

Chapter 2

Management Theory and Business Education: Is Business Behavior Anti-social Behavior?

There is no such thing as a neutral education process. Education either functions as an instrument which is used to facilitate the integration of generations into the logic of the present system and bring about conformity to it, or it becomes the ‘practice of freedom,’ the means by which men and women deal critically with reality and discover how to participate in the transformation of their world.

—Richard Shaull, drawing on Paulo Freire¹

You can say it’s just business, that it’s not personal, but it’s always personal. There’s a right way to do everything. . . Sometimes that requires sacrifices and that includes doing something wrong to someone else.

—A Graduate of a U.S. business school

Charles H. Ferguson, director of *Inside Job* (2011), the Academy Award winning documentary on the financial crisis, began his acceptance speech by saying, “Forgive me, I must start by pointing out that 3 years after our horrific financial crisis caused by financial fraud, not a single financial executive has gone to jail, and that’s wrong” (http://www.huffingtonpost.com/2011/02/28/charles-ferguson-oscar-speech-inside-job_n_828963.html).

Scandal is certainly not limited to business and not all business practitioners have a business degree, but most corporate executives do. As corporations begin to surpass the power of laws and governments to curb their dishonesty and as economies become more interconnected, understanding and addressing the corruption in business exchanges is increasingly both difficult and urgent. Business school education, and perhaps particularly business ethics classes, is a logical place to start. Some questions explored in this chapter are: What are some of the values, attitudes, and behaviors associated with the culture of business management? With the goals of financial success and maximization of individual wealth? How much do business ethics courses impact on business culture and therefore ultimately business practice? Is there a divide between business ethics courses and real world business

¹ <http://www.infed.org/thinkers/et-freir.htm>

practice? Between official corporate ethical codes of conduct and actual conduct? Are there two parallel “ethics” in business, with one being the official doctrine taught and the other being the doctrine followed? How can we learn from various business management ethics programs around the world?

2.1 Business Ethics, Business Practice, and the Importance of Solidarity

In the majority of business schools, the study of ethics is mandatory. Sometimes this takes the form of free-standing ethics courses and other times ethics is woven throughout the curriculum. Many schools market their ethics program as a central and distinctive component of the business management education they offer. Yet, few people have trouble immediately naming 10 cases of major corporate corruption. Enron usually makes the list; World Com, Tyco, Libor and Exxon, maybe Washington Mutual or Lehman Brothers and Bear Sterns, AIG, Satyam Computers, and Anderson Little. Examples seem to be added on a weekly basis.

Two important questions then are: (1) How much do business ethics courses impact on business culture and therefore ultimately business practice? and (2) Are there two parallel “ethics” in business, with one being the official doctrine taught and the other being the doctrine followed? Relevant to these questions is the disconnect noted by a business school professor from the UK who comments on the marginalization of business ethics courses within management curricula:

It has been widely recognized that business ethics courses have been limited by their separation into a self-contained domain, which in turn has remained secondary in the core curriculum. Although international accreditation agencies, such as the AACSB and EQUIS, have insisted that business ethics is made a compulsory element of the curriculum, the outcome has been that it has been added but remains a subsidiary aspect of study confined to the margins of undergraduate and postgraduate programs.

Part of the problem is one of checks and balances: the line between industry and non-profit business education is becoming increasingly blurred as profit motives begin to cannibalize critical scholarship (Butler and Spoelstra 2014). Not surprisingly then, it is difficult to separate business educators from business practitioners, and business management education culture from business culture. The rising emphasis on practice and action rather than on theory and contemplation is now spreading from business schools to liberal arts colleges; many non-business schools are hard-pressed to demonstrate their relevance in a social milieu that increasingly determines educational value by short-term, bottom-line quantitative measurements (Godwyn 2009). *Money* and *Forbes* magazines, along with private companies like PayScale, rank colleges and universities, as well as undergraduate majors, by return on investment (ROI) and salary rather than on holistic qualitative measurements of educational excellence. Bill Gates, a college drop-out and a generous investor in education reform, underscored this trend in a message he delivered at the National

Governors Association encouraging Governors to fund educational programs proportionate to their connection to employment opportunities:

In the college area, everybody should have a sense of which of the colleges—both community and four-year institutions—are doing very well. . . . You can even break that down by the departments. It's actually very interesting when you take higher ed and think of it in that way. The amount of subsidization is not that well-correlated to the areas that actually create jobs in the state—that create income for the state (Kolowich 2011).

