Business Ethics: Moral Character

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Topics

1. Business Ethics
2. Moral Development
3. Moral Character
4. Virtue Ethics
5. Motives (Goals, Objectives, Strategies)
6. Emotions (Basic, Moral)
7. Desires (Virtues, Values, Personal, Universal)
8. Personal Principle
9. Mindfulness
10. Whistleblowing
BADM 1020/4950

✓ Introduction to Ethical Decision-Making Models in Business

✓ Stakeholder Management

✓ Business Ethics

✓ Business and Social Responsibility in the Global Economy (4950)
What should our Business Do?
Business Decision or Question
(*org.*, *activities*, *relationships* in planning, implementing, reviewing, etc.)

- **Economic**
  - Profit & Productivity

- **ETHICAL**
  - Utility, Rights, Justice, Care & Org., and Personal

- **Legal**
  - Law

- **Social**
  - Society’s Values
Business (Ethics) Decision-Making Model
(Stakeholder Management)

What should our Business Do?

Business Decision or Question
(org., activities, relationships in planning, implementing, review, etc.)
Goal of Business Ethics Education:

Moral Maturity
Level of Moral Development

Integration and Increase of
1) Moral Character
2) Moral Intelligence
3) Moral Culture
4) Moral Behavior

- Marilyn Vos Savant (IQ score of 228)
- Albert Einstein (IQ score between 160 and 190)
- Stephen Hawking (IQ score of 160)
Kohlberg’s Theory of Moral Development

• we are able to progress to higher stages/levels of morality based on how we reason what is right or wrong

• Based on developmental theories like Piaget

• Even critics and other theories recognize moral development (such as psychoanalytical, cognitive, learning (operant and social), and identity theory)

• Similar to physical, intellectual, emotional, social development stages and classifications
Business Ethics Education = learning about the morality in commercial activities

**Education** (learning)
(improving/increasing of information/knowledge, skills/techniques, tools/resources, appropriation/implementation) of

**Ethics** (morality) = right or wrong actions
(morality compromised of moral character, moral intelligence, moral behavior, and moral culture) in

**Business** (commercial activities)
(commercial organizations, activities, and relationships)
Education/Training: MORE THAN INFORMATION

- Continuous education – on own and in workplace should include and cultivate:
  - 1) information/knowledge
  - 2) skills/techniques
  - 3) tools/resources
  - 4) appropriation/implementation

- Want to improve in all these areas for all aspects of morality = moral character, moral culture, moral intelligence, and moral behavior (in all dimensions of business activities and relationships)
Business (Org., Activities, Relationships) – OARS in the stream of commerce
Business = Organizations, activities and relationships involved ("primarily") with commercial exchanges

- **Organizations** (formal structure) include corporations, partnerships, sole proprietorships, LLC’s, government, etc., 501(c)(3) Educational Organization

- **Activities** (functions, operations) include management, accounting, finance, law, marketing, economics, public affairs, recruitment, logistics, information systems, R&D  FORD ORG Chart

- **Relationships** – among various stakeholders:
  - employees, managers, owners, competitors, customers, community, media, government, environment, society, distributors, retailers, special interest groups  jetpack
Business Entities/Organizations

1. Sole Proprietorships
2. Partnerships
   • general P
   • limited P
   • limited liability P
   • family limited liability P
   • limited liability limited P
   • Limited partnership association
3. Corporations
   • C Corp.
   • Closed Corp.
   • S corp.
4. Special Business Organizations (Hybrids)
   • Joint venture
   • Joint stock company
   • Syndicate
   • Business trust
   • Cooperative
   • Franchise
   • Limited liability company
   • Mining association
   • International entities
Business Activities within Supply Chain
RELATIONSHIPS with Stakeholders
- Individuals, groups or entities that have a stake/interest that is **effected by** or **can effect** a business decision, policy, action or the business in general

- Business, owners, self, managers, employees, customers,
- competitors, suppliers, distributors, creditors,
- local community, government, society, media,
- environment, technology
Business (Ethics) Decision-Making Model
(Stakeholder Management)

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  - Profit & Productivity

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What should our Business Do?
Business Decision or Question
(*org.*, *activities*, *relationships* in planning, review, etc.)

