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TECHNÉ OR PHRONESIS? THE TEACHING OF ETHICS IN BUSINESS SCHOOLS

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ABSTRACT

This work is inserted into the Ethical Entrepreneurship theme of the Fifth ISBEE World Congress. It revolves around the question: Is it necessary (and possible) to teach Ethics in business schools?

According to research in which a sample of professors of Economic Sciences in Argentina and in Brazil was interviewed, this paper sustains that the teaching of the theoretical aspects of Ethics in business schools is empty of meaning and content if it is not put into practise. Other requirements, such as a previous training of the professors on Ethical questions, theories and approaches, are necessary in order to be successful in the teaching and learning of Ethics in business schools.

KEYWORDS: ethical entrepreneurship – ethics in business schools - practise of ethical conduct

INTRODUCTION

This paper is about the role of Ethics in business schools as a pedagogical contribution with the attempt to promote a better moral environment in business. It is inserted into the Ethical Entrepreneurship topic of the Fifth ISBEE World Congress.

Why should Ethics be taught only in schools of Philosophy? Is it necessary to know ethical concepts for doing better and more responsible business? Is it possible to teach Ethics without practicing an ethical conduct? These are some questions that this paper intends to highlight in order to contribute with the initiative of promoting responsible behaviour of business leaders, which is among others, the main objective of the Congress.

Entrepreneurship is a fundamental activity mainly in the less developed societies in which it is possible to find several opportunities to generate wealth and welfare. Normally this scenario occurs in some countries in South America and in the CEE.

Much research shows that the entrepreneurship index is directly connected with economic development. In the countries in which the GDP per capita is low, the entrepreneurship is high; as the GDP increases the entrepreneurship tends to go downward¹.

In 1997, The London Business School and Babson College created the Global Entrepreneurship Monitor (GEM) with the main objective of sustaining a global network for research on the creations of new entrepreneurship. In order to have a better approach about not just the quantity but also the quality of the entrepreneurships, in 2008 a new index was created: the Global Entrepreneurship Index (GEI) as a support of the GEM. It contemplates 32 variables in order to create 14 indicators that measure the entrepreneurship activity in the 64 countries that have participated in the period 2003 – 2008. The last report published in Argentina shows that, in the group of economies based on efficiency, the Latin-American countries have kept their perception about the opportunities for new entrepreneurship stable, in the average of the 48%.²

The entrepreneur often assumes risks. He/she faces adversity and creates and re-creates new realities by way of innovations. He/she punches the economy and generates labour opportunities.

¹ For more details see: Centro de Entrepreneurship, IAE- Escuela de Dirección de Negocios – Universidad Austral. Available in Internet:

http://www.iae.edu.ar/iaehoy/IAEtv/videos/Paginas/CNN_STC.aspx.

² Document elaborated by Silvia de Torres Carbonell in collaboration with Maria de Aránzazu.

In the *Theory of Human Action*, Perez López presents the properties that, as a minimum, are required by the decision-maker (in this case by the entrepreneur) in order to take decisions and learn during the process. Nevertheless, there exists the possibility that the learning process could be negative.³ Assuming this perspective, we can inquire: what does the new entrepreneur need to learn to be successful?

Business schools all around the world have the answer to this question. They design executive and postgraduate programs (which are constantly improving) regarding enhancing the entrepreneur and those who manage other entrepreneurs' businesses.

Education in general, and economic business schools in particular, tend to provide the tools to make good (or sometimes appropriate) decisions. These concepts are incorporated by the students –who are usually also entrepreneurs– like any technical knowledge does.

When we make reference to technical knowledge, we follow the Aristotelian concept of *techné*, a type of knowledge which is logically built up, and teachable, and which integrates the theoretical wisdom or *sophia*. Aristotle distinguishes *sophia* from *phronesis*, which is not simply a skill. It is also the ability to reflect upon and determine good ends consistent with the aim of [living](#) a good life in a political and ethical way because for Aristotle, Ethics and Politics are part of same discipline.