Ferguson (2012) explains the deep reach of business objectives into academe, the impact upon business management education, and the resulting increase in business experts to determine government policies:

Many people who saw *Inside Job* found that the most surprising, and disturbing, portion of the film was its revelation of widespread conflicts of interest in universities, think tanks and among prominent academic experts on finance, economics, business, and government regulation. . . . Over the past thirty years, in parallel with deregulation and the rising power of money in American politics, significant portions of American academia have deteriorated into 'pay to play' activities. . . . Most of the time, these professors do *not* disclose these conflicts of interest in their public or media appearances, and most of the time their universities look the other way. Increasingly professors are also paid to testify for defendants in financial fraud trials, both civil and criminal" (Ferguson 2012: 240–241, emphasis in the original).

Even as the line between business education and business practice becomes blurred, there is evidence presented here that the difference between business ethics and normative ethics might be increasingly pronounced. Normative ethics focuses on degrees of pro-social behavior and cooperation and the conduct applauded within the business domain is largely competitive and profit-oriented. Therefore, business has been considered by some as a subculture of its own ruled by the "ethic of the marketplace" (Starkey and Tiratsoo 2007: 8) or by a "bureaucratic ethic" (Jackall 2010: 2). In his study of corporate managers, Robert Jackall saw a similar sharp delineation between business ethics on the one hand and personal or normative ethics on the other that I did in management education. He writes:

As a former vice-president of a large firm says, 'What is right in the corporation is not what is right in a man's home or in his church. *What is right in the corporation is what the guy above you wants from you.* That's morality in the corporation'. . . . What matters on a day-to-day basis are the moral rules-in-use fashioned within the personal and structural constraints of one's organization (Jackall 2010: 4–5, emphasis in the original).

However, according to Ann Crittenden, there was once a sense where the most respected and revered economic management was determined by dimensions of social good and community impact rather than the accumulation of wealth:

The very word 'economics' derives from the Greek root: *oikonomia*, the management of the household. Aristotle had the highest regard of *oikonomia* and made an important distinction between it and *chrematistics*. *Oikonomia* referred to the management of a household so as to increase its use value to all of its members over the long run. *Chrematistics* was the manipulation of property and wealth so as to maximize short-term exchange values. . . . One activity enhanced future productivity to the ultimate benefit of the community, while the other sought short-term gain for the individual. The [person] who practiced *oikonomia* was

highly respected, whereas the chrematistic speculator was held in low esteem. (Crittenden 2001: 67).

Perhaps by way of excusing the excesses of business practitioners or the curricula at business schools, Broughton writes, “No matter how hard it tries, business can never escape the fact that it is the practice of potentially thieving, treacherous, lying human beings” (2008: 157). Of course Broughton is right: potential thieves are practicing the lessons of business school, but that is a wrong-headed and backward way of thinking about the situation—it blames the students rather than the cultural values and educational system that create, or help to create, a validating context for such thieves. There are undoubtedly some students who choose to study business because they have limited and largely self-interested goals. However, I would venture that for many if not most students, the choice of business school, or of a business or management major on the undergraduate level, is largely driven by the desire to be employed in jobs that allow graduates to pay their student debt and support themselves and their families.

Every school, every institution, begins with people who are potentially treacherous and presumably, potentially virtuous. As mentioned, exposure to the culture of business management education affects people’s group affiliations, consciousness, sense of self and resulting behavior. The institution, ideals, and culture behind the practice provide a structure and an identity for the student and the professional that not just maximizes or minimizes but defines moral conduct.