Moral Character
(Virtue Ethics)

Moral Intelligence
(Analytic Ethics)

Moral Culture
(Organizational Ethics)

MORAL BEHAVIOR
(Applied Ethics)
Business Ethics Decisions
Comprised of Moral Development

- Virtue Ethics
- Analytic Ethics
- Applied Ethics
- Organizational Ethics

Moral Character
Moral Intelligence
Moral Behavior
Moral Culture
**Ethics** = much more than analysis/reasoning

**Morality** = much more than right/wrong classifications

- **Ethics** = is technically the study and philosophy of morality
- **Morality** = classification of important behavior as right or wrong by a social group (over which one has control)
- **Ethics does not equal morality** (although related and used interchangeably in common parlance)
- Each has various dimensions or subparts
Morality/Ethics and Law

- **Morality** = the *important* behavior, actions, policy of a people and culture viewed as *right or wrong*
- [etiquette is about less important behavior]
- **Law** – society’s *formally enforceable* norms, rights, duties (specific morality of right and wrong behavior, policy that is enforceable)
- **Law** – the moral minimum (i.e., minimum view of what are right/wrong actions)
- **Ethics** – the *study* (description, evaluation, and judgment) of *morality*
- **Business Ethics** should surpass legal minimum
- Action can be legal, but immoral/wrong
- Action can be illegal, but moral/right
Ethics and Morality
[dimensions, types, subparts – and correlation]

Integrated Ethics and Moral Maturity (Moral Development)
[which is really the combination of the following four]

1) Moral Behavior demonstrated in Applied Ethics
2) Moral Character influenced by Virtue Ethics
3) Moral Intelligence improved by Ethical Analysis
4) Moral Culture shaped by Organizational Ethics

Theorists:
Improve one or more of the above, improve overall morality to varying degrees.
Improve all four in coordinated and reinforcing manner, increase in moral development multiplied exponentially.

Descriptive, Meta, Normative Ethics
1:00 Afternoon:
Moral Intelligence and Moral Behavior
TOPIC: MORAL INTELLIGENCE (ETHICAL Analysis improves)

- Traditional Approach to Business Ethics focuses on this dimension of moral reasoning and ethical analysis

A. Descriptive Ethics and Moral Awareness - knowledge of potential ethical issues that might surface in connection with business activities and corresponding stakeholder relationships, background information

B. Meta Ethics (Ethical Analysis) and Moral Reasoning
- Use of trust moral principles URJCOP to help evaluate choices, uncover alternatives, and justify ultimate decision

C. Normative Ethics and Moral Judgment

D. Applied Ethics and Moral Behavior
- Put decisions into practice (implementation in policies and practices)
Stakeholder Management = business policies and practices in consideration of stakeholders
(IAR/URJCOP = Business Ethics)

1. **I = Identify = Issue, Info and stakeholders**
   - what action or policy is in question
   - present facts and info about such action/policy
   - identify all stakeholders

2. **A = Analysis**
   - evaluate action by applying URJCOP
     (Utility, Rights, Justice, Care, Organization, Personal)

3. **R = Recommendations**
   - make decision and offer suggestions about action (and how to implement)
     - (6-0, 5-1, 4-2 is unanimous)
     - 3-3 must prioritize
     i. Short term Actions
     ii. Long term Policies
     iii. Personnel
     iv. Support (major resources)

Rightness or wrongness of action policy based on:
1) **Utility – Consequences** (Benefits and Burdens)
2) **Rights** – Protection of Rights and Adherence of Duties
3) **Justice** – Protection of Basic Rights and Distribution of Benefits
4) **Care** – for relationships
5) **Organization** – Co. Mission, Values, Codes
6) **Personal** - moral principles like virtues, egoism, religion, intuition, role model, professional, organization, means-end, disclosure, child/innocent, empathy
MORAL BEHAVIOR (demonstrated by APPLIED ETHICS)