We can consider that marketing, finance, production and operation management, among others, are technical knowledge that is relatively easy to teach, to learn and to practise because they involve objective concepts. This kind of processes are supported, as Alvira pointed out, by a sort of “engineering mentality” that analyzes what exists in order to innovate and evaluate the results measurably in an objective way.⁴ But, is Ethics a *techné*? So, in the business schools is it possible to teach Ethics with the same pedagogical strategy as those used in the teaching of other disciplines?⁵

This paper sustains that the teaching of the theoretical aspects of Ethics in business school is empty of meaning and content if it is not put into practise. The thesis of Cortina in her book *Ética de la Empresa* (The Ethics of Entrepreneurship) is the duty of living entrepreneurship as a moral guideline, in which the main objectives should not only be the production of benefits, but also human development and moral well-being.⁶

However this moral practice seems to have other simultaneous problems in its application, especially when the person that is studying how to do good business or how to govern his/her business lives in an environment where the ethical aspects are not applied. One can ask: Why should I be ethical in my business if my competitors are not? Why should one not simply follow one's own interest without regard for others? In these cases, it would be considered that Ethics and business are divorced.

In order to obtain some possible answers for the main questions that this paper approaches –whether Ethics should be taught in business schools, whether it is necessary to know ethical concepts for doing better and more responsible business and whether it is possible to teach Ethics without practicing an ethical conduct– we carried out two different researches. As we discovered that there were strong divergences about the concept of Ethics connected with business, in this work the first part presents a brief review of ethical concepts connected with the learning and teaching process. It also describes the different theoretical visions about businesses and the role of their leaders or directors, as well as the recent connections between Ethics and business that present some theories like the *Stakeholder* approach, *Corporate Social Responsibility* and *Corporate Citizenship*, among others.

The second part describes the results of the two different research projects that were carried out during 2010 and 2011. One applied to a group of 54 professors who teach at different business schools in the State of São Paulo in Brazil, and a group of 20 professors of the University of Buenos Aires in Argentina (that was used for a contrast analysis). The query requested the interviewee to identify what they understand by “ethical teaching”. They were also asked to recognise possible ethical problems that appear in the professional and teaching environments. The other research had as its main objective to identify the factors associated with the success of the entrepreneur whether they are related with

³ Pérez López, Juan Antonio, *Teoría de la acción humana en las organizaciones. La acción personal*, Rialp, Madrid, 1991.

⁴ Alvira, Rafael, “Figuras del tiempo en la vida humana”, *Revista Empresa y Humanismo*, Vol. XIV/1, 2011, pp. 7-18.

⁵ Solomon, Robert C. & Clancy, Martin W., *Morality and the Good Life*, McGraw Hill, New York, 2003.

⁶ Cortina, Adela, *Ética de la empresa. Claves para una nueva cultura empresarial*, Trotta, Madrid, 2000, p.-123.

extrinsic factors, such as economic and financial issues, or with intrinsic factors like moral practices and ethical conduct. It was applied to a group of 51 entrepreneurs in Buenos Aires.

Finally the results of this work may conclude that: 1) It is necessary to teach the professors in the business schools theoretical Ethics concepts involved in all the aspects of the business (financial, marketing, productions, etc.) in order to have a more homogeneous idea about the relevance of the connection between Ethics and business⁷, 2) It is desirable to practise an ethical behaviour in the ambient in which ethical theoretical concepts are taught; business schools sometimes are also private entrepreneurs, as the addressees are, and 3) It is necessary to extend the ethical practices as a collective action in the business world. MacIntyre reminds us of this when he says that talking about Ethics of virtues means resigning universal Ethics and mobilising the individuals of our atomized society into a common project.⁸ Probably this task seems to be difficult to achieve because, as Spinoza said "All things excellent are as difficult as they are rare".⁹

ETHICS AND BUSINESS: a possible long- term marriage

Some theoretical approaches about Ethics and the learning and teaching process

In recent decades in the academic area related to administration and business schools, a question takes place: Is the inclusion of Ethics within the business world possible?

The concept of Ethics interferes because organizational values are observed in the practice of human action, and Ethics is exactly the branch of philosophy that takes human conduct as an object of study, from a moral perspective. How does the concept of Ethics emerge? It has its roots in ancient Greece. Socrates and Plato had the concern of the way of living a "good" and "virtuistic" life. They sustain that wisdom resides in the attitude, but neither of them defined what goodness and virtuousness is.

