Handbook of Research on Teaching Ethics in Business and Management Education

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Chapter 5
Developing Reflection on Values as a Foundation for a Business Career

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ABSTRACT

Students can learn to analyse questions of ethics from the philosophical perspectives of duties, consequences and virtues. This includes the development of empathy and moral courage. Our brains respond to the experiences of others using ‘empathy neurons’; we are ‘hard-wired’ for empathy. Developing moral courage can be linked to the development of empathy, drawing on ‘ethics of care’ theories. Graduates who express empathy for their colleagues and care for themselves are better equipped to act ethically. The authors show how learning experiences can enable students to develop problem-solving responses as an alternative to ‘fight or flight’ reactions to ethical problems. They can help students to develop expertise in ethics by providing them with more opportunities to engage rationally and empathically with ethical problems, through active learning experiences followed by critical reflective processes. Discussing moral exemplars in active learning helps to avoid a cynical view that unethical behaviour is normal. Critical reflection encourages students to make more use of their rational and empathic capacities. The theory of cognitive dissonance helps students to become aware of how we tend to seek information that confirms our decisions while avoiding information that would alert us to ethical hazards.

INTRODUCTION

We are all affected by unethical behaviour in business and management. Bribery to secure contracts means that the most competitive, efficient provider is denied the contract. Nepotism in procurement produces poor value for the purchasing organisation or poor quality components. The rounding up of their hours by professionals unjustifiably increases the cost of their services. Corruption in public officials risks buildings and systems which do not meet accepted safety standards, resulting in risk of death, injury and enormous cost, normally met by the insurance industry which passes

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that cost on to the community at large. There are winners. They tend to be the already relatively wealthy unethical players. The losers are the ordinary members of the community, to whom these unnecessary costs are ultimately passed in the pricing of goods and services. They tend to be amongst the less wealthy in our societies. Other losers may be the ethical businesses.

Not only is unethical behaviour costly, it violates our concept of justice. It is corrosive of the reputation of the business community.

Businesses which are concerned to behave ethically need to recognise the inherent dangers created by a highly-competitive commercial environment. They will wish to recruit and reward people of ideas and initiative, people who are willing to take risks. In order to maximise their chances of achieving their ethical goals they need to plan and develop on a number of fronts. They must address their organisational structures and recruitment policies. They must be careful about their mission statements, the achievements for which employees are rewarded and how they protect whistleblowers. They need to develop effective continuing professional development and ensure that senior management model the standards they seek their employees to emulate (Brytting, Minogue and Morino, 2011). But, in addition to these organisational responses, they need the support of those working in universities and institutions of higher education who can prepare people for entry into business and management careers. This chapter focuses on that aspect of the struggle against corruption and unethical practice.

The authors’ experience is in working with law students on both academic and professional programmes. The firms our students go to work in are themselves businesses in a highly competitive environment. Much of their work is undertaken for the local and international business community. They work in a highly commercial environment. They face similar ethical challenges to business and management students although they also face the challenges of advising and representing individuals caught up in litigation processes. In developing our students’ learning experiences we have come to conclusions which we are confident will be of value to those teaching business and management students.

The purpose of this chapter is to present recent findings of neuroscientists and evolutionary psychologists in understanding how the brain works when faced with decisions and dilemmas. In particular, we identify the significance of individuals’ capacity for empathy and for moral courage when faced with a challenging situation. This provides us with lessons for the structuring of our programmes. It leads us to propose ways of providing our students with experiences and of exposing them to the experiences of others in such a way as to develop reflection on their own values. In so doing we do not seek to mould them to any particular set of moral values or beliefs. Our goal is to help them to develop the character, knowledge and understanding of their own values, to be able to approach life in a principled way. As such, they should be assets to employers seeking to develop ethical business practice.

APPROACHES TO ETHICAL BEHAVIOUR

Preparing students for the responsibilities of management and business can be approached from a number of different potentially competing perspectives. This is not the place for a thorough account of the different approaches which may be adopted. For the purposes of this chapter it will suffice to recognise that there are at least two fundamental approaches which are widely considered when the codes by which professional behaviour is tested are devised. Both approaches are inherently attractive, but may lead to different outcomes when applied. There are many nuanced approaches within each and others would recognise further distinct approaches.

One fundamental approach is rooted in the concept of duty. Duty may be identified in many ways. It may be based on long-standing cultural
norms which themselves may be drawn from religious or political doctrine. The obvious problem with this is that if one does not share the religious or political belief at the root of the set of norms one may not be willing to adopt those norms. Objective approaches, such as Kant’s ‘categorical imperative’ (Kant, 1785), assessing an action by considering whether one would wish oneself to be treated in the same way, may assist. Kant, in presenting a concept of duty, avoids dependence on particular doctrines by basing it on reason. Thus it comes from the reasoning of the autonomous individual. However, it must meet the test of being what any reasoning person would do (Yuleman, 2010). Thus Kant opposes it to self-interest. He is also insistent that, having thus identified one’s duty one should pursue it come what may. Thus he presents it as independent of the consequences of what is done.

This may be contrasted with another fundamental approach: utilitarianism. Here actions are assessed by considering their consequences. Those which on balance produce the most good are those which should be preferred. The classical definitions of utilitarianism come from Jeremy Bentham. “A man may be said to be a partizan of the principle of utility, when the approbation or disapprobation he annexes to any action or to any measure, is determined by and proportioned to the tendency which he conceives it to have to augment or to diminish the happiness of the community” (Bentham, 1789, 1907, Ch. 1, 1.10).

Both approaches are inherently attractive. However, they may lead to different results. A Kantian analysis may prioritise the dignity of the individual who is affected by the decision in question. By contrast, a utilitarian approach may regard that value as being trumped by the potential for valuable consequences for society as a whole. Practical dilemmas tend to be further complicated by questions of responsibilities to different groups: shareholders, customers, employees or society at large.