Make, plan, implement and evaluate Business Recommendations based on analysis
1. short term Actions,
2. long term policies,
3. people decisions, and
4. financial support
• for primary stakeholders and most relevant business functions
• How did recs. surface from your understanding and analysis
• supported very simply with some reference back to URJCOP analysis

(not another full analysis, just restating the principle or two that most supports your suggestions)
8. What should Business do? [Apply our *business recommendation framework* - APPS for 7 P’s]?

<table>
<thead>
<tr>
<th>Primary Stakeholders and Activities</th>
<th>Actions (Shorter Term)</th>
<th>Policies (Longer Term)</th>
<th>People (internal, external)</th>
<th>Support (major capital)</th>
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<tr>
<td><strong>Stakeholder #1</strong> (e.g., customers)</td>
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<td>Stakeholder #2 (e.g., suppliers)</td>
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<td>Stakeholder #3, 4...</td>
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<td><strong>Function #1</strong> (e.g., Product)</td>
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<td>Function #2 (e.g., Place)</td>
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<td>Function #3, 4... (Promotion)</td>
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TOPIC: MORAL CULTURE

Culture is built through shared learning and mutual experience.

~ Edgar Schein

CULTUREUNIVERSITY.com
What is Organizational Culture?
[what do we need to know about it in order to influence it]

Culture “(a) a [validated and accepted] pattern of [shared] basic assumptions and espoused values invented, discovered, or developed by a given group,

(b) as it learns to cope with its problems of external adaptation and internal integration,

(c) that is to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

Thus, need to influence culture’s three primary dimensions (assumptions, values, and artifacts) in order to influence the overall culture
Causes/Reasons for Ethical Problems/Scandals in Business (values may help/hurt)

1. Poor Leadership
2. Poor Company Policy
3. Egoism (self interest) inherent in Capitalism
4. Neglect of stakeholders
5. Competitive Pressure for profits
6. Short term profits over long term sustainability
7. Cross-Cultural Contradictions
8. Ethical relativism v. cultural relativism
9. Imperfections of Market System
10. Limitations of Legal System
How to Influence Moral Culture
(via Organizational Ethics)

• Five **Internal P’s** of Influence
  1. **Principles** (guiding values, goals and objectives)
  2. (formal) **Policies** and (informal) **Practices** that embody, communicate and reinforce principles
  3. **Personnel** (especially leadership at all levels)
  4. **Pesos** (where and how money and resources uses)
  5. **Physical** Environment

• Five **External S’s** of Influence
  1. **Stakeholders** (within the supply chain)
  2. **Systems/Structures** – laws, regulations, government, media and formal structures
  3. **Situation** – the particular circumstances
  4. **Societal** Context – what values are guiding society at the time
  5. **Serendipity** – the confluence of events outside control
Psycho -ethics
- Integration of psychological and cultural influences with moral development in deciding right/wrong (influences on morality and values

- Kohlberg and Gilligan
- Maslow
- Virtue Theory
- Goals, Objectives, Values
- Spirituality
- Corporate Culture and Ethical Climate
- Other Influences
- Historical Influences
TOPIC: MORAL CHARACTER

- **Moral Character** – the **predisposition** to behave rightly according to certain traits/characteristics/attributes (virtues/values) **consistently**
- **consistently** = over a broad spectrum of circumstances (robust) and long period of time (stable)
- Aristotle’s term for virtue in Nicohomeahcean ethics (goodness, excellence)
- Virtue ethics is another branch of ethics that describes, evaluates, judges, and recommends morality based on certain virtues
Business (Ethics) Decision-Making Model
(Stakeholder Management)

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Moral Character
(Virtue Ethics)

Moral Intelligence
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(Organizational Ethics)

MORAL BEHAVIOR
(Applied Ethics)
MORAL CHARACTER

DESires
Virtues
Values

MOTIVES
Goals
Objectives
Strategies

EMOTIONS
Basic
Moral

PRINCIPLE
Other than URJCOP
(disclosure rule)

Golden rule/Empathy
Intuition
Role Model
Disclosure
Virtue

Personal V & V
Identify and Cultivate

Universal
What type of person and leader do you want to be or become?