The main difference between Socrates and Plato is about whether a human being can be happy. Socrates considered that it is possible to find happiness in an individualistic way while Plato considered that it is not possible to be happy outside of the community. For ancient Greece, Philosophy Ethics and Politics were the same subject. In particular for Aristotle, Ethics and Politics are part of the same discipline, and the good of the individual is connected with the good of the society.

Maquiavelo in the XV century was the first to separate Ethics from Politics and, in the XXI century, we find ourselves inquiring whether it will be necessary to put it together again.

Aristotle was the first philosopher that presented a systematized version of Ethics; his view on Ethics still provides the touchstone to which moral researches return. At that time science was *monistic* and supposed that the object determined the methodology of its study.

Aristotle went out of pre-Socratic individualism towards collectivism. The main question was: How should I live in order to be happy?, and it later became: How should society be in order for me to be happy?

In the *Nicomachean Ethics*, Aristotle¹⁰ distinguished two kinds of virtues: the intellectual and the moral. The first one is acquired by the teaching-learning process. It supposed to know the rule or the technique to do something in a virtuous way. For example: for a pianist, the rules of music to play the piano, for a carpenter the physico-chemical characteristics of the wood for making furniture, and for a financial manager the financial mathematics techniques for determining the IRR (Internal Rate of Return) of a project.

The acquisition of the second one, that means the moral virtues, occurs simply by way of habits. The etymology of the word has similarities: *mores, customs, manners, morals*. The virtues are not born with us, in accordance with Aristotle, so we have to cultivate them. We have, as human beings, the "potential" to be virtuous. However we cannot truly become virtuous until we put virtue into practice. That is to say, we do not become just until we practice justice.

⁷ Frederick, Robert (ed.), *A Companion to Business Ethics*, Blackwell, Oxford, 1991.

⁸ MacIntyre, Alasdair, *After Virtue*, Polity Press, Oxford, 1994.

⁹ Spinoza, Benedictus de, *Ética: demostrada según el orden geométrico*, Terramar, La Plata, 2005.

¹⁰ Aristotle, *The Nicomachean Ethics of Aristotle*, translated by F.H. Peters. Copyright 1901 by K. Paul Trench, Trubner & Co.

Following this way of thinking, should earning money or maximizing profits, not be the final objective of the leaders in business? It is supposed that an end in itself for the leaders and those they lead should be happiness. What is happiness for Aristotle? Happiness is an activity of the soul, in accordance with virtue or excellence.

Like Plato, Aristotle divided the soul according to function, and the main division is the “irrational” and the “rational” parts. The latter one is also divided into two faculties as well, those that are responsible for intellectual development and those responsible for moral excellence.

Phronesis is the wisdom in practice; it means “those who know how to act morally”, in other words the knowledge of the proper ends of life.

It is supposed that the leaders should have a moral demand in the practice of leadership mostly because they have the responsibility of leading persons.

Visions about the business context

The worry about *governance* in the organizations is not a new matter in business schools and in the business administration discipline, in general. Nevertheless, the approaches have been changing throughout history, going on from a vision of the company as an instrument to the service of the interests of the shareholders, towards a paradigm that contemplates the organization as an entity, different from the sum of its parts.

Following the concept that Chester I. Barnard in 1938¹¹ introduced on the distinction between the formal organization and the set of interactions that take place among the persons who compose it – named informal organization or spontaneous system– Juan Antonio Perez Lopez¹² thinks that the theories and models that explain the functioning of the organizations can be grouped in three big paradigms: a) The mechanical models (which consider the organization as a technical system), b) The organic models (which consider the organization as an organism) and the anthropologic models (which view the organization as an institution).

Inside the first group we might include the economic theories of the organization. From its perspective, the executive (agent) would be to the (principal) service of the legal owners with the aim of achieving competitive advantages that add value for the owners. The organization is seen as an endless core of contracts that govern the relations among the individuals inside a pre-established hierarchy of power.

