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Behaviorial Business Ethics: Business and the Common Good

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Problems

- (1) How can people and organizations commit ethical transgressions?**
- (2) Which psychological mechanisms are at work in ethical wrongdoing?**
- (3) How can we counter-act moral disengagement of people and organizations?**

Moral Agency

Ethics is **not** a
cognitive exercise.

Moral thought and
self-evaluative reactions,
moral conduct and
environmental influences
operate in interaction.



Albert Bandura
Stanford University

Moral Disengagement

Albert Bandura: There are many **psycho-social mechanisms** by which moral control can be selectively disengaged from detrimental conduct.

The mechanisms of **moral disengagement** enable otherwise considerate people to commit **transgressive acts** without experiencing personal distress.

(1) Moral Justification

In the process of moral justification, detrimental conduct is made personally and socially acceptable by portraying it in the service of **valued social or moral purposes.**

(2) Euphemistic Labeling

Euphemistic labeling provides a convenient tool for **masking reprehensible activities or even conferring a respectable status upon them.**

(3) Advantageous Comparison

By exploiting advantageous comparison **injurious conduct** can be rendered **benign** or made to appear to be little consequence.

(4) Displacement of Responsibility

Under displacement of responsibility people view their actions as springing from the **social pressures** or **dictates of others** rather than as something for which they are personally responsible.

(5) Diffusion of Responsibility

Any **harm done** by a **group** can always be attributed largely to the **behavior** of **others**. People behave **more cruelly** under group responsibility than when they hold themselves personally accountable for their actions.

(6) Disregarding or Distorting the Consequences

When people pursue activities harmful to others for personal gain, or because of social inducements, they **avoid facing** the **harm** they cause or they **minimize** it.

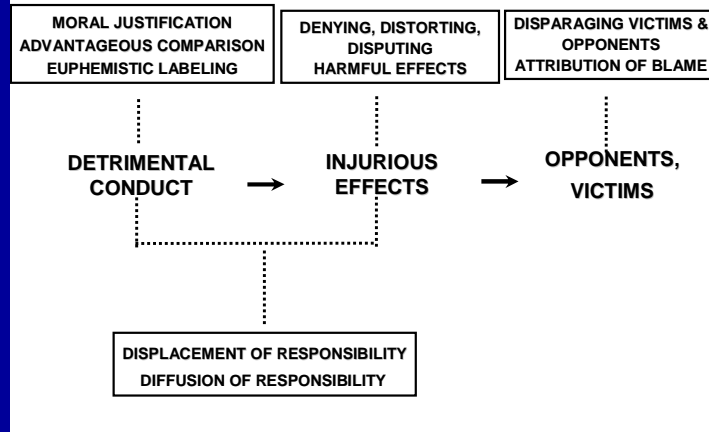
(7) Dehumanization

Dehumanization divests people of human qualities or attributes bestial qualities to them. Once dehumanized, they are no longer viewed as persons with feelings, hopes, and concerns but as **subhuman objects**.

(8) Attribution of Blame

By fixing the **blame on others** or on **circumstances**, not only are one's own injurious actions excusable but also one can even feel self-righteous in the process.

Figure 1



	Bhopal Case	Ford Pinto Case	Nestle Case	Three Mile Island Case
moral justification		X	X	
euphemistic labeling				X
advantageous comparison	X			
displacement of responsibility		X		
diffusion of responsibility				X
disregarding or distorting the consequences		X	X	X
dehumanization	X			
attribution of blame	X			

Gian Vittorio Caprara (University of Rome "La Sapienza")

Empirical findings suggest that the more people are concerned with self-enhancement goals, the more they disengage from their duties and obligations and to justify transgressions.

Naive belief in the beneficial effects of the "Invisible Hand"

If economic agents become self-concerned then it is likely that – by employing moral disengagement mechanisms – their self-exonerative maneuvers will do harm to others.

Counter-acting Strategies

- (1) To **monitor** and **publicize corporate practices** that have detrimental human effects.
- (2) To **increase transparency** of the discourse by which the deliberation of **corporate policies** and **practices** are born.
- (3) Instituting **clear lines of accountability** curtail moral disengagement.
- (4) Exposing **sanitizing language** that masks reprehensible practices is still another corrective.
- (5) The **affected parties** need to be **personalized** and their concerns publicized and addressed.

Serving the **common good**
economic **agents** should care
about and pursue both **self** and
community interests.

Summary

(1) Managers often adopt socially injurious practices through **disengagement** of **moral self-sanctions**.

(2) The **other-oriented** behaviour is a precondition to **counter-act** the use of moral disengagement strategies.