Activity/Skill for Moral Character  PERSONAL VALUES WORKSHEET

1) Personal Vision/Ideology/Mission
2) Personal Goals
3) Personal Objectives (and strategies)
4) Personal Values
5) Personal Role Model and why
6) Personal Other Moral Principle for making personal decisions.

7) Professional Vision/Ideology/Mission
8) Professional Goals
9) Professional Objectives (and strategies)
10) Professional Values
11) Professional Role Model and why
12) Professional Other/Personal Moral Principle for making professional decisions.

13) Conclude with what you notice after comparing and contrasting these areas in your professional and personal life (what similarities and differences did you notice?).
Core Elements of Ethical Reform (values and virtues critical to each)

- CEO’s and Manager’s (leaders) Values and Goals
- Manager’s (leader’s) Character, Spirituality and Moral Development
- Corporate Culture and Ethical Climate
- Comprehensive Ethical Programs
Causes/Reasons for Ethical Problems in Business (values may help/hurt)

1. Poor Leadership
2. Poor Company Policy
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“Leaders” Values, Goals, Character, Spirituality, Moral Development

- **Leaders** (formal, informal) influence people, organiz.
- **Managers** tend to self-interested and short term **values** and **goals**
- **Character** – core individual belief system, values and behavior
- **Values** (desirable qualities that inform goals and actions) vary across cultures
- **Spirituality** – beliefs and behaviors in connection with supreme being, religion, life-guiding force

- **Moral Development** – stages of ability and maturity to determine what is right/wrong
- **Hiring and training that considers values, character, morality & spirituality** becomes critical
- **Above** impact the approach to stakeholder management, business ethics and view of right and wrong
**Virtue Theory**

- View that character and values impact actions

- Emphasize personal **character** over rules
- Virtues are character traits/habits found in good persons (goal)
- Formed via repeated acts – habits - character
- Courage, honesty, loyalty, **CARE**, trust, fair, helpful, justice, prudence, generosity, self-control [between excess and deficiency]
- **Common values** knowledge, beauty, life, relationships, work, play, religion
- **Good person naturally does the good or right thing**
Ideology/Goals/Objective/Values
-society, cultures, business, individuals have all of these

- **Ideology** = system of primary values and overarching goals that inform and direct behavior, decisions, policy (also a mission or vision)
- **Goals** = long term, general hoped-for accomplishments
- **Objectives** – short term, specific plans/work that assist achievement of goals
- **Policies and Strategies** – plans and actions that advance goals and objectives
- **Values** – desirable qualities that inform goals, objectives and ideology
- **Virtues** – desirable behavior that that leads to formation of character and fulfillment of G, O, I
- **Other Principle** – personal moral principle for deciding rightness, wrongness
Virtues/Traits of Ethical Business People

1) Ethical Sensitivity/Moral Awareness
   [Empathy and Understanding]
   • **Awareness of** and **consideration of**
   • potential and actual moral issues connected to various
   • **business activities** and **stakeholder relationships**

2) Authentic/Genuine/Transparent
   [Core Values guide decisions and actions]

3) Sensible/Cognizant/Rational/Balanced
   [ability to understand and reason through various perspectives]

4) Maturity
   [impulse control, emotional intelligence, cooperative over conflictual]

5) Fortitude/Perseverance/Endurance/Courage
   [Patience/Strength/Tolerance]
Roots of U.S. Business Values

