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## **Behaviorial Business Ethics: Business and the Common Good**

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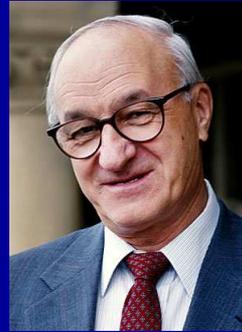
### **Problems**

- (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.

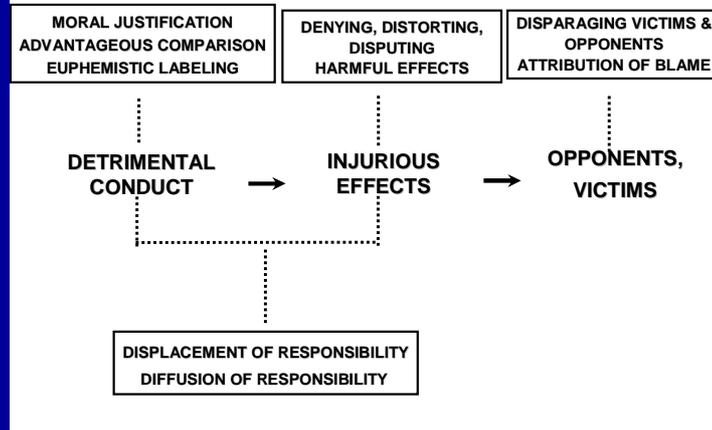
## **(7) Dehumanization**

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.