Ethical Thinking in Ethical Organizations

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Joshua is the Senior VP for Contracts and Procurement at APEX, reporting to the Elizabeth, the COO. Joshua and three of his colleagues have been regularly meeting over the last six months to refine the steps needed to implement an APEX strategic plan, which, among other things, involves the consideration of company downsizing.

Last week Joshua was surprised to learn that Elizabeth preferred the closure of a facility in a neighboring state. He didn’t think that closing this facility was a wise option; however, his other colleagues were of a different opinion and Elizabeth now seemed to agree. Any formal announcement of the facility closure would likely come in two months and in recent days Joshua grew more confident that Elizabeth will recommend closure to the CEO.

Joshua’s surprise was also accompanied by worry. A long-time college and family friend, Max, is employed in middle management at the facility now likely to be closed. Even though the closure would give Max some kind of severance package, Joshua believes the added two months “heads up” may provide Max some needed flexibility and time to search for additional job opportunities. Joshua knows Max and his family are in a difficult financial position.
Gerald is an Associate VP of Marketing who has a few long-standing colleagues as “friends” on Facebook. He notices from time to time that a colleague in a different division of the company, Mike, has posts on his Facebook page that express political views that could be interpreted as violating the company policy that employees should not post anything on social media that “expresses bias” against individuals on the basis of “religion.”

Gerald discreetly notified Mike of this problem in a face to face meeting. Mike responded that he firmly disagrees that the posts express bias and respectfully told Gerald that these views are private and the posts are neither made on company time nor with company resources. Mike also emphasized that the posts in question were actually made by his friends, not by Mike himself.
Rebecca is a well-regarded Deputy Chief in the Bloomingdale Police Department, a smaller, suburban department in Halifax County. She has extensive law enforcement experience, including special training with other nationally recognized agencies.

Her friend, Charles, is a former U.S. attorney and principal owner of a private firm that provides consulting services to local governments. Charles is currently in contract negotiations with Halifax County to help them develop a plan to improve collaboration between the county and its cities on a range of law enforcement matters.

Rebecca believes Charles has very good ideas on this subject and it could be beneficial to Bloomingdale and the County’s law enforcement objectives. She therefore decided to discuss his pending contract with the chief of staff of the county commissioner, who is also a good acquaintance from her days in college. The commissioner is one of the people who will play a role in awarding Charles the contract.
Common features…

Complexity and Uncertainty

Lack of Rules / Decision Making Procedures

Appeal to Principles (or Values)
Even if a man is only answerable to his conscience, he will answer more responsibly if he is compelled to articulate principles on which he acts.

Lon Fuller, *The Morality of Law* (1975)

Name one principle that you try to live by in your work or professional life?
Basic Ethical Principles

- Fairness
- Welfare
- Integrity
- Duty
- Respect for Law
- Honesty
- Dignity

Honesty

Respect for Law

Duty

Integrity

Welfare

Fairness

Basic Ethical Principles
Principled Ethical Thinking

Survey Facts and Gather Information

Assess Who is Impacted and How

Determine What Principles are Relevant, Violated or “At Stake”

Consider Alternative Responses

Respond to Optimize Principles

Assess Outcomes

a creative exploration of how all principles can be respected, simultaneously, by imagining new courses of action

ethical thinking as design

tradeoffs and conflicts between principles are not “dilemmas” but opportunities for principled “compromise”
Living your principles...

*Ethics is knowing the difference between what you have a right to do and what is right to do.*

**Potter Stewart** (U.S. Supreme Court, 1958-1982)

*There are truly sinister people with sinister intentions, but, for the most part, ethical lapses are the stuff of average people who know better.*

**John Dalla Costa, The Ethical Imperative (1999)**

*What makes it difficult to actually live by your principles at work or in your professional life?*
“Ethical Fading”
the tendency of individuals not to recognize or “see” how their behavior or decisions have ethical significance

Limitations of Behavioral Systems
management systems tend to routinize behavior so that the underlying principles standing behind those systems are lost from “view”
Symptoms Causing Ethical Blindness

- **Detachment**: emotional disengagement with other people
- **Rationalization**: explanations or excuses that appear to be—or seem like—good reasons
- **Fixation**: single-minded, myopic focus on a goal
System 1 Thinking
- Intuitive
- Automatic
- Easy
- Fast
- Implicit
- Affective

System 2 Thinking
- Serial
- Deliberative
- Complex
- Slow
- Explicit
- Rational
Why?

- Cognitive Biases
- Psychological Tendencies
- Social/Organizational Forces
Why?

Cognitive Biases

Psychological Tendencies

Social/Organizational Forces

Framing Effect
Representativeness Bias
Availability Bias
Overconfidence
Future Discounting
Why?

Cognitive Biases

Psychological Tendencies

Social/Organizational Forces

Group Preference / Prejudice
Force of Commitment
Valuing Outcomes Over Process
Motivated Blindness
Indirect Blindness
Why?

Cognitive Biases

Psychological Tendencies

Social/Organizational Forces

Deference to Authority
Pressure to Conform
Cultural Norms
Excessive Rule-Making
Common Barriers to Ethical Organizations

- Uncertainty and risk
- Excessive hierarchy
- Excessive reliance on routine
- Time pressures
- Incentives and rewards
- Isolation and separation
- Short-termism
- "Command and control" culture
Solutions?

- expose organizational "hypocrisies"
  (establishes a connection between stated principles and day-to-day practice)

- create organizational habits built around principles
  (cultivates a "values-based" culture)

- develop assessment and control to support, rather than replace, principled thinking
  (prioritizes principles over compliance)
Questions and Comments?

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