- **Greeks** (Plato and Aristotle 500bc) – work inhibits human development, burdensome, for uneducated
- **Bible** – work a curse or blessing (300bc), but part of everyday life
- **Monks** (1000)– see value in work
- **Protestant/Puritan Ethic** (1500s) – hard work, honesty, saving, obedience, success are habits that reflect faith
  - work becomes a calling, reflects faith, God’s care
  - this ethic was part of country’s founding ancestors
- **Locke** (1600’s) – emphasis on right to private property
Roots of U.S. Values

- **Smith** (1776) – free market, exchange, profit, efficiency, competition, division of labor, self-interest benefits all via greater production (invisible hand)
- **Constitution** (1791) – life, liberty, property, due process, equal protection
- **Frontier** – risk-reward, limitlessness, rugged individualism, strength all become values of business
- **Franklin** (1800) – secularizes Puritan Ethic for the nation (God helps those who help themselves, diligence is the mother of invention)
- **Industrial Revolution** (1800’s) – railroads, factories, mining, mass production, wealth, technology, immigrant labor, short term gain over long term sustainability, worker’s mistreated
- **Taylor’s** – scientific management (tools and techniques) leads to greater efficiency, productivity, but treatment of employees as means/machines
- **Haymarket Strike** (1877) – violence, better work conditions
U.S. Business Values (Virtues?)

• Efficiency, profit, wealth, work, success, power, materialism
• Individualism, enlightened self-interest, patriotism
• [Individual success valued over communal well-being]
• Pragmatism, results more important than methods
• Rationality, strength, optimism, honesty, trust
• Short term gains, diligence, self-control, good habits
• Equality, freedom, education, conformity
• American Dream – land of opportunity to strike it rich quickly with hard work
Personal Spirituality

- **Spirituality** – beliefs and behaviors in connection with supreme being, religion, life-guiding force impact work values and actions

- **Workplace spirituality** movement leads to more productivity, reduced turnover, increased ethics

- **Personal spirituality** influence workplace beliefs and behavior
Maslow’s Hierarchy of Needs
- people’s behavior motivated by needs (lower to higher)

- **Self-Actualization** (personal fulfillment)
- **Esteem** (self-worth and respect)
- **Love** (give, receive, belonging)
- **Safety** (from pain, fear, suffering)
- **Physical Needs** (food, clothing, shelter, etc.)
Sources of Morality
(standards, principles and norms)

• Self and reason
• Genetics
• Family
• Religion, spirituality
• Philosophy, psychology
• Teachers, education
• Neighbors
• Friends and peers
• Role Models
• Ethnic Groups
• Media
• Courts (other sources of law)
• Nations
• Organizations
• Culture, Society (legal, economic, political)
• Work
Corporate Culture & Ethical Climate

- **Corp. Culture** – *FORMAL* blend of ideas, customs, practices, values that define work behavior
- **Ethical Climate** (part of culture) – *INFORMAL*, unspoken understanding of acceptable behavior derived from company actions among and towards others
- Goals, values, character, spirituality, morality also impact culture and climate
- Corporate culture and ethical climate impact overall company morality and behavior
- Impact culture and climate through hiring and training and programs
- Individual values impact business and business values impact the individuals
- Multiple and sub-cultures and climates possible
Other Influences on Values

- **Social Darwinism** – survival of fittest, reward gifted & limit gov’t. intervention for others (virtue of self-interest to survive leads to luxury fever and/or love, generosity or conflict)
- **Labor Disputes/Conditions** – lead to employee care
- **Socialization** – organization transmits values to members (formally and informally)
- **Groupthink** – groups value harmony over rightness and truth (support wrong behavior to avoid conflict)
- **Theory X** – management style of close supervision and strict rules based on belief workers avoid work
- **Theory Y** – manage by giving freedom, responsibility since workers committed
- **Theory Z** – long-term employment, groups, loyalty to business
- **Equity Theory** – motivate with fair rewards since workers compare tasks, etc.
Generational Issues