An example of such a dilemma will have faced those advising the Ford Corporation in relation to the Pinto. This car was launched before safety tests relating to rear collisions had been undertaken. After launch, tests suggested a risk to the fuel tank with resulting risks of fire in rear collisions. Ford decided not to recall the car for an $11 fix, on the ground that the risk and cost of litigation was likely to be less. In the case of Grimshaw v. Ford Motor Company (1989) 119 Cal.App.3d 757 the court awarded punitive damages to a family who suffered death and injury as a result of this defect. Subsequent analyses have shown that the Pinto defect was no worse than others in cars marketed at the same time and that Ford may have not been as culpable as found by the court (Schwartz, 1991). These provide a wonderful case study to alert students to how the ethics of particular decisions may be analysed and interpreted in terms of rule and principle and consequence.

Professional codes are inclined to draw from both Kantian and consequentialist approaches. This is one of the reasons why Codes are insufficient in themselves. They may contain elements which are drawn from different approaches and thus may lead to conflicting precepts. In addition, the real situations individuals encounter are nuanced and complicated. The application of Code precepts may require interpretation in order to respond to the complexities encountered in practice. For all these reasons, knowledge of the Codes themselves can never be sufficient and is therefore an inadequate basis for our ethical education of our students. Decisions will not necessarily be ideal; they may represent the ‘least worst’ outcome. While understanding of the Codes which will apply to their practice is essential students should also develop the necessary elements of character which will enable them to apply those codes critically and to complex nuanced situations. In order to take fine-grained decisions of this sort individuals need to develop their own personal integrity, which itself requires
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engagement with one’s own character and belief system (Macfarlane, 2009)

Virtue ethics is an approach which recognises these personal qualities. This stems from the writing of Aristotle in The Nicomachean Ethics (Aristotle, 350 BCE). A virtue may be defined as a ‘trait of character, manifested in habitual action, that is good for a person to have.’ (Rachels, 1999, p. 178) Virtues may be presented as median points between extremes which constitute vices. Macfarlane presents an example of this in the virtue of courage, which constitutes a median point between the vices of cowardice and excessive aggression (Macfarlane, 2009). This analysis suggests that we need to provide opportunities for our students to develop a reflective approach towards their own values and the ways in which they respond to situations with which they are faced.

THE SOURCES OF OUR VALUES

We will operate on the premise that there is no satisfactory evidence for either pure genetic determinism or arguments that environmental factors alone determine behaviour. Both are factors in the development of our values and the manner in which we respond to dilemmas. We must therefore consider both in developing our understanding of student learning in this field. Indeed there have been proposals that suggested either might lead to an amoral competitive individualism.

A crude geneticist view was sometimes presented that people are, as a result of a ‘survival of the fittest’ process, hard-wired to be self-centred and competitive. Modern Darwinists understand that natural selection needs to be understood in a more nuanced manner. Human beings, with sophisticated communication skills, are able to gain great advantages by co-operation, initially within the family group, then with wider groups as the opportunities for mutual interest arise and are perceived. Gary Olson, exploring whether people may be ‘hard-wired’ for empathy, cites Marc Hauser (2006, p. 416) presenting sophisticated studies which suggest ‘that large-scale co-operation within the human species – including with genetically unrelated individuals within a group – was favoured by selection.’ (Olson, 2007, para 8).

The contrasting view recognised that we live and operate in a market-based society. Business operates through assumptions about ownership and control, and may use narrowly financial analyses of what constitutes value. The competitive nature of the business environment may contribute towards tendencies in individuals towards individualism and self-centredness. Does this raise questions about the environment itself discouraging ethical behaviour if it should challenge those tendencies?

Of course, we know from our experience that people’s responses are not as simple as any of these approaches suggest. If a particular ethical approach can be a trait it varies considerably (like other attributes such as intelligence or physical strength) within the population. There may be personal advantage in behaviour that supports others. Most individuals appear to have a moral sense which influences them to behave in altruistic or even self-sacrificing ways. The human capacity to act out of principle rather than any (conscious or subconscious) analysis of interests is well-established. This may flow from many sources, including religious convictions, a sense of well-being at doing what is approved by one’s peers or simply a feeling of personal satisfaction at taking principled decisions. Studies exploring the factors that contribute to altruistic behaviour in business organisations may contribute to our understanding of this human capacity (Organ, Podsakoff and MacKenzie, 2006).

What are the underlying requirements for undertaking a business career with integrity? We would argue that key amongst them are empathy: the capacity to put oneself in the shoes of others and moral courage: the capacity to stand up for principles in the face of probable adverse consequences. If it is the case that individuals’ capacity
is influenced by their genetic background and also by their experience of the world around them, it is worth exploring whether our knowledge of neuroscience and evolutionary psychology gives us insight into how these capacities might be developed.

**Empathy**

Empathy with those who are close to us is easy. We naturally feel empathy for family members, long-standing friends and neighbours and for others who share our religious views, politics or experience. While it is easy to see how caring for kin is genetically hard-wired, care for others is less easily explained.

*The emergence of altruism, of empathizing with and caring for those who are not kin, is not easily explained within the framework of neo-Darwinian theories of natural selection, and thus social learning explanations of kinship patterns in human helping behavior are highly plausible. Indeed, one of the most striking aspects of human empathy is that it can be felt for virtually any target, even targets of a different species (Decety and Lamm, 2006, p. 1148).*

It may be more difficult to feel empathy for those who do not share characteristics or experience with us. In a globalised economy we will be working with people speaking different languages and with different cultural expectations. Indeed, it may be our common engagement with a market economy which provides us with a seed from which empathy can grow. However, we also need to work with colleagues who report to us and about whom we must take disciplinary and other employment decisions. We may not share an educational, cultural or class background with them and it may be hard to find the empathy to assist us to take those decisions in an ethical way. Recent research suggests how the way our brains work sets up a basis for developing empathy.