A broader approach of the organizations, which might be included in the second group of Perez's Lopez classification, is the theory of the stakeholders, which understands that organizations produce goods and services to satisfy the needs, not only of the shareholders, but also of the different groups that integrate it, and on which they depend for their survival.

For Kim and Nofsinger¹³ the theory of the stakeholders expands the area of analysis of the theory of the agency, which focuses on the problems of the separation of property and control in the organizations, but it is still insufficient to assure good corporate governance. An evolution of the theory of the stakeholders adds the argument that the companies have the social obligation to operate with ethical, social and environmental responsibility. This conceptual approximation is known as Corporate Social Responsibility or Corporate Citizenship. The authors wonder whether this new vision of corporate citizenship is good for society, since a company may fail in the compliance of its social goals, yet still be successful in its business. However, it is not possible to fail in the business and comply with the social goals.

For Donaldson¹⁴ neither general Ethics nor business Ethics orientated from the point of view of the stakeholder, manage to solve adequately the normative problem. The authors propose the Theory of the Social Contract that presents an alternative based on a community conception of economic morality.

Summarizing in the thought of business administration about the best governance of organizations, it is criticized that the managerial Ethics proposed from the academic world are, in many occasions too

¹¹ Barnard, Chester, *The functions of the Executive*, Harvard University Press, Cambridge, 1968.

¹² Pérez López, Juan Antonio, *Fundamentos de la dirección de empresas*, Rialp, Madrid, 2002, p.195.

¹³ Kim, Kenneth A. and Nofsinger, John R, *Corporate Governance*, Prentice-Hall, New Jersey, 2007.

¹⁴ Donaldson, Thomas, *Corporations and morality*, Prentice-Hall, New Jersey, 1982.

general, too theoretical and, especially, too impracticable¹⁵. This is a great challenge for business schools.

Some connections between Ethics and business

It is an accepted view that the executive, to take decisions, needs to combine varied knowledge: economic, sociological and ethical, among others. So, one may say that the management, since it is practical knowledge, rests on diverse theoretical knowledge.

Andrews is the first author who incorporates, in an explicit way, the moral dimension of the executive inside the own logic of the model of strategic formulation, among the components of the decision and in the criteria that allows one to value them.

The challenge of the business schools is to achieve a wide stage of learning. As Polo says: "...teaching only how to produce, or how to manage production, is morally myopic regarding society, since it gives place to a very dubious system of assignment of benefits which breaks the relation between those who contribute capital and those who contribute labour".¹⁶

One can criticize this position because the supreme leader of the organization is not the manager of production. Others have to be able to do it (and they need to learn how to). He has to be able to govern the whole organization (and also it is necessary to learn to do it). Although it is necessary to agree that the lack is in adding the moral dimension in the practice of producing, managing and, principally, of governing organizations. In this case Aristotle's contribution is important.

Felip¹⁷ selected, from the list of virtues that Aristotle described, some that are highly desirable in the managing of business.

1. Prudence: it helps to take better decisions.
2. Justice: the equity in the distribution of resources and tasks provides the harmony between the members of the organization.
3. Strength: it infuses courage to the executive to face the adverse situations and to take decisions assuming the consequences in conditions of uncertainty.
4. Temperance: it allows to think and to decide with a long-term view, despite a vision focused in obtaining short term results.

For other authors who focused their research on ethical aspects of business, it is necessary a sort of institutionalization of Ethics. According to Cortina¹⁸, "The ethics of the company are, in this sense, a part of applied ethics, since it is all ethics of the organizations and of the professions, which have to decide how to apply the mentioned [ethical] principles to the managerial activity".

Cortina proposes a kind of Ethical Advising, "...a possible and necessary *institutionalization of ethics* in the company: if the business culture and the ethics of the directors are two indispensable elements of such institutionalization, so is the possibility of having access to an advisor in ethics of global character in the organization of the company. With this we will be in conditions to show that this adviser is as modest as he/she is indispensable".

The thinking about the existence of an ethical adviser in the companies is not in accordance with an Aristotelian concept of virtue. As it was referred in the paragraph above, the moral virtues are acquired by practicing them.