- generationtalk
- Veterans (1922-45) - loyal
- Boomers (1946-64) - driven
- Gen X (1965-80) - balanced
- Gen Y (millenials) (1980-1998) - ambitious
- Gen Z (Homelanders/Globalists) – 1999-20??
Kohlberg (boy) v. Gilligan (girl)

Moral Development
-growth stages of determining, reasoning what is right/wrong

**Kohlberg (boy)**
1. **Pre-conventional/child** – fear, obedience, ego, self
2. **Conventional/youth**
   - approval, rules/law, co. authority, society, peers, family
3. **Post-Conventional/adult**
   - social contract, universal principles (U, R, J), conscience

[managers hover between 1 & 2 Self-interested and short term]

**Gilligan (girl) – relationship emphasis**
- Self-centered
- **Care** for others and self-sacrifice, groups
- Balance care for self and ALL others
What type of Person do you want to become?

Circle the qualities you wish to develop?
How to cultivate the traits/values you desire?
How to become the type of person you want to be?

Self-Cultivation

Process of continuously reflecting upon, elaborating and putting into practice the values and meanings that guide our actions in the world.

Self-Perfection
Development of Character
Cultivation
Favorite Photos or Art
What values or virtues is it depicting?
Meaningful Music
What values or virtues is it depicting?

• Of the **Night**
• **Waves**
• **Magic**
• Took a Pill in **Ibiza**
• Short Change **Hero**
• **Havana**
• **despacito**
What fictional or non-fictional person do you admire or want to be like? [Any superhero]
What **type of person and leader do want to be or become?** Activity/Skill for Moral Character **PERSONAL VALUES WORKSHEET**

**II. Rank Ordering of Personal Values**
Please rank the following 16 long-range personal values in order of importance (1 thru 16 with 1 most and 16 least).

- Achievement (promotions at work)
- Beauty (natural and artistic beauty)
- Accomplishment (lasting contribution)
- Dollar rewards (money and salary)
- Family (taking care of and being with family)
- Freedom (independence)
- Love, friendship, and intimacy
- Physical health and well-being
- Pleasure (sensual and/or sexual enjoyment)
- World peace (less war and conflict)
- Recognition (respect, admiration from others)
- Self-respect (good self-image, self-esteem)
- Possessions (car, clothes, home, material goods)
- Spirituality (prayer, meditation, religion)
- Justice (equal opportunity; concern for disadvantaged)
- Cooperation
What type of person and leader do want to be or become? Activity/Skill for Moral Character PERSONAL VALUES WORKSHEET

Happiness Review
- Briefly describe three things that make you most happy daily/often (respond quickly with what comes to mind first).
- Now briefly describe the three happiest moments of your life (again, try to respond quickly with first answers to mind).

III. Life Goal Inventory
- Describe two goals in each of the following spheres over the next year or two:
  - **Career** (goals in employment or career; situation aimed for).
  - **Relationships with People** (goals with family, friends, colleagues, others).
  - **Status and Respect** (goals in your social circles; people from whom you seek esteem).
  - **Leisure** (Vacations, sports, hobbies, other interests).

IV. Conclusion
1. What are any common themes/elements from the in the above lists? What are the major differences?
2. What insights do you have about yourself based on the above exercise?
Character Development Sketch

What thoughts are circling in his or her head?

Eyes
How does he or she see the world?

Memorable Quote

Shoulder
What does he/she worry about?

What burdens does he/she carry?

Heart
What does he/she care most about

What does he/she need to hold on to? Who/what would be considered his/her "right-hand man?"

What is his or her weakness?

What has he/she "left" behind?

The "Roots"
What or who has helped shape his/her life up to this point?