Decety & Lamm explain how our awareness of difference from others and of our own agency in what we do enable us to respond empathically to another’s plight as opposed to responding with distress:

*We suggest that the nonoverlap in the neural response between self and other frees up processing capacity in the brain for unfolding appropriate future action towards the other. Further, being aware of one’s own feelings, and being able to regulate consciously one’s own emotions may be what allows us to distinguish empathic responses to others from our own personal distress, with only the former leading to prosocial behavior (Decety and Lamm, 2006, p. 1155).*

Ramachandran explains this ‘nonoverlap … between self and other’ through experiments using monkeys where the same neuron fired ‘not only (say) when the monkey reached for a peanut but also when it watched another monkey reach for a peanut!’ (Ramachandran, 2007, para 6). These neurons are known as ‘mirror neurons’ and appear not to distinguish between self and other. Ramachandran explains the link with empathy through experiments with human subjects: ‘Neurons in the anterior cingulate will respond to the patient being poked with a needle; they are often referred to as sensory pain neurons. Remarkably, researchers at the University of Toronto have found that some of them will fire equally strongly when the patient watches someone else is (sic) poked.’ (2007, para 8). He describes these as ‘empathy neurons’ and they appear to provide evidence of our innate ability to feel concern for others.

How might we develop that innate ability in our students? According to Olson, ‘[c]ultivating empathic engagement through education remains a poorly understood enterprise’ (Olson 2007, para 36). Preston and De Waal propose a number of factors which affect the likelihood of empathic behaviour.

These include:
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- The subject’s ability to help;
- A high level of need to the object;
- High potential benefit to the object (also making reciprocation more likely);
- Having control over the object;
- Expecting to be able to help the object.

This they describe as a cost/benefit analysis on the perceived effect of helping. Where cost exceeds potential benefit, ‘attention can be directed away from the distress to control or subvert empathic processing altogether, making the desire to help less likely’ (Preston and de Waal, 2002, p. 25).

This is encouraging insight for a number of the goals we have anyway in management education. We clearly need to develop high levels of competence in order to develop the ability to help, and high levels of autonomy and independence of mind, to develop the ability to exercise control over the resources and procedures available to them. This reminds us of the importance of the cognitive domain for the quality of affective responses.

However, it is insufficient, for here there is a paradox in that the development of autonomy although valuable in enabling an empathic response, may be undermined by that empathic response. Berlant suggests, ‘You want to feel attached to others, but you don’t want to be destabilized. Empathy reveals your non-autonomy, and this is a culture that values freedom and identifies freedom with autonomy.’ Gibson quotes her as saying that ‘[y]ou have to train people to act with empathy, to restrain their ambivalence’ and continues: ‘[s]entimental literature—books like Uncle Tom’s Cabin or films like Schindler’s List—provides training by demonstrating the consequences of not having empathy’ (in Gibson, 2006, para 24).

This is an approach long advocated by Nussbaum who argues that education in the arts and humanities helps students to understand the lives of strangers (Nussbaum, 1997). We would make two observations here. One is that it is wise not to restrict students’ exposure to examples of the consequences of non-empathy, but to provide positive examples as well. This point will be developed later. The other is that the approach should be augmented by critical studies that develop understanding of why things are not as they should be. This will develop students’ understanding of the circumstances into which they will be moving and thus their capacity to operate effectively and ethically within them.

**Moral Courage**

Understanding the world around them is a crucial element of preparing any individual for ethical behaviour, but it is not enough. When challenged to bend the rules by a superior or an influential client, it is very hard to maintain an ethical stance without moral courage. Any group of students will have individuals with different degrees of innate courage, but the thrust of this section is to suggest that it can be developed.

Leslie Sekerka defines moral courage as ‘the ability to use inner principles to do what is good for others, regardless of threat to self, as a matter of practice’ (Sekerka and Bagozzi, 2007, p. 135). He points out how affect acts independently from the judgment of the value of a goal when a decision to act is being taken. Intrinsic pleasure in an instrumental act will make it more likely. Intrinsic unpleasantness will tend to avoidance.

‘The felt affect in response to the consideration of the possible means supplies additional information to a decision maker on the personal consequences of engaging in goal pursuit (2007, p. 138-9). … This functions through multiple stages via anticipated emotions, affect towards means, desires to act, felt self-conscious emotions and attachment to a group’ (p. 144).

Recognising the significance of the affective domain can help us to identify ways in which we can help our students to recognise and develop the courage within themselves, so that they may be aware of and able to resist the natural tendency to defer to dominant behaviour. In the field of legal education Steven Hartwell conducted research informed by the famous Milgram experiments (Milgram, 1974). He set his students up to advise...
a client who wanted to perjure herself in court. He was available in an adjoining room to offer advice. When students came to him he told them that they should advise their client to perjure herself. 23 out of 24 gave this advice even though they knew perfectly well that it contravened the law and their professional Code (Hartwell, 1990).

Disturbed by these results Hartwell sought to explain them by applying Lawrence Kohlberg’s taxonomy of moral reasoning (Kohlberg, 1981). This may be presented in a simplified manner as follows.

There are two ‘pre-conventional’ stages. The first seeks to avoid punishment, accepting authoritarianism: might is right. The second is self-interestedly instrumental. This sees collaboration between others as desirable if it brings benefits. These two stages operate independently of the moral conventions of the culture within which the individual lives and are therefore described as pre-conventional.

The two ‘conventional’ stages are based on those cultural conventions. Stage Three involves conformity and establishing longstanding trusting relationships and is characterised by high levels of concern for approval by those close to them. Stage Four engages a more conscious acceptance of the rules through which moral conventions are articulated. There is an acceptance of authority, and the values of maintaining social order are recognised.

The post-conventional stages are those concerned with principled moral reasoning. Stage Five, which Kohlberg described as ‘social contract driven’, engages the individual with fundamental moral principles such as justice and equality. Rules will be critically analysed and the competing values of individual rights and collective interests will be recognised. Resolution of these conflicts will come through debate and majority decision. Stage Six involves reasoning based on universal ethical principles, and remains a very abstract concept. Kohlberg found few research subjects who used it consistently, which suggests that it is not common for people to reach this stage.

Hartwell’s analysis of his findings applied the concept of the ‘agentic state’ postulated by Milgram as a result of his experiments. As individuals learn rules from an authority figure they perceive rules as dependent upon authority. When faced with a conflict between an abstract rule and an actual authority figure they are likely to obey the authority figure who is present. (Hartwell, 1990). Kohlberg had argued that the small number of Milgram’s subjects who had challenged the authority figure were those who had developed Stage 5 moral reasoning (Kohlberg, 1981). Hartwell concluded that students who had not reached Stage 5 moral reasoning did not have a sufficient basis for challenging the concrete authority figure with whom they were faced. They still saw authority as being externally imposed. They did not recognise themselves as autonomous moral agents.

