas in the work place, 65.3% of students were not sure if they could make an ethical judgment. Older scholars and practitioners were more idealistic and optimistic, while younger students were more realistic and pessimistic. Either way, there was a clear recognition for the necessity of business ethics education.

Then, why are there so few business ethics courses offered? We interviewed some scholars. Typical answers were no room in the curriculum, no findings etc. Some scholars pointed out the shortage of qualified teachers to teach this subject. For those who advocated humanistic management education should listen carefully to this last point. In order to create good humanistic management education, obviously we need qualified teachers to teach those courses. But in order to train qualified teachers, we need a system of education which emphasizes humanistic management education. In the initial stage of changing the education system, we have to solve this catch-22 situation first.

JABES as the Center for Academic Personnel

One practical way to solve the shortage of qualified teachers is to organize an academic society, because academic research and discussion create a disciplinary matrix where academically qualified individuals can be trained. In 1993, the Japan Society of Business Ethics (JABES) began its organizational activities. At that time, little more than 30 members gathered to promote the academic research of business ethics in Japan.

Although JABES started as an academic organization, they have tried to balance academic studies and practical application. Consequently, JABES has always encouraged both academics and business practitioners to join.

As of December 2009, JABES members exceed 480 and they have three regional divisions (Tokyo area, Osaka area and Nagoya area.) These regional divisions regularly meet independently, and often foreign scholars are invited as speakers of the meetings.

In terms of subject divisions, there are 7 study groups: 1) Managerial Philosophy, 2) Corporate Conduct, 3) Auditing, 4) Positivistic Research, 5) CSR, 6) Business Ethics Education, and 7) Executive Leadership. Many of these groups have monthly study meetings where members and outside speakers present papers.

Since 1993, JABES has held its annual conferences in October. Every year the main topic of the year is announced beforehand and both scholars and business practitioners apply to present research papers. The 17th annual meeting's main topic was Global Recession and Business Ethics, and 26 presenters read papers in three different conference rooms at Keio University. After intense discussions, the papers were edited and published in the *Journal of the Japan Society for Business Ethics*, which was published the following March.

Although JABES actively promotes business ethics studies, there is limited impact on Japanese universities. As I stated before, JABES has always encouraged both academics and business practitioners to join. However, academics and business practitioners have two different purposes and mentalities. Japanese academia has not been ready to accept business practitioners into academia. PRME and other new movements of management education philosophy encourage a bridge between these two worlds. We should carefully deal with this issue, because bridging those two is an extremely difficult task.

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