Achilles Heel

The Road - Life Line
What significant events have he/she experienced?
Other Moral Principles (beyond URJC)
– variety of OTHER moral principles that can be used to determine rightness of an action, policy, etc. (not URJCO)

1. **Virtue Ethic** – act according to virtue valued (honesty, loyalty, prudence, patience)
2. **Conventionalist ethic** – self-interest within the law
3. **Golden rule** (reversibility) – do unto others as you would have done to you (put self in person’s place)
4. **Hedonistic** – do what brings greatest pleasure
5. **Disclosure rule** – do what would do if everyone knows (family, friends, media, competitors)
6. **Intuition ethic** – go with gut
7. **Role model** – do what person you admire would do
8. **Organization ethic** – do what is most loyal to organization
9. **Your own** – how do you decide?

1. **Might equals right** – do what strong or powerful enough to do
2. **Professional ethic** – do what can be explained and approved by group of professional peers
3. **Enlightened self interest** – do what helps others in short term in order to pursue long term self-interest
4. **Economic** – do what maximizes profit (already in URJCO)
5. **Legal ethic** – do what the law says (already in URJCO)
6. **Religious** – do what faith or organized religion dictates (Christian/sacred text)
7. **Empathy** – how does specific person, stakeholder feel
8. **Means-end ethic** – do whatever act as long as the ends justifies it
Ethics education should address the different dimensions of morality and moral character in particular.

- Education of any type is more than just communicating information (even more so when trying to develop character)
- The goal of any education (and especially character education) is for the recipient to truly assimilate the knowledge (and that assimilation requires certain experiential training and the necessary resources and tools to integrate the info with the skills)

Character Education is designed to:
1) Provide Information and Data
2) Include Experiential Training to use that information and cultivate the corresponding skills
3) Provide the necessary resources and tools and techniques to develop the desired skills and assimilate the information

- This combination is very effective and potentially transformative
Moral Emotions – reflect values, intellectual and relational

• Emotions motivate you to do something right or wrong
• As the self reflects upon the self, moral self-conscious emotions provide immediate punishment (or reinforcement) of behavior.
• In effect, shame, guilt, embarrassment, and pride function as an emotional moral barometer, providing immediate and salient feedback on our social and moral acceptability.

• Six Basic Emotions: anger, disgust, fear, joy, sadness, and surprise.
• Basic Emotions – biological and individualistic

• Four Moral Emotions: guilt, shame, embarrassment, and pride.
• Moral Emotions Shape Moral Character – predisposed behavior
The Moral Emotions

- **Pleasant emotions:**
  - Awe
  - Gratitude
  - Love
  - Compassion
  - Acceptance

- **Uncomfortable emotions:**
  - Guilt
  - Shame
  - Regret
  - Remorse
Mindfulness

1) **Identify** Trait/Value...
2) **Practice** Trait/Value...
3) **Engage** Trait/Value via **physical senses** (touch, taste, see, hear, smell, doing), the **emotions** (feelings), the **intellect** (thinking), **spiritual** (reflecting) and **social/relational** (in interacting and communicating)
4) **Habituate** Trait/Value (repeat, reinforce, reward)
   - **Character** now includes Trait/Value
   - **Ted Talk**  **Meditation**
Whistle-blowing

• The voluntary release of non-public information about an organization’s serious misconduct given outside normal channels by a member (or former member) as moral protest of last resort - internal (within company) or external (outside to media, authorities, govt.)

• Noisy withdrawal – SEC requires lawyers to say leaving for professional reasons (implies wrongdoing, leads to investigations)
PERSONS OF THE YEAR
The Whistleblowers
Time Persons of the Year 2002

THE WHISTLE-BLOWERS:
Cynthia Cooper, WorldCom; (left to right), Coleen Rowley, the FBI; and Sherron Watkins, Enron
Whistleblowing

• Interview
Is whistle-blowing right/wrong?

- **Employee’s Duty of Loyalty**, etc. to Employer (no hassles)
  VS.
- **Employees Duty to Public**, self, family, consumer and even employer for info and safety
  (which is greater?, Prioritized?)