This concerned Hartwell. He observed how Stage 5 moral reasoning was rare except amongst such groups as students of advanced moral philosophy and noted the lack of any requirement of high moral reasoning for success at bar examinations. Given that the development of an individual’s moral reasoning is a slow process, he concluded that it was unrealistic to expect to elevate the moral reasoning of the legal profession either by training or selection (Hartwell, 1990). The social, economic and educational profile of business and management students is not significantly different from that of law students. It therefore seems probable that the same analysis is true of all these categories of students. When moving from their education into work environments they will be faced with authority figures whom they will be ill-equipped to challenge.

Hartwell identified a further concern with his students. As they developed a reflective practice in client interviewing they became more sympathetic, but also ‘more vulnerable to manipulative and aggressive clients’ (p. 150).

His response was three innovations:

- He introduced assertiveness training (p. 151).
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- He taught Kohlberg’s theory of moral development to his students (p. 155), so that they analysed different responses to dilemmas in Kohlbergian terms.
- He introduced simulations whereby students, faced with ethical dilemmas, had to consider the proper responses, devise rules in respect of those issues and justify those rules (p. 164).

He tested the results of these innovations with the Defining Issues Test (Rest, 1979) during the first and last weeks of class. This test analyses responses to moral dilemmas seeking to identify reasoning at stage 5 and above. Hartwell found students at the beginning of the course had a mean score of 47.8, typical of 2nd year postgraduate students. Their mean score at the end of the 14-week semester was 61.8. (p. 166) Although he recognises limitations to the methodology, this is statistically significant and suggests that moral development may be learnt. Crucial components are: recognising the fact of a moral dilemma, which can be improved by empathy; developing a capacity for moral reasoning, which can be improved by the use of simulation; and exercising a moral choice, which can be improved by assertiveness training (p. 167).

We might use more sophisticated analyses of moral development with our students. For example, Carol Gilligan has criticised Kohlberg’s narrow justice-oriented values and proposed a qualitatively different ‘ethic of care’ (Gilligan: 1982). Earlier, we asked the question of how we can develop empathic capacity in our students. The published work of feminist writers shows how putting a high value on care is linked to a preference for co-operative rather than combative modes of communication and a desire to personalise and contextualise problems (Menkel-Meadow 1985, O’Leary 1992). They show how lawyers’ use of empathy can build stronger lawyer-client relationships and create partnership (O’Leary 1992). Feminist law teachers aim to provide their students with learning experiences that will enable their students to “see the world through their client’s eyes” (Glennon 1992) and expressing care for their clients, their colleagues and themselves. The use of empathy may, for some people, be associated mainly or exclusively with therapeutic relationships in which a helping professional reflects back the feelings and experiences of another. The helping professional themselves tends to avoid self-disclosure.

Such a setting may reflect line management relationships and the responsibilities of human resources managers. For lawyers, O’Leary recommends techniques such as the sharing of the lawyer’s own experiences, to promote an atmosphere of mutual learning and reflection (while recognising that sharing the lawyer’s own experiences can be dangerous since it could lead to dependency: O’Leary 1992). A combination of care for colleagues in a workplace and a greater willingness to engage in self-disclosure may assist graduates in avoiding some of the ‘ethical blindness’ that could otherwise occur, when a person unconsciously avoids becoming aware of ethical problems in their own behaviour (Hall 2010) (we reflect in more detail on unconscious processes below, when we discuss cognitive dissonance).

If we can apply these insights to our own programmes it suggests that, combined with developing student competence and an appropriate degree of self-confidence, we can make a contribution to the capacity for moral courage.

RESPONDING TO CHALLENGE

Hartwell gives us further helpful insight as a result of work he did researching his students’ experience of the courses he developed. He found that students taking his role-play-based experiential courses displayed moral development (on a Kohlbergian analysis) which was not shown by students only taking conventional courses (Hartwell, 1994, p.
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527). There is sound theoretical underpinning for this finding.

‘Experience produces a qualitative change in the mode and content of knowing, which cannot be replicated by the transmission of information or the discussion of cases ... The way in which ideas are understood after they have been used feels different in a sense that is not fully explained by the fact that they are more easily remembered.” This is particularly true of ideas about values, much of whose content is lost when understood in a purely intellectual way (Myers, 1996, p. 835, quoting Condlin, 1984, p. 323).

Thus it is through experience that students ‘begin to internalize and make their own moral and ethical judgments.’ (Myers, 1996, p. 836).

Moreover, role-play may provide students with experiences which can help them to avoid ‘fight or flight’ reactions when faced with sudden challenges. This may be even more true of real experience, which can be provided through work placements and other opportunities to work with real people under appropriate supportive supervision.

Alan Lerner explains how the brain may be presented as three distinct but interconnected parts: the most primitive (sometimes known as the ‘reptilian’ brain); the limbic system; and the neocortex, that part of the brain which is most recently evolved (Lerner, 2004, p. 659).

Lerner describes the limbic system as responsible for evaluating, organizing, and directing incoming data for processing in the brain stem and the cortex, and with our awareness of ourselves, physically and emotionally.’ (ibid) ‘It is also involved with certain of our primal activities such as sense of smell, sex, nourishment, and bonding between individuals (Sylwester, 1995, p. 43-44). It is capable of mediating our responses to external data through its ability to “read” and act upon our emotional responses, as well as overriding rational thought’ (Lerner, 2004, p. 660).

This capacity has profound consequences for our responses to novel problems or challenges.

Because the limbic system is involved in all of these activities, emotion is involved with virtually everything that we experience or do. For example, when incoming data indicates a problem, and the limbic system in concert with our rational/emotional brain structures, can discover no appropriate solution or problem solving process, anxiety, even fear, takes over, and the brain activates our fight-or-flight stress response (ibid).