If business culture primarily promotes self-interest and profit maximization, then students might self-select for those values. However, as liberal education is increasingly subverted to vocational training, many students (and their parents) choose business because they understandably believe that a business degree is the most practical way to ensure employment. From this perspective, studying business is a responsible and mature choice rather than a self-indulgent one.

Business schools teach skills that can be used to create harm, but so do most vocational and professional programs, even in those fields we consider to be trustworthy and altruistic, from firefighting to medicine. In fact, both business schools and medical schools teach a set of skills to students that have potential for tremendous good and incalculable damage—the educational and professional cultures powerfully influence the ethical standards and behavioral outcomes of members.

As discussed, membership in powerful and prestigious groups such as business or medicine, or exclusion from those groups, creates our social identities. Group affiliations determine social status, individual identity, and self-esteem: how others see us and how we see ourselves. Affiliations also affect the opportunities, or the “life chances” that individuals have. That is, whether or not an individual has the resources available to them to be healthy and safe long enough to develop their talents over the course of time. Social identities are not trivial. Group affiliation impacts us at every level from the most superficial, such as our preference for red or blue, to the most profound, such as our life expectancy and that of our children’s. For instance, the wealthiest people in the UK live on average about 20 years longer

than the least wealthy (Bingham 2014), and according to the Center for Disease Control, in 2009, White women in the United States lived on average about 10 years longer than did Black men (Arias 2009).

Group affiliations also measurably shape the performance of individuals. There is extensive documentation that individuals perform better when they experience the encouragement and endorsement of powerful groups and considerably worse when they do not (Steele 1997, 2003). Support in a community is experienced as solidarity and “identity safety,” the sense of being “welcomed, supported and valued” (Davies et al. 2005). Claude Steele puts it this way:

Our social identities can strongly affect things as important as our performances in the classroom and on standardized tests, our memory capacity, our athletic performance, the pressure we feel to prove ourselves, even the comfort level we have with people of different groups—all things we typically think of as being determined by individual talents, motivations, and preferences (Steele 2010: 4).

In William Whyte’s well known ethnography, *Street Corner Society*, he vividly recalls the positive changes in his own individual performance at a bowling alley when he enjoys a high status within a well-respected group; he refers to this as “the relationship between individual performance and group structure” ([1943]1981: 319):

I simply felt myself buoyed up by the situation. I felt my friends were for me, had confidence in me... I felt supremely confident that I was going to hit the pins that I was aiming at. I have never felt quite that way before—or since. Here at the bowling alley I was experiencing subjectively the impact of the group structure upon the individual. It was a strange feeling, as if something larger than myself was controlling the ball as I went through my swing and released it toward the pins (Whyte [1943]1981: 319).

As with Lance Armstrong and Jeff Skilling glorification by a prestigious group can cause people to crave the spotlight and to seek celebrity status at almost any cost. In a study of involving 15 celebrities, Rockwell and Giles note that fame is addictive:

The lure of adoration is attractive, and it becomes difficult for the person to imagine living without fame. One participant said, ‘It is somewhat of a high,’ and another, ‘I kind of get off on it.’ One said, ‘I’ve been addicted to almost every substance known to man at one point or another, and the most addicting of them all is fame’ (Rockwell and Giles 2009: 182).

Group affiliations are very often based on a combination of economic and demographic privilege or disadvantage. Powerful group affiliations do not just affect preference and performance, they affect life and death. From this vantage point, it is easy to see why individuals work so hard to establish and maintain memberships in powerful groups.

2.2 Business Ethics and Practice: Taken-for-Granted Assumptions

As vocational training, management education teaches students to be practitioners of business. Businesspeople are expected to follow the rules and conventions within the business culture (business ethics) to maintain their membership in and promote the goals of the business community. In identifying the “taken-for-granted” attitudes in business management culture, Maier writes that business culture encourages members to follow orders and develop an uncaring perspective: “The managerial viewpoint stresses instrumental rationality, orderliness, conformity to the requirements of authority, and respect for the chain of command” (1997/2013: 493). Maier quotes Belansky et al. that in business culture, one is expected to “exclude your own concerns and adopt a perspective that your adversaries may respect, as in their own self-interest. It means to exclude all feelings, including those of the adversary, examining the issue from a strictly pragmatic, strategic point of view” (Belansky et al. 1986: 109 quoted on Maier 1997/2013: 497).