A virtuosic pianist has teachers that introduce him/her to the art of playing piano, in the fundamental techniques of the instrument and the music, and certainly he/she will need ample practice to become a virtuosic player. In this case it is not necessary to have an "adviser" while he/she performs a concert.

In the same way the role of ethical adviser presumes some arrogance on having guarded the condition to be able "to advise" someone in Ethics. One can ask: who is the adviser of this adviser? In considering the

¹⁵ Stark, Andrew, "What is the matter with Business Ethics?" *Harvard Business Review*, May-June 1993, pp. 38-48.

¹⁶ Polo, Leonardo, *Ética. Hacia una versión moderna de los temas clásicos* Unión, Madrid, 1997.

¹⁷ Fontrodona Felip, Joan, Guillén Parra, Manuel y Rodríguez Sedano, Alfredo, *La ética que necesita la empresa*, Unión, Madrid, 1998.

¹⁸ Cortina, Adela, *Ética de la empresa*, Trotta, Madrid, 2001.

professors of the business schools as ethical advisers or contributors to the development of moral virtues, in both cases, must find a pedagogical connection between Ethics and business.

ETHICS AND BUSINESS SCHOOLS: a pedagogical connection

What do the professors of business schools think about Ethics?

In order to find some answers to this question a preliminary research was made with a sample of 54 professors from different universities in Brazil. The results were compared with the answers that were obtained, to the same questions, from another group of professors of the University of Buenos Aires. The latter group of 20 professors is considered to be, to the effects of the conclusions, an indicator of contrast.¹⁹ A questionnaire was designed with the aim of identifying the principal variables concerning the problem of Ethics and education. The questionnaire was divided into five parts, in which questions were included by open answers and by closed answers.

The objective of the first part was to complete the personal information of the professors, for example: name, studies of degree and post-graduation, as well as the specialty that he/she teaches. The second part was focused on the question of what is, in agreement with the interviewed one, an ethical formation. The third part related to the identification of the possible ethical problems that they present in the performance of the teaching. The purpose of this part of the research was to find the opinion of the professors about the frequency with which he/she and his/her colleagues, in general, approach ethical problems. It was requested of them, also that they identify which are the three principal ethical problems that they present in the professional exercise of the specialty that they teach. The fourth part of the research was on the professor transmits to his/her students the ethical problems that they identify. The objective of the fifth part, finally, was to investigate whether the professors consider that the students have sufficient conceptual elements to analyze the ethical problems that they can present in the exercise of the profession. In case of negative answers the interviewees were asked to specify what elements would contribute to complement the lack of ethical formation of the students.

All the answers to the closed questions were compiled and expressed in a quantitative way in graphs by percentage participation. To analyze the answers of the open questions the method of speech analysis was used. The first quantitative analysis consisted of placing in a counterfoil the words that were in use in the answers - grouped by family with similar meanings - then to count the frequency with which the words appear. Another qualitative analysis was carried out, grouping the answers in different categories such as, for example, those which refer to the professional aspect and those which refer to the practice of the profession. The results were grouped in two parts: 1) the convergent aspects and 2) divergent aspects.

Convergent aspects

- There was unanimity, in both groups, in thinking that top education must contribute with the ethical formation of the citizens. This opinion emphasizes that beyond the major, or of the type of institution of education (private or public), in the view of the interviewed professors the universities are also spaces for the ethical formation.
- The majority of the professors of both groups (56 % and 55 % respectively), thinks that the students are rarely capable of identifying ethical problems derived from the practice of the profession.
- The majority of the professors of both groups (87 % and 72 % respectively), admits that, in his/her particular case, they approach ethical problems in class.
- The methodology that the Brazilian professors use more is case study and examples of professional life.
- Another coincidence in both groups was given in the response to the question whether the professors transmit to his/her students the problems that they identify in his/her professional

¹⁹This research was extended to another group of professors and students at the University of Buenos Aires and La Plata. For more details see: Fassio, Adriana y Gilli, Juan José, "La formación ética de los administradores en la percepción de docentes y alumnos". Documento de trabajo, 2012.

practice; 94%, in both groups, answered affirmatively. When it was asked of the professors to identify the principal ethical problems in the professional practice, most of them pointed to problems related to the behaviour of the professional. They related the reprehensible conduct to the lack of values and virtues, as honesty and humility, among others.

