Behavioral Ethics

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Why Is It Important To Be Ethical?

- Don’t want to be arrested and go to jail.
- Don’t want to be fired.
- Don’t want to be embarrassed or embarrass family members or friends.
- Doing the right thing makes us feel good.

- Being ethical builds trust.
- In business, trust is a key to economic success and growth.

- By acting unethically, the reasons seem to focus on being selfish rather than honorable for society.
What Is Your Ethical Style?

1. Which is worse?
A) hurting someone's feelings by telling the truth
B) telling a lie and protecting their feelings

2. Which mistake is worse?
A) to make exceptions too freely
B) to apply rules too rigidly

3. Which is it worse to be?
A) unmerciful
B) unfair
What is Your Ethical Style?

4. Which is it better to be?
   A) just and fair
   B) sympathetic and feeling

5. In making a decision you rely more on
   A) hard facts
   B) personal feelings and intuition

6. Which is more important in determining whether an action is right or wrong?
   A) whether anyone actually gets hurt
   B) whether a rule, law, commandment, or moral principle is broken
Ethical Styles: Justice or Care

Answer Key:
1) HURTING FEELINGS (C)/ TELLING LIE (J)
2) MAKE EXCEPTIONS (J)/ APPLY RULES (C)
3) UNMERCIFUL (C)/ UNFAIR (J)
4) JUST (J)/ SYMPATHETIC (C)
5) FACTS (J)/ FEELINGS (C)
6) HURT (C)/ RULE (J)
Ethical styles: Justice or Care

**Justice**: This approach focuses on the ideas of rights, justice, and fairness.

Lawrence Kohlberg’s Theory:
There are three levels moral maturity.

1) **Children** define right and wrong based on what they are told or supported by rewards and punishments.
2) **Adolescents** based right and wrong on loyalties to family and friends.
3) **Adults** reach the highest level when ethical decisions take into account the interests of all individuals.
Ethical styles: Justice or Care

Care: This approach stresses responsibility to people in need

Carol Gilligan’s Theory:
There are three levels to moral maturity.
1. At the first level, one only cares about oneself.
2. At the second level, others become the focus of caring.
3. At the most mature level, a person reaches a balance between caring for others and oneself.

- The questionnaire you completed helps you identify your ethical style. The higher your J score, the more your ethics are based on the need for justice. The higher your C score, the more care underlies your ethics.
What is Behavioral Ethics?

- Behavioral ethics is the study of *why* people make the ethical and unethical decisions that they do.

- Research finds that most ethical decisions are made intuitively, by feeling, not after rationally analyzing a situation.

- Behavioral ethics seeks to understand why even people with the best intentions can make poor ethical choices.
Trolley Scenario #1:

Denise is standing next to a switching lever near some trolley tracks when she sees an out-of-control trolley. The conductor has fainted, and the trolley is headed toward five people walking on the track; the banks are so deep that they will not be able to get off the track in time. The track has a side track leading off to the left, and Denise can flip the switch and turn the trolley on to it. There is, however, one person on the left-hand track. Denise can turn the trolley, killing the one; or she can refrain from flipping the switch, letting the five die. Is it morally permissible for Denise to flip the switch, turning the trolley onto the side track?
Trolley Scenario #2:

Frank is on a footbridge over the trolley tracks. He knows trolleys and can see that the one approaching the bridge is out of control, with its conductor passed out. On the track under the bridge, there are five people; the banks are so steep that they will not be able to get off the track in time. Frank knows that the only way to stop an out-of-control trolley is to drop a very heavy weight into its path. But the only available, sufficiently heavy weight is a large person also watching the trolley from the footbridge. Frank can shove the large person onto the track in the path of the trolley, resulting in his death; or he can refrain from doing this, letting the five die. Is it morally permissible for Frank to push the large person onto the track?
What Is Learned From The Scenarios?

- Rationally: 5 people can be saved if 1 life is sacrificed in either scenario.

- Emotions play a part of the ethical decision process.
Unconscious Influences Effects Ethical Decisions

- Self-servicing bias
- Conformity Bias
- Situational factors
Self-Servicing Bias

- Self-serving bias is the tendency people have to seek out information and use it in ways that advance their self-interest. People often unconsciously make decisions that serve themselves in ways that other people might view as unethical.

Example: Doctors tend to believe that they are immune from the influence of gifts they receive from pharmaceutical companies. But studies show those gifts have a significant effect on what medications doctors prescribe.
Conformity Bias

- Conformity bias is the tendency people have to behave like those around them rather than using their own personal judgment.

Example: Research shows that people are more likely contributing to charity, if they see or hear that others are doing it too.

Being part of the social norm makes us feel good.
Situational Factors

- Situational factors are external factors that are beyond the control of a person and may affect the outcome of a decision.

Situation factors include:
- Organizational culture
- Budgets
- Time Constraints
- Competition
Situational Factors

- Example of time constraint effects on moral decisions:

- In a very interesting study, psychologists told seminary students that they needed to go across campus to give a talk to a group of visitors on being a Good Samaritan. As they crossed campus to give the talk, the students happened upon a gentleman lying by the sidewalk in obvious distress—in need of a Good Samaritan.

- If they were not under time pressure, almost all the seminary students stopped to help this fellow. If students were placed in a “low-hurry”, 63 percent offered help. If they were put in a “medium-hurry” condition, 45 percent helped. And if asked to really hurry and put in a “high-hurry” condition, only 10 percent stopped to help.
Accounting Profession’s Core Values

- In the accounting profession, integrity, objectivity and independence are the core values.

- As we have learned through behavioral ethics, our emotions and bias can unintentionally influence our moral decisions. So, we must take time to thoughtfully and rationally reflect on the decisions we make within our profession.
Sources:

- Carol Gilligan, In a Different Voice: Psychological Theory and Women's Development (Cambridge, MA: Harvard University Press, 1982).