The ethics associated with the business community dictates the subordination of personal and social values for the greater good of business, exchange, capital, production, employment, and other quantifiable economic benefit. In addition to creating a hierarchal bureaucratic culture that discourages or even obviates the type of critical and autonomous thinking that Arendt and others deem necessary for ethical behavior, this emphasis on quantitative measurement affects quality-of-life considerations and power dynamics in a plethora of ways. Effects include environmental damage, gender, race, and class discrimination, and privileging a Western, Positivistic cultural view.

For instance, the mainstream economic indicators such as the Gross National Product (GNP) and Gross Domestic Product (GDP) are based on quantitative rather than qualitative measures; they ignore many important considerations such as “how goods and services...are distributed and how this impacts people’s lives (Eisler 2007: 37). Therefore, even ecological disasters such as the Exxon Valdes oil spill are counted as economic positives as they can be interpreted to increase productivity and profit:

So unrealistic are these measures that instead of providing a full-cost accounting that shows the environmental and economic costs of uncaring economic habits, measures like the GDP and GNP make these costs look like economic profits. For example, the costs of cleaning up the damage from toxic industrial spills are included in indicators of economic productivity, rather than subtracted from them (Eisler 2007: 37).

Another result of exclusively employing quantitative measurements is the absence of economic value attributed to caring work. The neglect and devaluation of caring work disproportionately harms women, as they do more “unpaid, but unavoidable, tasks of daily domestic life, such as childcare and housework” (OECD 2012); it also harms those they care for, often children, the infirm, and the elderly. Shirley Burggraf comments:

The feminine economy has operated mostly outside the system of explicit prices and contracts that characterize the market economy. Women's work has never even been seriously measured or counted as an important part of economic output. As far as economic statistics are concerned, our grandmothers who bore numerous children and labored from dawn to dark caring for their families did nothing valuable within their time. . . Even if the gross domestic product is going up, we feel that our standard of living and true state of well-being have declined (Burggraf 1997: 10–11).

Karl Marx's interpretation is that which is quantifiable, such as money, has coopted qualitative experiences, such as emotional attachments, self-expression, and creativity as the goals and outcomes of labor. Money, then, is the manifestation of the process wherein "social relationships between individuals were transmuted into material relations between things" (Zelizer 1989: 345). Marx explains that the "relations of capitalist process of production, therefore, seen as a total, connected process, i.e. a process of reproduction, produces not only commodities, not only surplus-value, but also produces and reproduces the capital-relation itself (Marx [1867]2010: 723–724). Quantitative considerations infiltrate and seek to define non-material aspects of life including consciousness, self-identity, and interactions with others. As Jackall writes, business culture shapes people's consciousness in decisive ways by putting "a premium on functionally rational, pragmatic habit of mind that seeks specific goals; and it creates subtle measures of prestige and an elaborate status hierarchy that, in addition to fostering an intense competition for status also makes the rules, procedures, social contexts, and protocol of an organization paramount psychological and behavioral guides" (2010: 4).

A further ramification of the focus on quantitative outcomes is that profit generated becomes the definition of whether a business is successful or not. This is a Positivist interpretation that reflects the notion that there must be measurable, concrete evidence in order to identify success (Appiah 2006: 24). This bias toward quantification has gone well beyond the business domain and has become the way to define success generally. One worker explains how limiting the quantification of value is:

I work for a nonprofit that supports students who are at risk of dropping out. We track data on attendance, behavior, and course performance, and we speak the language of reformers. But what our school-district partners seem to value most is how we help kids form a strong, positive, sense of self and stay engaged with learning. These efforts, known as identity formation, are harder to quantify; we rarely talk about our work in these terms, because it's often considered squishy and 'nice, but not necessary,' Students, and the adults working on their behalf, would be better off if we had more nuanced definitions of what is means to be valuable and successful" (Axelson 2014: 5).