Divergent aspects

- The answers of the sample of Argentine professors, used as an indicator of contrast, diverge from those of the Brazilian professors, for the perception that they have in reference with whether their colleagues approach ethical problems in class. In the Brazilian professors group, 67% stated that they frequently or always approach ethical problems in class, whereas 77 % of the Argentine professors answered that rarely is the subject approached. Nevertheless this response of the Argentine professors on the perception of their colleagues is opposed to what they declared that they do. When they were asked if they approach ethical problems in their own class, in 72% of the cases the answer was that they frequently or always they do so.
- When it was inquired whether the professors think that the students have conceptual elements to analyze the ethical aspects connected with the professional practice, the majority (57 %) of the Brazilian professors answered affirmatively. This response guards a coherent relation with the response to the question whether they were approaching ethical aspects in classes, to which they answered mainly affirmatively also. It is supposed that the conceptual elements that the students arrange are those that the polled professors admitted to approach in their classes.
- On this same question the group of Argentine teachers had an opposite opinion; 81 % of them demonstrated that the students lack conceptual elements to approach ethical dilemmas. They justified their response saying that, in general lines, "it is a topic little developed by the different centres of higher learning", and that "inside a formation that pursues maximum efficiency, it is difficult to analyse ethical aspects".
- The major difference among all the polled professors took place when they were asked what they understood for Ethics. The answers tend to define Ethics within a wide range from those directly relating it to legality, to those that consider it to be tantamount to virtue. The sample of Argentine teachers, whose answers were used for confirming the results, were inclined to understand Ethics as closer to moral values and principles.

Summarizing, this preliminary study demonstrated that unanimity exists in reference to the question that Ethics must form a part of the space of university education. At the same time it clarifies that it would be necessary to extend the research on the meaning and the scope that the professors grant to the concept of Ethics. Once these aspects are clarified, new research might approach the conceptual elements that must join the education of Ethics. In accordance with the result of this preliminary research it seems to be that this task has to be done in a more "personalized" way, that is to say, contemplating the culture of the society, of the educational institution and especially the discipline that is being taught.

The polled professors admitted that "abundant bibliography does not exist in Economic Sciences that the topic of Ethics approaches in economic decisions" and that, "in general lines it is a topic little developed by the different centres of higher learning".

What do entrepreneurs think about Ethics?

In this section it is described the results of a research in which a sample of 51 persons between 18 and 64 years, who express their motivation to carry out their own business, were polled. This sample was shaped by individuals belonging to the Faculty of Economic Sciences of the University of Buenos Aires, and in the same proportion, persons who do not belong to the above mentioned faculty.

The study strives to determine whether, in the imagination of the potential entrepreneurs, they consider ethical conduct to be more important than material resources, such as capital, in order to be successful in business. Their answers were compared with a sample of successful businessmen. The methodology used consists, in the first step by personal individual interviews, and the most relevant variables were

extracted, applying the Actancial Model²⁰ from their narratives. Then, a poll was applied with a group of questions with "closed-answer" choices and "semi-open answer" choices, to both groups.

The main conclusion of this research was that, regardless of the moment of receiving the results of the diverse surveys, Ethics (and any other concepts connected with it) is the aspect that are less born in mind for the success of the business. Issues more inherent in the characteristics of the product or service being offered, or features of the personality of the entrepreneur, such as creativity and persistence held much greater weight. It might be said that nowadays the entrepreneurs do not find a direct relation between Ethics and business.