The neocortex is that part of the brain which undertakes most of the processing of sensory data. It ‘makes language, logical and formal thinking, and planning for the future possible. It is responsible for the creativity that we call science and art (Caine and Caine, 1994, p. 63), and is largely responsible for planning, analysis, sequencing, learning from errors, certain inhibitions to inappropriate behaviors, and capacity for abstraction, including empathy (Caine and Caine, 1994, p. 67). Logical/rational thinking is centered in the neocortex’ (Lerner, 2004, p. 660).

The interconnectedness of these parts of the brain is mediated by the limbic system. Its function of directing incoming data either to the neocortex or the primitive brain for processing makes it the key to how individuals respond to stimulus. If we want our students to use their rational and empathic capacities the neocortex must be engaged. Lerner identifies the challenge for educators as ‘to help students learn so that, when faced with problems, whether intellectual, moral or both, they avoid resorting solely to the automatic, primitive, flight or fight response, but rather engage their neocortex with all of its power to process sensory data, draw broadly from memory, abstract, identify patterns, analyze rationally, and create new concepts, thus bringing to consciousness a broad range of potentially effective, ethical responses’ (2004, p. 661).

Individuals are most likely to engage their primitive brain rather than their neocortex when
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faced with stressful situations, just the sort of situation regularly faced by managers and business executives. ‘Making choices and exercising judgment produces stress. Making morally charged choices, or choices in situations where one feels personally threatened, produces a high level of stress.’ (p. 678) A certain level of stress may be valuable. It leads the body to produce two hormones, adrenaline and noradrenalin which assist us in thinking and responding effectively. However, where stress is extreme or continuing the body produces excessive amounts of cortisol, a third hormone which tends to inhibit rational thought. ‘Our brain resorts to recall primarily from its more primitive, survival oriented reptilian and limbic systems.’ (p. 679)

It is not inevitable that this will happen. The more we feel capable of dealing with a problem the more likely we are to avoid the reaction (Caine and Caine, 1994). How can we, in our role as educators, help students to develop the necessary characteristics? We make two proposals.

Increase the number of encounters: The more often students encounter challenging ethical dilemmas, the more likely will be their ability to respond rationally. Familiarity, rather than breeding contempt, develops the capacity to exercise control. This suggests that we should present students with real or simulated dilemmas, requiring them to act, rather than merely to say what they would do as in a conventional seminar discussion. It also suggests a degree of pervasiveness for attention to ethics in the curriculum.

Develop expertise: We have already seen the importance of developing competence. This proposal goes further. Gary Blasi, applying cognitive science to problem-solving in legal practice, shows how expertise is not comprised of more knowledge, but rather in the quality of the organisation of that knowledge. The expert sees patterns in problems which assist in speedily identifying appropriate solutions (Blasi, 1995, p. 318). Recognising these patterns enables the expert to recognise the significance of factually different experiences for a current problem. According to Lerner, ‘Their memories include a combination of a deep body of subject matter data, and “experience,” the accumulated knowledge from actually using the data in various situations over time (i.e., in context). Accessing these memories permits them to compare and contrast the characteristics of the presenting problem with those of the many problems with which they have engaged in the past’ (Lerner, 2004, p. 686).

The classic writing on the use of experience to develop high standards of competence at complex professional tasks is Schön’s (1983) work exploring different levels of reflection (reflection on action and reflection in action) to explain the development of expertise. Within the space available to us in this chapter we would simply suggest that this literature provides a strong theoretical basis for the value of incorporating active learning methods combined with a self-conscious reflective process. A reiterative process which takes students through a cycle of experience, reflection on that experience, planning for further experience which then takes place, perhaps in different contexts, (Kolb, 1984) enables students to participate in a learning spiral which assists them to develop the necessary expertise.

This has become a conventional view amongst educational theorists. Our understanding of how the brain works and the significance of the affective domain constitutes further support for this approach. We now turn to consider some of the ways in which we might design appropriate opportunities for experience and reflection on values into our programmes.

LEARNING ABOUT ETHICAL BEHAVIOUR

Most approaches to teaching professional or management ethics will involve providing examples. They will make concrete concepts that otherwise risk being abstract or purely theoretical. As such
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they may help students without experience of their own to understand more fully the issues with which they are being presented. However, it is commonplace for these examples to focus mostly on (often well-publicised) cases of malpractice and wrong-doing. These can be powerful and engaging, but may suggest to students that such behaviour represents the norm and not the exception (Macfarlane, 2009). Writing in the context of teaching research ethics he argues that it can also mean ‘that while students may be able to understand what constitutes “unethical” practice they may find it harder to articulate the opposite and consider the values which might characterize “good” practice’ (ibid).

In order to overcome these risks he makes two proposals. The first is that when dilemmas are presented it is better to choose situations which students might well expect to encounter early in their careers. These will be more relevant and can address the consequence of (for example) inexperience or laziness as opposed to the deliberate intention to defraud or mislead (Macfarlane, 2009). The second is to provide examples of individuals who represent excellences of character (Macfarlane, 2009). He points out that this approach has been adopted with success in the field of teaching business ethics (Weber, 1995).

So part of our recommendation would be the introduction of heroes as well as villains and the use of exemplars whose experience is relevant to what students will anticipate that they might encounter in the near future. However, simply presenting these stories will not suffice. We need to embed them in courses where students get opportunities to practise in the light of hearing these stories and to reflect upon their experiences.

Insight into this is provided by Clark Cunningham, who introduced stories of real and fictional lawyer-heroes (Cunningham, 2003) into his Professional Responsibility course. In spite of the use of movies, documentaries and fiction as well as more formal reports the students were unimpressed. The course evaluations were lukewarm or negative. His response was to integrate simulated activities into the student work with these stories of lawyers. Simulations involved students being assigned the role of lawyers and clients conducting interviews arising out of the specific real cases being considered. The interviews were digitally recorded and made available to all students, who then wrote comparative analytical evaluations of different role-play interviews. In doing so they were encouraged to compare different interviews and to propose other ways of approaching the task, taking advantage of the hindsight they had acquired. The best analyses were then posted on the course website for students to compare with their own.