Because abstract values and quality-of-life issues are not easily captured in quantitative measurements, business culture does not include a mandatory dimension of social good as do many professional cultures such as medicine, law, police work, firefighting, and teaching. Imagine if medical schools promoted the same quantitative evaluation processes as business schools too often do. The equivalent quantitative logic in medical school would be the idea that most successful surgeons are those who perform the largest number of high cost surgeries regardless of the

benefit to patients. Without a mandatory qualitative difference, Jeffrey Skilling and Muhammad Yunus could both be characterized as innovative businessmen just as Jonas Salk and Josef Mengele could both be considered enterprising medical researchers.

In addition to the emphasis on quantitative measures, the current orthodoxy within capitalist economies is that businesses must continue to be competitive and serve stockholders by optimizing short-term profit regardless of long-term social and environmental impact. Pointing out an example of and conflicting ethical standards between normative ethics and business ethics, Yunus, economist and winner of the 2006 Nobel Peace prize, notes that in the culture of business management, people are judged “irresponsible” if they choose social good over private profit. One fundamental idea of capitalist business practices dictates that when immediate, short-term profit for a private company is at odds with social benefit, profit must come first. Share-holder interest rather than public good is the ethical standard of the corporate community. Yunus writes:

Since managers of a business are responsible to owners or shareholders, they *must* give profit the highest priority. If they were to accept reduced profits to promote social welfare, the owners would have reason to feel cheated and consider corporate social responsibility as corporate financial *irresponsibility* (Yunus 2007: 17, emphasis in the original).

This dichotomy is evident when a business ethics professor in Canada recounts a student who said that social responsibility “would be a good ethical decision, but not a good business decision.”

Acting in the interest of stockholders might also be used as a cover for eschewing social values in favor of self-interest. When asked if attending business school provided any insight into the high degree of corporate malfeasance, one MBA graduate from Canada replied:

I think it did. You come to look at the capitalist economic system in terms of the profit objective. You come to realize that profit gets prioritized over so many other issues in business. It makes you realize that companies act in a self-interest and don't think of the other stakeholders except maybe for the shareholders. But then I wonder, is it individual self-interest or the company's self-interest? I don't know. Might be that the two, the company and the executives, get conflated.

Corrupt CEOs like Jeff Skilling act against the interest of the shareholders, but given the frequency of misconduct, it is not clear that individual gain at the expense of company stability is always inconsistent with the business community cultural and ethical standards—as long as the CEO does not get caught and the shareholders generally perceive that they benefit. As Broughton explained, Skilling was touted as a hero and given standing ovations at HBS. For a while, Skilling achieved fabulous personal wealth as well as shareholder profit. He was hailed at HBS and became a role model for business students and practitioners everywhere—until he was indicted. Reflecting on CEO compensation, Broughton writes, “It was one thing for a good CEO to pay himself well for a job well done. But increasingly, in the United States and Europe, mediocre CEOs paid themselves as if they were sports

superstars or technology entrepreneurs, essentially robbing shareholders to do so” (2008: 162).

In practice, the standards of the business corporate community seem to indicate that compensation for CEOs no longer depends primarily on value delivered to shareholders, but instead more heavily reflects the prestige of this executive office and contributes to the personal wealth of the executive. In fact, according to a 20-year analysis of CEO salaries conducted by the Institute for Policy Studies, high CEO salary does not positively correlate with high productivity. Andersen et al. write:

Our analysis reveals widespread *poor* performance within America’s elite CEO circles. Chief executives performing poorly—and blatantly so—have consistently populated the ranks of our nation’s top-paid CEOs over the last two decades. The report’s key finding: nearly 40% of the CEOs on these highest-paid lists were eventually “bailed out, booted, or busted” (Andersen et al. 2013).