- **Employer’s Right** to a loyal employee, etc.
  VS.
- **Rights of consumer** and public to info and safe product
- Employees right to free speech
  (which is greater?, Prioritized?)
Employer Rights & Employee Duties (regarding whistle-blowing)

**Employer’s Rights**
- Right to Loyal Employee
- Right to Run Business (and without employee harassments)

**Employees’ Duty**
- Fiduciary Duty
- Best Interests of co.
- Loyalty to co.
- Confidentiality
- Inform co.
- Diligence
Employee’s **Fiduciary Duty** (& employer’s right) Limited by **OTHER DUTIES** (and rights) to:

So need to **prioritize** duties:
- Protect Consumer (based on consumer right to safe product)
- Ensure safe product (same as above)
- Provide accurate info (right to info)
- Support family (based on relationship)
- Protect public interests (based on relationship)
- Free Speech
- seriousness, last resort, retaliation also impact rightness/wrongness of w.b.
Right to Free Speech

• First amendment only applies to government (gov’t can’t restrict free speech)
• Right NOT absolute (exceptions exist based on competing rights, duties)
• Media uses public airwaves
• Free speech at work limited
• Even opinions problematic
Benefits of Whistle-blowing

- Protects Public from harm (as well as other stakeholders)
- Creates pressure, checks to do the right thing
- Puts truth and info before public
- Info protects choice and freedom via knowledge
- Collect some reward $
Stigmas/Burdens of whistle-blowing

- **Divided loyalties** - In some Asian countries, members of the company are treated as family members and it is considered wrong to report on family members.

- **Fiduciary Duty** – violating duty of utmost loyalty to company [really rights and duties]

- **History** - The country may have a tragic history of reporting on others that discourages it (e.g., germany)

- **Logistics** - Employees of global companies may be faced with numerous time zones and language differences that could prevent whistle-blowing or make it more difficult.

- **Retribution** - Despite government laws to protect whistle-blowers, many employees of global businesses fear retaliation, demoted, fired, ostracized [some WB legal protections in US and other countries]

- Injures **reputation of business** too severely (naturally, maliciously or even incorrectly if false allegations)

- Hurts **public’s overall trust** in specific company or general business disproportionate to wrongful acts
Worldwide Whistle-blowing Protection
-Sarbanes-Oxley, etc. (US) prohibit employers from retaliating against employees who provide info to government

- **United Kingdom** — The U.K. Public Interest Disclosure Act protects most workers from retaliation by their employers, including dismissal, disciplinary action, or transfer.

- **European Union** — The EU published a charter for whistle-blower protection, identifying terms under which commission staff may blow the whistle, imposing a duty upon officials to report suspected wrongdoing, and outlining the channels for reporting malpractice.

- **Israel** — adopted whistle-blowing protection legislation that protects corporate and government workers.

- **Ghana** — whistle-blower protection act proposed to offer rewards and protection to people who volunteer info leading to the prosecution of white-collar criminals.

- **South Korea** — The Anti-Corruption Act established the Korea Independent Commission Against Corruption, mission includes the encouragement, protection, and compensation of whistle-blowers.

- **South Africa** — The Protected Disclosures Act 2 prohibits employers from subjecting an employee to occupational detriment for raising concerns about unlawful or irregular conduct.
I. Business Ethics Education

A. Education includes:
   1. information, 2. skills/techniques, 3. tools (resources)
   (continue to develop all of them for all aspects of business and all aspects of ethics/morality)

B. Business includes 1. various activities and 2. stakeholders
   (recognize the potential and actual moral issues related to those various activities and the different stakeholders)

C. Morality (rightness or wrongness of business activities and relationships) and Ethics (study and improvement of that morality at all dimensions)

II. Moral Maturity/Integrated Ethics
   (continue to develop/improve the various sub-dimensions)

A. Moral Character/Virtue Ethics
   [values/virtues to improve and vices to minimize on individual and organizational levels]

B. Moral Culture/Organizational Ethics
   1. External Influences and 2. Internal Influences (PPP)

C. Moral Intelligence/Ethical Analysis
   1. IAR (especially I) 2. URJCOP 3. APPS