Cunningham describes this as ‘“discourse analysis”, close and repeated viewing of recorded speech events with attention to every detail.’ (Cunningham, 2003, p. 615). The evaluations were transformed. ‘For many students the simulations clearly seemed to have engaged their respect and intellectual energy for the challenge of applying the principles of legal ethics in practice and made the stories of the real-life lawyers more relevant to them.’ (Cunningham, 2003, p. 616). This is merely one way in which the power of simulated work can be engaged.

The Use of Simulated Activities

We have shown that we would like to prepare our students to use their rational and empathic capacities to resolve ethical questions in the future. We have seen that experience helps: familiarity with ethical dilemmas helps students to enhance their capacities to respond rationally rather than falling back on a fight or flight response. Active learning combined with reflection can be a means to do this.

What is needed, then, is a series of opportunities for students to experience resolving ethical dilemmas, followed by reflection and planning for the future. Students might begin by discussing how they would resolve hypothetical situations before taking part in simulated activities. Such activities
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could generate useful learning opportunities either for business and management schools alone, or for business and management schools to collaborate with law schools (as well, as potentially, other departments of a university).

In this section, we aim to illustrate how this can be done. In legal education, students learn ‘lawyering’ skills such as advocacy, negotiation and client interviewing. While these skills are inevitably taught with a legal focus in law schools, their relevance for business and management careers is clear. People working in business and management, like lawyers, need to persuade others (for example, to get support of their organisation for a new project or product.) Like lawyers, business and management professionals prevent and solve conflicts through negotiation. Like lawyers, they aim fully to understand the needs, goals and priorities of clients or customers. Within commercial law firms in the United Kingdom and the United States, there has been a cultural shift towards seeing law firms less as partnerships of individual professionals and more as international businesses (Regan, 2004).

When law schools teach skills such as advocacy, negotiation and client interviewing, these are often taught through a series of simulation activities. Of course, simulations are already used by business schools as part of their repertoire of learning activities. There is already an overlap between the teaching of skills by business schools and law schools through simulations. For example, both business schools and law schools teach negotiation; the standard text Getting to Yes is in use by both business and law students (Fisher, Ury and Patton, 1999).

Business and management educators may wish to add to their repertoire of simulations activities such as a simulated trial or lawyer-client interview. Activities such as a lawyer-client interview can generate conversation about values. For example, a lawyer’s assurances that a company could avoid punishment from a regulator for exceeding the legal limits of pollution, or a lawyer’s willingness to exploit a gap in the protection provided by environmental law, could generate a discussion about values. To provide an example of the use of legal simulations by another discipline, in medical education law-oriented simulations (such as a simulated court-room activity) are used to generate discussion about law and values. In some institutions, educators from different disciplines work together to teach skills using simulations (Lopez et al., 2009).

There may be scope for collaboration between law schools and schools of business and management, or for business schools to add activities such as a mock trial to their repertoire of simulated learning activities. In some contexts, valuable skills learning is done through ‘real-life’ rather than simulated activities, such as a university legal advice clinic or an organisation such as the Free Representation Unit, a UK charity that provides free advice and representation in employment, social security and some criminal injuries tribunal cases.

For example, students learning advocacy might first read about a murder trial such as that of William Gardiner (known as the Peasenhall case, see Maughan and Webb, 2005). Before engaging in advocacy for themselves, they could discuss how they would plan an opening speech for the prosecution or defence in such a trial. Students could then engage in a relatively simple advocacy activity, such as a bail application, before doing a more demanding task such as a simulated opening speech in a trial.

Dilemmas about law, values or ethics can be embedded into simulated learning activities. Ethical dilemmas may involve a conflict of values or competing interests. A conflict of values could involve a clash between the values of an individual and the values of an organisation. A conflict of values could also involve a conflict involving values that are specific to a culture, nation, religion or belief system. Someone working for an international business may find that they are expected to act in a way that would comply...
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with social norms in a particular setting but that would conflict with their own values. Loyalty to
a business may involve conduct that would harm another person, the environment or a community. A
person may be instructed to mislead a third party, in order to promote the interests of a business; for
example, a senior lawyer could instruct a junior lawyer to ‘round up’ the hours of work done on
a file when calculating the bill that a client must pay. A person may face a difficult choice about
whether to keep a secret or disclose information. There may be an opportunity to gain an advantage over a competitor by exploiting a mistake or vulnerability of the competitor in a way that would raise questions about values.

Simulated activities – such as (for law students) conducting a client interview or bail application,
or the delivery of an opening speech in a simulated trial – can be followed by reflection and analysis,
taking students through ‘cycles of experience.’ The precise type of reflection may vary; in some
institutions, students may keep a learning diary in which they would record and reflect upon learning experiences such as these. Students may also reflect through group discussion and assessed written work.

To provide a more detailed example that business and management students (potentially, in
collaboration with law students) could discuss; the students could be told that they work for a business that provides housing in the private rented sector. Their organisation, Fantastic Homes Limited, developed a ‘Community Housing Project’ that provides accessible and affordable housing, designed especially for people on low incomes, people with disabilities and other people who are potentially vulnerable or who may have difficult in accessing housing. In their local area, affordable and accessible housing are in short supply. Their organisation received positive publicity in local media for developing this project. The Managing Director of Fantastic Homes Limited was reported in the local newspaper as saying that ‘through the Community Housing Project, we will always be there for people who need us.’ However, a property developer has offered Fantastic Homes Limited a substantial sum of money to redevelop the properties that make up the Community Housing Project; the properties would be offered as ‘premium homes’ at high prices that current residents would find impossible to pay. The Managing Director is tempted to accept their offer and (to make the deal more attractive to the property developer) is considering using ‘ruthless’ (and arguably illegal) tactics to put pressure on the current tenants to leave.

