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978-1-107-00003-2 - Obstacles to Ethical Decision-Making: Mental Models, Milgram and the Problem of Obedience

Patricia H. Werhane, Laura Pincus, Hartman, Crina Archer, Elaine E. Englehardt, and Michael S. Pritchard

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Obstacles to Ethical Decision-Making

In commerce, many moral failures are due to narrow mindsets that preclude taking into account the moral dimensions of a decision or action. In turn, sometimes these mindsets are caused by failing to question managerial decisions from a moral point of view, because of a perceived authority of management. In the 1960s, Stanley Milgram conducted controversial experiments to investigate just how far obedience to an authority figure could subvert his subjects' moral beliefs. In this thought-provoking work, the authors examine the prevalence of narrow mental models and the phenomenon of obedience to an authority to analyze and understand the challenges which business professionals encounter in making ethical decisions. *Obstacles to Ethical Decision-Making* proposes processes – including collaborative input and critique – by which individuals may reduce or overcome these challenges. It provides decision-makers at all levels in an organization with the means to place ethical considerations at the heart of managerial decision-making.

PATRICIA H. WERHANE is the Callista Wicklander Chair of Business Ethics and Director, Institute for Business and Professional Ethics at DePaul University. She is also Professor Emeritus at the Darden Graduate School of Business Administration at the University of Virginia. Her previous publications include *Ethical Issues in Business, 7th edition*, edited with Tom Donaldson and Margaret Cording (2001).

LAURA PINCUS HARTMAN is Vincent de Paul Professor of Business Ethics at DePaul University's College of Commerce. She serves as Research Director of DePaul's Institute for Business and Professional Ethics. Her recent publications include *Alleviating Poverty Through Profitable Partnerships*, co-authored with Patricia H. Werhane, Scott Kelley, and Dennis Moberg (2009).

CRINA ARCHER is a Ph.D. candidate in Political Science at Northwestern University, Senior Research Fellow to Vincent de Paul Professor Laura Hartman, and senior scholar with the Institute for Business and Professional Ethics, at DePaul University. She is the co-editor of *Second Nature: Rethinking the Natural Through Politics* (2013).

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Obstacles to Ethical Decision-Making

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For our good friend and colleague, Dennis Moberg.

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Professor Werhane has been a Rockefeller Fellow at Dartmouth, Visiting Professor at the University of Cambridge, and Erskine Visiting Fellow at the University of Canterbury (New Zealand). Professor Werhane has published numerous articles and case studies, and is the author or editor of over twenty-five books including *Ethical Issues in Business*, edited with Tom Donaldson and Margaret Cording, seventh edition, *Persons, Rights, and Corporations*, *Adam Smith and His Legacy for Modern Capitalism*, *Moral Imagination and Managerial Decision-Making*, and with Laura Hartman, *Alleviating Poverty Through Profitable Partnerships*. She has written over 100 published articles and book chapters on various business ethics on such topics as employee and employer rights, mergers and acquisitions, responsibilities of multinational corporations, intellectual property, and the intersection between healthcare organizations and business ethics. Professor Werhane serves on the editorial boards of a number of journals and she is founder and former editor-in-chief of *Business Ethics Quarterly*, the journal of the Society for Business Ethics and advisory editor for *Business and Professional Ethics Journal*. She is also on the academic advisory committee for the Business Roundtable Institute for Business Ethics.

Her recent work focuses on globalization, with an emphasis on developing new models for corporate governance and corporate

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initiatives to alleviate poverty both in the United States and in less developed countries around the world.

Laura Pincus Hartman is Vincent de Paul Professor of Business Ethics and Legal Studies in DePaul University's College of Commerce, where she has received the university's Excellence in Teaching Award, the college's Outstanding Service Award and numerous university competitive research grants. She also serves as Research Director of DePaul's Institute for Business and Professional Ethics.

For the past two years she has represented DePaul University on the Global Projects Committee of the Worldwide Vincentian Family, a committee responsible for hands-on design and implementation of a micro-development, finance and education system for the poor of Haiti. She was named to that effort after recently returning to the faculty, having served for a number of years as Associate Vice President for Academic Affairs for the university. In that capacity, she was responsible for, among other programs, the administration and adjudication of the Academic Integrity Policy across the entire university (24,000+ students). Hartman also chaired DePaul's Task Force on Speech and Expression Principles at the request of its President, among numerous other service contributions.

Hartman has published over eighty books, cases and articles in, among other journals, *Business Ethics Quarterly*, *Business & Society Review*, *Business Ethics: A European Review*, and the *Journal of Business Ethics*. Her research and consulting efforts have also garnered national media attention by publications such as *Fortune Small Business* where she was named one of the "Top 10 Minds for Small Business," as well as the *Wall Street Journal*, *BusinessWeek*, and *The New York Times*.

She was invited to serve as the Gourlay Professor at the Melbourne Business School/Trinity College at the University of Melbourne (2007–8), an invited professor at INSEAD (France), HEC (France), the Université Paul Cezanne Aix Marseille III, and at the Grenoble Graduate School of Business, among other European universities. On behalf of the accrediting body for schools of business, AACSB, Hartman is the global coordinator of the regular, bi-annual seminar series, "Teaching Business Ethics." She received her BS from Tufts University and her JD from the University of Chicago.