Some communities are individualistic, that is to say, the members value personal gain above all else and are, paradoxically, admired within the community should they be successful at maximizing their own self-interest. Identification with the cause, with the values of the group, even if this cause is individual enrichment at the cost of others, empowers each member with the strength far greater than themselves. They become empowered by fulfilling the ideal of the group. When MBA classes at Harvard applauded Skilling’s success, his methods were not widely questioned or substantively challenged by this high status community, but celebrated, which likely made him more bold and aggressive in his pursuit of ever increasing personal wealth. Sharron Watkins, the whistleblower credited for exposing the corruption at Enron comments:

I don’t think Enron International had poor values, but I do think the culture was horrible...Enron’s values systems were not enforced. The core values were respect, integrity, communication and excellence. But if an employee was a good revenue generator, but did not have any of the values, it did not matter—he would be promoted and paid big bucks. It told the people that making money was the be-all and end-all. Enron turned out to have a really rotten culture where people were out for themselves and not for the company (Bhupta 2003).

2.3 Business Behavior and Anti-social Behavior: The Inverse Relationship between the Valuation of Money and Social Attachment

Wealth is a leading indicator of power, and class is a demographic category that indicates certain social and economic group affiliations. Class membership is associated with norms, values, attitudes, and behavior. Not only are managers expected to put shareholder benefit (and perhaps individual wealth) above social good, but multiple studies conclude those identified with powerful groups

generally—that is, the wealthy, upper-class elite, are more inclined toward narcissism and self-interest as well as hypocrisy and cheating.

Paul Piff, a psychologist at the University of Berkeley who has done extensive research on behaviors and attitudes associated with the wealthy, found that social class affects personality development such that members of the upper classes were more self-interested and less socially-oriented: “Relatively abundant resources and elevated rank afford upper-class individuals increased control over their lives, reduced exposure to external influences, and more personal choice, all of which promote...greater self-focus...” (Piff 2014: 34) and reduced focus on others. Consequently, upper-class individuals are “less motivated than lower-class individuals to build social relationships” (Piff 2014: 35). Piff also found that upper-class individuals tended to be more narcissistic and have more psychological entitlement (2013: 34).

However, like Milgram, Monderman, and Steele, Piff found that behavior, in this case, entitlement, can be modified in short order by changing the social context. When participants were asked to list three reasons why regarding others as equals was beneficial, their levels of entitlement were significantly lowered. Therefore, by temporarily shifting the subject’s affiliation from an individualistic, self-interested set of cultural assumptions to an affiliation with egalitarian cultural values, Piff successfully reduced the narcissism of upper-class individuals, at least temporarily. This demonstrates how ethics are not merely relative to historical time and geographical place, or from individual to individual, but change within individuals depending on the group with which they are currently identifying. Abiding by multitude and sometimes contradictory definitions of ethical behavior is common because the force of group solidarity depresses critical scrutiny and therefore individuals often remain unaware of the inconsistencies in their definitions of ethical behavior and the behavioral manifestations of those inconsistencies.

In another experiment measuring attitudes and behaviors, Lammers et al. found that powerful people demonstrate more moral hypocrisy than those in less powerful positions (2010). They also tend to be more opinionated and show anger more frequently: “the powerful are more focused on the potential rewards of any action than the powerless are and therefore tend to follow their self-interest more...Normally social disapproval acts as a check against self-interest, but feelings of power reduce sensitivity to social disapproval” (Lammers et al. 2010). As a result, powerful people were more likely to condemn cheating, but also more likely to cheat than lower-power participants (Lammers et al. 2010: 738). In fact, those who identify as low in power tend to be more tolerant of the transgressions of others and less of their own:

In none of the low-power conditions did we find signs of hypocrisy...in two experiments, we found an unexpected significant effect in the opposite direction ($p = .03$ and $p = .04$), indicating the low-power participants were more lenient in their moral judgments of others’ transgressions than of their own transgressions (Lammers et al. 2010: 740).