Students would be given a written and oral simulation briefing, explaining the roles that they play within the organisation. Some students would play the senior leadership team of the company; others would play roles such as being members of the in-house legal team and the press/public relations team. In this simulation, the assigned roles could encourage the students to consider the scenario from different standpoints and in the light of different values. For example, one or more students would play the company’s in-house legal team. Their briefing would tell them that the Managing Director’s proposed ‘ruthless’ tactics would be likely to be regarded by a court as a form of unlawful harassment and/or unlawful eviction. However, the in-house legal team would also be told that landlords who use such tactics are rarely prosecuted, that tenants tend to feel powerless (so they are unlikely to confront the landlord) and (even when the tenants complain) the regulators tend to seek compliance through persuasion and education rather than sanctions (this has some basis in research into this area: Cowan, 2001).

Students would be faced with choices – during and after the simulated meeting that discusses the Managing Director’s proposals to ruthlessly evict the current tenants and to sell the land to a property developer. The in-house legal team will probably tell the Managing Director that his ‘ruthless evictions’ plan would be against the law. However, will the in-house lawyers also choose to tell the Managing Director that, although his
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If a simulated activity such as the Fantastic Homes Limited scenario was used, then to make such an activity effective, a number of practical elements would be needed. The experience of Clark Cunningham (Cunningham, 2003) shows that the students would need meaningful guidance, both on the operation of the simulation and the subsequent analysis. Rather than asking all of the students in a group to simultaneously simulate the same discussion, it would be beneficial for some students to act as participants and others as observers. This would also enable the tutor to focus attention on one simulation, rather than trying to rotate and observe several simulations at once. If the students had the opportunity to view a video-recording of the simulation, this would enable effective review of the exercise. Effective review would help students to analyse their experiences in a written critique of the significant issues raised by the simulation. Thus, the experience of Cunningham shows that such simulations are most effective as part of a ‘learning cycle’ of preparation, performance/observation and post-simulation review, followed by written analysis (Cunningham, 2003).

In addition to making individual choices in responses to hypothetical situations, students could discuss how they could design appropriate ‘ethical infrastructure’ to embed respect for values into their business. The idea of an ethical infrastructure is explained, in the context of large law firms and lawyers working within large businesses by a group of Australian writers (Parker, Evans, Haller, Le Mire and Mortensen 2008). The idea of ethical infrastructure goes beyond appointing an individual or a committee to promote ethical conduct within an organisation. ‘Ethical infrastructure’ can refer to ‘formal and informal management policies, procedures and controls, work team cultures, and habits of interaction and practice that support and encourage ethical behaviour.’ (Parker, et al, 2008.) While the term ‘ethical infrastructure’ was already used in the United States to refer to policies that promote compliance with ethical rules (such as the codes of conduct used by professions), this group of Australian writers makes (in our view) a convincing case for a broader concept of ethical infrastructure that would involve the positive promotion of ‘structures and cultures that support the ethical values that lie behind the rules’.

Students could discuss how to design infrastructure that would encourage people working for an organisation to engage in a rational and empathic response (as opposed to a ‘fight or flight’ response) to questions of values. In designing ethical infrastructure, students would draw upon relevant insights from organisation theory – such as the classic distinction between formal and informal organisation proposed by Roethlisberger and Dickson (1939) whose research found that:

‘There is something more to the social organization than what is formally recognized ... the formal organization cannot take into account
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the sentiments and values residing in the social organization by means of which individuals or groups are informally differentiated, ordered and integrated.’ (Roethlisberger and Dickson, 1939, p. 559).

This research is sometimes credited for discovering the informal organization. However, we recognize the need for a more nuanced view. As Organ, Podsakoff and MacKenzie showed (2006, pp. 48 – 51) the distinctive contribution of Roethlisberger and Dickson was in the thoroughness of their analysis, including their recognition that the informal organisation is a “necessary condition for collaboration” (1939, p. 562) and the way that collaboration is shaped by “underlying dimensions of attitudes, values and feelings” (2006, p. 50). When considering what ‘ethical infrastructure’ might work, students could take into account issues arising from human attitudes, feelings and relationships. These issues might include attitudes such as “accumulated complacency about policy regimes” (Evans, 2011, p. 18) and that businesses (including law firms and any commercial enterprise) are justified in ignoring ethical dimensions of their behaviour, whether because of perceived attitudes of clients or customers, pressure to maximise profits or other factors: (Evans, 2011, pp. 34 – 37). When introducing ethical infrastructure, the new rules, policies and procedures may not be effective if they do not take into account the significance of the informal organisation and of the attitudes, feelings and relationships of the people who make up that organisation.

We have seen that, when students analyse their experiences in simulated activities, they practise the use of their rational and empathic capacities which may (in future) help them to avoid a ‘flight or flight’ response. However, common psychological processes can obstruct students from benefitting fully from learning to use their rational and empathic capacities. In the following section, we aim to show how this can occur - and how an understanding of the theory of cognitive dissonance can further assist educators and students in developing effective reflection on values.

Cognitive Dissonance

We have already seen that a person’s actions, whether in a simulated activity or when facing an ethical conflict at work, will not always comply with the expectations of an ethical business person in their situation. For example, we mentioned the research of Hartwell (Hartwell 1990) who found that, when students were instructed by a supervisor to advise a client to perjure themselves in court, 23 out of 24 clients did so. Harry Arthurs has argued that ‘There is in fact no demonstrated connection between instruction in legal ethics and ethical behaviour. Unethical behaviour seldom results from lack of knowledge about what is right or wrong [...]. Rather, such behaviour results from structural influences within the profession or the larger society which shape the conduct of lawyers in particular circumstances.’ (Arthurs, 1998, p. 107) Students who have learned to reflect on their values may experience greater internal conflict if they experience structural pressures to act in ways that conflict with those values.

Theories of cognitive dissonance aim to provide an understanding of how human beings resolve internal conflicts. Psychologists have found that, when people’s behaviour and attitudes conflict, the people involved tend not to accept these conflicts as inconsistencies. People tend to try to rationalise or explain away such conflicts; when conflicts cannot be explained away, they engage in various strategies to reduce the psychological discomfort that they experience due to conflict (Festinger, 1957.) These strategies for reducing discomfort include changing how a person thinks about an issue and changing their knowledge on that issue.

