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## Recent downfalls a teachable moment for Western students

DAVE GALLAGHER / THE BELLINGHAM HERALD

There are plenty of teaching moments these days for business ethics classes. Unfortunately, many of the examples in the news are of the "what not to do" variety.

With the sentencing last week of Bernard Madoff to 150 years in prison, one con artist has been put away but for some, the loss of trust remains. The Madoff case was one of many examples used in Craig Dunn's business ethics classes at Western Washington University. Dunn, an associate professor in the College of Business and Economics, said he and his students explored the Madoff case last semester, and one disturbing conclusion was that there really isn't much to do from a regulatory standpoint.

"With Enron, what you had was self-serving behavior followed by a regulatory response," Dunn said. "But this (Madoff) was such a moral lapse. How do you regulate that?"

Madoff conned thousands of investors out of billions of dollars by being secretive, which allowed him to hide his unethical behavior. For Dunn, the case is a reminder about the importance of business students studying ethics. (It's a required course for business majors at Western.) By the time they enter the business world, students need to understand the decisions they make in their careers have consequences and to not underestimate the power of self-deception, a mistake Dunn thinks Madoff made.

Madoff's downfall is also something to keep in mind in the business community.

When it comes to filling a position, more should be done on screening for values and ethics, Dunn said. That seems tough in today's regimented job interview process, but Dunn said it can be done by investing more time in the interview and asking open-ended questions. The more time spent with the candidate, the more likely they will reveal their true colors and whether they would best represent the values of the organization. Someone may have a successful track record, but it's worth investigating how they reached those accomplishments. Madoff may not have lasted so long doing what he did if more had been done when people were questioning his results.

When fall quarter begins, business students will probably have moved on to other events. Dunn thinks one upcoming topic will be the role of government in business after last fall's economic meltdown and the federal government stepping in and becoming a major stakeholder in many large companies.

"It's interesting how much the meltdown blurred the line between government and business... It's a fundamental change," Dunn said. "I think you'll see business begin pushing back."

Biz Talk runs each Sunday. Reach Dave Gallagher at 715-2269 or [dave.gallagher@bellinghamherald.com](mailto:dave.gallagher@bellinghamherald.com). Visit his business blog online at [blogs.bellinghamherald.com/business](http://blogs.bellinghamherald.com/business).

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