Based on these findings, Lammers et al. conclude that both those in power as well as those who are not contribute to social inequality. Accordingly, the authors

assert that the powerful “intuitively feel they are entitled” to take what they want, while those who are relatively powerless, “intuitively feel they are not entitled” to do so (Lammers et al. 2010: 743). The only way to curb the entitlement of the powerful was to reveal the illegitimacy of the power distribution. If those in power were tainted and sensed that their lack of restraint could undermine their authority, they “may be inspired to bring their behavior back to espoused standards” (Lammers et al. 2010: 743).

Extrapolating from these experimental findings, corporations deemed “too big to fail” or those that hold a virtual monopoly on goods and services are most at risk for unethical behavior that can be beyond the reach of ethical inhibitions, social disapproval, and even national and international legal sanctions. Organized efforts that question and critique the legitimacy of the current power distribution, as Arendt notes, is crucial to affecting the ethical behavior of those in power and realigning it with more widely held standards of social behavior. To be effective, critique must of course demonstrate a source of social legitimacy, which can be difficult to establish and maintain against dominant power structures. An excerpt from an interview with Sherron Watkins explains the difficulty of challenging authority:

Whistleblowing is something I wouldn't advise for anyone. . . Consider your own family, get yourself [another] job, and then on your last day speak out. . . It's uncomfortable to be on the pedestal. . . after 6–8 months people take potshots at you. . . Whistleblowers (will) get treated like rape victims. . . I was treated like a pariah (Bhupta 2003).

Money is a talisman of status in an individualistic culture characterized by self-interest and too often money is accumulated as an end in itself rather than used as a means to happiness. Dunn et al. found that the focus money does make people happy, but paradoxically, when they spend it on others, not when they spend it on themselves. Dunn et al. write, “Ironically. . . the mere thought of having money makes people less likely to help acquaintances, to donate to charity, or to choose to spend time with others, precisely the kinds of behaviors that are strongly associated with happiness (2008: 1687). Therefore, if, as Piff and Lammers found, there is an inverse relationship between wealth and social attachment, wealth might quantitatively extend an individual's life expectancy, but reduce the quality of the days lived.

2.4 Group Solidarity as a Motivation for Ethical and Non-ethical Behavior

In her article, “Living in the Gray: Lessons on Ethics from Prison” (2013), Jana L. Craft's undergraduate business ethics students construct and administer a questionnaire to incarcerated business executives asking them to describe the lessons they learned about business ethics. Craft points out that many of the white collar prisoners explained that making as much profit as possible was key to the values touted in their organization, “The majority [of respondents] replied that the

corporate values were vague or unwritten and values such as growth and profit were paramount” (2013: 332) and, “[These] Responses led the students to believe the organizational culture supported advancement and profit over ethics” (2013: 333). Half of the respondents related that senior leadership referenced the official company code of ethics, “but the growth of the business and performance expectations clearly contradicted that code” (Craft 2013: 331). Craft quotes a respondent as he makes the distinction between the company’s official ethical position and the actual values expectations:

I am ashamed to say that yes, I believe the decisions I made were consistent with the values of my company. This acknowledgement may strike some as absurd. I was a stockbroker, and a decision I made resulted in my being charged with securities fraud. Yet, I am referring to the company’s core values as I perceived them, not to the company’s published values... [which] touted the importance of ethics, integrity and honesty. My decisions were unethical. Unfortunately, I also feel they were consistent with the unethical culture in which I worked (Craft 2013: 332).

Short-term considerations also played an important role in the unethical behavior of incarcerated business executives, “Half of the respondents indicated they chose to go against their deeply held core values in order to maintain their lifestyle. They said they made decisions for short-term gain and immediate gratification” (Craft 2013: 329). Craft emphasizes that the respondents had abandoned their personal beliefs and adopted the ethical code of the company that employed them:

Numerous respondents explained that many of their employees made choices that violated their personal beliefs on a regular basis. Employees *knew* [emphasis theirs] right from wrong but were under pressure to perform. In essence, employees knew better but greed clouded judgment (Craft 2013: 333).

