New MBA graduates promise to ‘do no harm’

Pledge based on famous Hippocratic oath is becoming more popular

By Bhagyashree Garekar, Correspondent

WASHINGTON: It is graduation time in the United States, a time of sunny days and hopefully bright futures, but business school students are getting their diplomas under the shadow of the Wall Street meltdown that helped trigger the deep recession in which millions lost their savings, homes and jobs.

With that in mind, hundreds of them are choosing to enter the corporate world under a pledge patterned on the Hippocratic oath to “do no harm” taken by doctors.

Known as the “MBA oath”, it is fast catching on in business school campuses across the US and around the world. One in three of the 901 students graduating from the Harvard Business School this week is already committed to the seven-point oath to uphold integrity and high professional standards in their managerial careers.

Their peers in many other universities like the Wharton School of the University of Pennsylvania, the Kellogg School of Management of Northwestern University and McCombs School of Business at the University of Texas are doing the same.

The oath was created by a group of Harvard students last year as they watched the financial crisis unfold.

They felt an ethical code would answer the many questions raised by the crisis.

Why, they wondered, were so many MBAs involved in the decisions leading up to the crisis? Are MBAs so concerned with increasing their personal wealth that they ignore ethics and their responsibility to society?

“We want our degree to mean something more than it currently does,” said Mr Peter Escher, 30, who graduated from Harvard last year and was part of the team that formulated the oath which was taken by half the Class of 2009.

The oath is a useful tool for the MBAs to identify their own values and to identify with like-minded people,” he said. “It is a way of facing our ethical muscles.”

Mr Escher works at an insurance company and is a founding member of a non-profit organisation which runs a website where MBA students can sign the oath online.

So far, more than 3,100 MBAs from more than 500 schools around the world are signatories, and more are expected to join during the year.

At the Singapore Management University, 50 students who graduated last December signed the oath.

Other overseas universities where the students signed it include the Said Business School at Oxford University, the Tel Aviv School of Management at the University of Ottawa and the Graduate School of Business at the University of Cape Town.

The idea of an oath for MBAs has been in the air for many years. Students at a few business schools, like the Thunderbird School of Global Management in Arizona, have been promising themselves to a professional oath since 2000.

But the financial crisis put a spotlight on the need for wide acceptance of such an oath, says Ms Dara Kosberg, an economist at Net Impact, the non-profit organisation popularising the concept, along with other initiatives that promote value-based leadership like the Aspen Institute and the World Economic Forum.

The most common reason that some students decline to sign it is that they find it superficial, she says.

So in an effort to keep personal, the oath-takers are being asked to offer their reflections on the oath with the idea of e-mailing it back to them every year as a reminder of why they signed the oath.

Against the backdrop of the major corporate scandals in the last two years – the US$65 billion (S$91 billion) Ponzi scheme run by Bernie Madoff, the Raj Rajaratnam insider trading case, the Goldman Sachs conflict of interest case – the dilemmas faced by the new MBAs may seem trifling. But they are hardly inconsequential.

The seemingly small, unethical choices made by managers, like adding a few dollars to an expense reimbursement, can have deep implications.

As a white-collar criminal said when he was hosted at Harvard last year to tell students about how he ended up in jail for fraud: “Through small acts, I built up a capability for making and rationalising unethical decisions.”

The oath is meant to safeguard against a descent down the slippery slope.