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Crina Archer is a Ph.D. candidate in Political Science at Northwestern University, Senior Research Fellow to Vincent de Paul Professor Laura Hartman, and a senior scholar with the Institute for Business and Professional Ethics at DePaul University. Her research focuses include democratic political thought, political temporality, and ethical and political judgment. She is the co-editor of *Second Nature: Rethinking the Natural Through Politics* (2013).

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For the past twenty years, she has written and directed seven multi-year, national grants. Four large grants are in ethics across the curriculum from the Department of Education; and three are from the National Endowment for the Humanities. She is the author of five books in ethics including: *Ethics and Life: An Interdisciplinary Approach to Moral Problems, 3rd Edition*; *The Organizational Self and Ethical Conduct: Sunlit Virtue and Shadowed Resistance*; *Interpersonal Communication Ethics: Friends, Intimates, Sexuality, Marriage and Family*; and *Principled Media Ethics*. She has additionally published numerous articles. In 2008 she became the co-editor of *Teaching Ethics*, an international journal for the Society for Ethics Across the Curriculum. Dr Englehardt is a visiting Professor in the MBA program at the Helsinki School of Economics. She also consults in ethics and ethics across the curriculum at numerous universities. Her awards include the National Outstanding Distance Education Program; *Parade Magazine*, Paul Newman Top Ten Service Project; Theodore M. Hesburgh Award; The National First Place Award for Faculty Development to Enhance Undergraduate Teaching and Learning – for the Ethics Across the Curriculum Program; Governor's Award in the Humanities; Awarded by the Utah Humanities Council for a lifetime of outstanding contributions to the Humanities; UVU Trustees

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award for Outstanding Scholarship; Utah Academy of Sciences, Arts and Letters, The Distinguished Service Award; and CASE Utah Professor of the Year, Washington, DC.

Michael S. Pritchard is Willard A. Brown Professor of Philosophy at Western Michigan University. His Ph.D. is in philosophy from the University of Wisconsin. His publications include, *The Ethical Challenges of Academic Administration* (2010), co-edited with Elaine Englehardt, Kerry Romesburg, and Brian Schrag, *Taking Sides: Clashing Views in Business Ethics and Society, 11th edn.* (2010), co-edited with Lisa H. Newton and Elaine Englehardt, *Engineering Ethics: Concepts and Cases* (2009), with C. E. Harris and Michael J. Rabins, *Professional Integrity: Thinking Ethically* (2007), *Reasonable Children* (1996), *Responsible Communication: Ethical Issues in Business, Industry, and the Professions* (1996) co-edited with James Jaksa, *Communication Ethics: Methods of Analysis, 2nd edn.* (1994), with James Jaksa, and *On Becoming Responsible* (1991).

In 2008 he became the co-editor of *Teaching Ethics*, an international journal for the Society for Ethics Across the Curriculum. He has served on the Executive Committee, and is a Founding Member of the Society for Ethics Across the Curriculum, 2000–8. He has also served on the Executive Committee and is a Founding Member of the Association for Professional and Practical Ethics. He has served on the Final Review Panel, EVIST Program, National Science Foundation, 1996–9, and was a consultant and presenter at the National Science Foundation program for junior and senior high school teachers, “Ethics and Values in Science and Technology,” State University of New York–Stony Brook, Summer 1994–Spring 1997. He also served as Consultant and External Evaluator, FIPSE grant, “Development and Pilot Testing of a Graduate Degree Program With a Specialization in the Teaching of Applied and Professional Ethics,” University of Montana, 1996–9.

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Acknowledgments

The idea for this book came originally from an introduction to the Milgram experiments by Ed Freeman at the University of Virginia, and the subsequent integration of those experiments in our teaching and research. Indeed the book was initiated as an expansion of the voluminous research on the Milgram experiments, culminating in Bidhan Parmar's ground-breaking 2011 dissertation on the topic. Milgram's analysis of obedience and subsequent research of his ideas led all the authors of this volume to expand our thinking about practical ethics, asking the question Milgram presses us to consider: Why do seemingly decent people (our friends, neighbors, and colleagues) and reputable organizations engage in questionable behavior? But we soon found ourselves going beyond a preoccupation with Stanley Milgram's work.

Werhane had first addressed this question in her 2005 essay, *Why do Good People do Bad Things?* The answers, as you will read in this volume, are both multilayered and complex. Subsequently, our thinking was greatly influenced by Dennis Moberg's 2006 article, "Blind Spots," the thinking of Max Bazerman, Dolly Chugh and Ann Tenbrunsel, and by Margaret Heffernan's 2011 book, *Willful Blindness*. But our analyses and conclusions are our own.

We want to especially thank the Institute for Business and Professional Ethics at DePaul University for their support of this project. A number of people have been instrumental in creating the book, including our good friend and colleague Dennis Moberg and a former graduate student at the University of Virginia, Bidhan Parmar, who challenged traditional conclusions about Milgram's research. Nathan Shepard and Summer Brown from the Institute were enormously helpful in the project. We also want to give special thanks to Crina Archer, who not only is an author of the book but who tirelessly edited each chapter. Our grateful thanks too, to the Cambridge University Press and the patience and encouragement of Paula Parish, the general editor.