The tendency to abandon personal ethics grounded in a humanistic social values is evident in the subjects in Milgram’s experiments as well, yet instead of attributing the process to obedience to authority or to the potential for evil as Milgram did, Craft, and some of her respondents, repeatedly conclude that unethical behavior is attributable to individual greed (2013: 330, 331, 333, 336, 335, 339). The explanation used in the Lance Armstrong debacle, from Armstrong himself, the press, and those athletes Armstrong bullied into doping, is neither obedience as in Milgram, nor evil as in Arendt, nor greed as in Craft, but instead competition. In the Armstrong case, unethical behavior is blamed on control and winning at all costs. On the other hand, Piff concludes that it is the narcissism of the upper-classes (2014), and Lammers et al. credits personal “intuition” of power status (2010) for the ensuing unethical behavior. Viewing incidents of unethical behavior as unrelated and attributable to different individual human characteristics speaks to the widespread tendency to concentrate on the particular individuals involved and the episodic organization of analysis. That is, most of the time, the unit of analysis in unethical behavior is the individual psyche rather than the values and culture of the group. Consequently, individuals are penalized and stigmatized for their behavior, but often we do not undertake the difficult, but arguably more important, task of

restructuring the cultural values and expectations that produced the behavior. In the face of such passivity, or perhaps tacit support, the behavior continues.

Introducing the sociological concept of solidarity allows us to find a unifying force that runs through these diverse examples. Perhaps it is not individual greed, narcissism, intuition, competition, or evil that was the cause of the unethical behavior in each instance described, but instead the strong desire to be part of a prestigious and powerful community. As noted, group solidarity gives individuals the strength of the larger cause; the safety and respect of the group allows them to feel more self-esteem and confidence, and this has measurable effects on their performance.

The values of profit and individual wealth have become so prevalent that they transcend the narrow population of the business community. As business culture has become increasingly dominant, prestigious and powerful, business perspectives, verbiage, and viewpoints that stress self-interest over attention to public good and environmental stability have become more widely accepted and integrated into many societies. Newspaper, radio, and television newscasts feature business sections, often including quantitative information on stock prices, but there is no specific “labor” report, or quality-of-life index regularly disseminated through media outlets. In English, we have incorporated business into common language idioms: we want people to “buy into” ideas; we want to know what the “bottom line” is; when we are serious, we “get down to business,” and we compliment well-rounded people by saying they are “the whole package.”

Business values reverberating through societies are reflected in trends such as the increasing polarization of wealth (Stiglitz 2013; Freeland 2012; Liu and Hanauer 2012: 96–97), and have been blamed for much of the dishonesty within business transactions. If the values associated with business are profit maximization over the short-run—that is, to maximize earnings per quarter in order to manage the expectation of the capital markets, and profit and accumulation of personal wealth, then the behavior encouraged tends to reduce the focus on social relationships over the long-run.

In this way, business culture can be interpreted as promoting anti-social behavior, and these values seem evident to business students as well. **In a 2009 survey of over 1,800 students from U.S. and international business schools, 90 % blame a focus in business on short-term results as a contributing factor to the global financial crises, only 16 % strongly agree MBA programs are helping them learn how to make business decisions that will avert similar financial crises, and 56 % strongly agree business schools should introduce financial models that consider long-term social impact (Net Impact 2009).**

Despite Broughton’s admonishment, there is no empirical reason to believe that business schools attract predestined thieves any more than medical schools attract drug dealers, firefighting attracts arsonists, or Milgram’s experiments attracted sadists. Beliefs and behavior arise from adopting the values of the group, either sincerely or pragmatically, and prestigious cultures such as business and medicine are especially empowered to affect the beliefs and behaviors of their membership and the larger society. The safety and strength of powerful groups provide an

enormous impetus for people to subordinate their personal ethics to the code of group conduct, even if that means cheating, being less empathetic, and more hypocritical. Because business culture has become so accepted and authoritative in the larger social culture, changing these values is formidable. The next chapter explores how the ethics of powerful groups might be influenced by minority or outsider views and examines alternative and minority models represented in business ethics education and in business practices.

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