There is evidence which seems to support the view that such processes do occur, for example in the context of commercial legal practice. Cognitive dissonance theory would predict that such
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a lawyer would change their thinking or their knowledge. To explain the idea of ‘changing your knowledge’ of a situation, Festinger gives the example of a smoker who convinces themselves that smoking has no harmful effects, to resolve the internal conflict generated by the behaviour of smoking and the knowledge that smoking is harmful (Festinger, 1957, p. 6). Festinger provides examples of techniques that people use to reduce internal conflict. A person whose behaviour conflicts with their knowledge (or values) may actively seek out people or sources of information who support their behaviour.

In the United States, Regan observed a tendency for lawyers to “construct a moral universe that is particular to the matter on which they’re working. [...] This process helps provide the lawyer with a moral orientation in her work. [...] In some cases, it authorizes the lawyer to engage in behaviour what would otherwise be subject to moral criticism.” (Regan, 2004, p. 41). For a lawyer to construct their own moral universe could involve the kind of processes that Festinger discusses. For example, a lawyer may prefer only to discuss their conduct with other lawyers within the firm who they know will support their behaviour. Of course, in a law firm or a business, client confidentiality or commercial confidentiality may well reinforce such a tendency. If no-one within the business is able to challenge an emerging consensus, then a group of colleagues may reinforce each other’s willingness to engage in behaviour that conflicts with their own values.

A lawyer who finds that their firm engages in practices that may not comply with the ethical rules that bind them faces an internal conflict between loyalty to their firm and loyalty to the ethical code. In the United Kingdom, empirical research by Griffiths-Baker into conflicts of interest generated frank disclosures by lawyers. One senior commercial lawyer told the researcher that ‘The [ethical] rules are fine in principle but they don’t work for our particular firm. We think we’ve got a better feel for these things than anyone at the Law Society might have.’ Other senior lawyers observed that ‘I just think the Law Society is out of touch. If we enforced the rules on conflicts, we’d be losing work hand over fist and life would become impossible [...] We, the City firms, live by our own standards [...] we just apply our own rules.’ (Griffiths-Baker, 2002, p. 124). Such behaviour appears to be consistent with the theory of cognitive dissonance that Festinger developed.

How, then, could educators respond to the challenges presented by this theory? If we place greater emphasis on values in teaching and learning, we may simply increase the internal conflict that our students will experience in future. Cognitive dissonance theory suggests that this could increase students’ activities aimed at reducing internal conflict. Rather than being more likely to act in accordance with their own values, students may be more likely to be selective in the sources of information that they rely on and more active in seeking support from other people for the unethical behaviour. By providing cycles of learning through a series of simulation activities followed by reflection, we can provide students with opportunities to recognise cognitive dissonance and to become aware of their own impulses to resolve conflicts in irrational ways, such as actively seeking information that supports unethical behaviour while actively ignoring information that would challenge such behaviour. If this is combined with activities designed to help students to construct ‘ethical infrastructure’ as proposed by Parker et al, we help them to contextualise the application of their own values and to look critically at the organisational environments in which they are likely to work.

CONCLUSION

We have seen that our students can learn to analyse questions of ethics and values from the philosophical perspectives of duty, consequences and virtues. In learning to act and reflect ethically, empathy
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and moral courage are key attributes that can and should be developed. The way in which our brains respond to the experiences of others using ‘empathy neurons’ provides a physical basis for the claim that we are ‘hard-wired’ for empathy. Lerner’s insight that ‘when incoming data indicates a problem, and the limbic system in concert with our rational/emotional brain structures, can discover no appropriate solution or problem solving process, anxiety, even fear, takes over, and the brain activates our fight-or-flight stress response’ (Lerner, 2004) prompts us to consider what learning experiences can enable students to have an appropriate solution or problem-solving process in place, to prevent ‘fight or flight’ responses to ethical dilemmas. Moral courage is required for ethical awareness to be applied in real-life situations. Developing moral courage can be linked to the development of empathy, drawing on the experiences and reflections of feminist ‘ethics of care’ analysts. Graduates who express care for their colleagues and themselves, whose use of empathy helps to build co-operative relationships, would be better equipped to assert their values commitments in the midst of a stressful ethical dilemma.

If educators provide students with a larger number of opportunities to engage rationally and empathically with questions of values, through active learning experiences followed by critical reflective processes, then students can develop expertise in ethics. If we integrate examples of the conduct of moral exemplars into these active learning processes, then we can avoid inculcating a cynical expectation of unethical behaviour as the norm in a business environment. Simulated activities require students to make choices about how they would act in a given set of circumstances. One way of helping students to integrate knowledge of legal and ethical boundaries could be to use a specifically legal simulation activity such as a lawyer-client meeting or mock trial.

Critical reflection after simulation work can be used to encourage students to become more aware of the extent to which, under pressure, they respond using their rational and empathic capacities. Critical reflection can also enable students to consider the systematic, organisational dimension of ethical behaviour in organisations, discussing how ethical infrastructure could promote the use of rational and empathic responses to questions about values. Using knowledge from work on cognitive dissonance, students can become more aware of the potential hazards of ‘ethical blindness’ and the ways in which we can unconsciously seek information that confirms the choice of a course of action, while avoiding information that would make us conscious of ethical hazards.

REFERENCES


KEY TERMS AND DEFINITIONS

Cognitive Dissonance: The study of how we attempt to reconcile conflicting cognitions (for example, a conflict between our attitudes and our behaviour).

Critical Reflection: Our ability to analyse issues raised by our own experiences; this may help us to become more aware of the extent to which we use our rational and empathic capacities when we act under pressure.

Empathy: Our insight into the emotions and experiences of others together with our ability to feel and express concern for others.

Ethics: The study of questions involving moral values, which may involve analysing the relevant duties, consequences or virtues as a part of a rational and empathic process of resolving moral issues.

Experiential Learning: The process of making meaning from direct experience, typically involving student activity in simulated and real tasks, as opposed to passive reception of knowledge from a didactic teacher.

Moral Courage: Our awareness of moral issues combined with the ability to act according to our own values despite pressure to do otherwise (this pressure may come from colleagues, superiors, customers or clients).

Neuroscience: The study of how the brain relates to cognitive functions including the way in which we may react to experiences with different parts of our brains, resulting in different responses to those experiences.