The results

- In the social imagination of the potential entrepreneurs the countable variables such as resources and capital are more important for being successful in detriment of personal virtues.
- When it was asked of the successful entrepreneurs to enunciate aspects that they identify in themselves as entrepreneurs, almost 50 % expressed concepts related to innovation, dynamism, challenge and confidence.
- More than 80 % of the potential entrepreneurs are motivated by the idea of seeing their identity reflected in the business.
- 52 % of the potential entrepreneurs expressed their motivation in order to obtain autonomy and personal development.
- The potential entrepreneurs attribute the success in 71 % to factors associated with intrinsic aspect of the persons, leaving 29 % as resultant of the environment. Among the intrinsic factors, 60 % relates to the virtues of the intellect, both theoretical and practical. The virtues of the theoretical intellect include concepts related to competitiveness, creativity, the innovation and intelligence. The practical intellect recounts to confidence, dynamism, effort, intuition, patience and technical skills.
- On the contrary, the majority of the non-successful entrepreneurs (71%) attribute the failure to the extrinsic factors.
- 74 % of the polled included the factor of "time" in their answers: In some cases as a "helper" (help for doing business): the "free time", and sometimes as an "opponent" (disturbance for doing business): the "lack of time".

Nevertheless, to the moment of receiving the results of the diverse surveys, we find that the Ethics, and any other related concept, are one of the aspects that are least born in mind for the success of the entrepreneurship.

CONCLUSIONS

The purpose of this work revolves around the topic of whether it is necessary (and possible) to teach Ethics in business schools. One can sustain that the teaching of the theoretical aspects of Ethics in business schools is empty of meaning and content if it is not put into practise. In order to highlight this subject two different research projects were carried out. One was applied to a group of 54 professors who teach at different business schools in the State of São Paulo in Brazil, and to a group of 20 professors of the University of Buenos Aires (that was used for a contrast analysis). The other was applied to a group of 51 entrepreneurs in Buenos Aires with the main objective of identifying the factors associated with the success of the entrepreneur whether they are related with extrinsic factors, such as economic and financial issues, or with intrinsic factors like moral practices and ethical conduct.

²⁰ The actancial model or actancial narrative scheme was developed by Algirdas Greimas and it is used to analyze the action that takes place in a story or narrative. See: Czarniawska, Barbara & Gagliardi, Pasquale (eds.), *Narratives we organize by*, John Benjamin B.V., Amsterdam, 2003.

As a result of the first research the professors unanimously concluded that top education must contribute to ethical formation. One can say that the professors understand that Ethics must be taught in business schools. However, the major differences among all the polled professors took place when they were asked what they understand by Ethics.

A majority of professors in both polled groups consider that the students are rarely capable of identifying ethical problems derived from the practice of professions. One can ask: if they arrive at that part of their lives in that condition, why should we expect to teach Ethics solely through the use of books? Certainly the learning of a concept as abstract as Ethics requires applying it through force of habit.

An overwhelming majority (94%) of both groups consider that the principal ethical problems in professional practices are directly related with that "reprehensible conduct of the professional". This being the case, why has nothing been done about this thus far? It indicates that perhaps the professors in business schools need not only to have a homogeneous concept of Ethics, but they also need to realize that they have a strong responsibility about this problem.

The main divergence observed in professors of both countries emerged when they were inquired about what they understand Ethics to be, (one group understanding something near the law and another as virtue). The digression may occur because of cultural differences, among other aspects. In this case a path is opened for new research comparing the understanding of the concept of Ethics, in different business schools around the world, mainly knowing that those who attend to their classes (usually business leaders) are multicultural groups coming from different countries.

Also the main divergence emphasizes the conclusion that it is necessary to explore the theories in order to define a minimum consensus of the term "Ethics."

Once this definition has been agreed upon, it should be very simple for potential entrepreneurs to put it into practice, given the fact that, in accordance with the second research 80% of them expressed the desire that their own identities be reflected in their business. In so doing, the identities which will have been formed in the business schools will be applied in their own business, thus creating a virtuous circle.

In the discipline of management or business administration there is a unanimous opinion among the professors that it is possible to observe a slow process of change in education. This change started, probably, when we ask ourselves what it means to be a good executive: Is it that one obtains the best profitability for his/her company? If the response is affirmative, at the same time another question emerges: at any cost? In the responses to the second question is where the Ethics infiltrates into the education at the business schools. It is open to the challenge of tending to a minimum of cohesion concerning the meaning of Ethics in relation with the conduct of the professional and, in addition, it is necessary to bear in mind that the education of ethical conduct needs its practice.