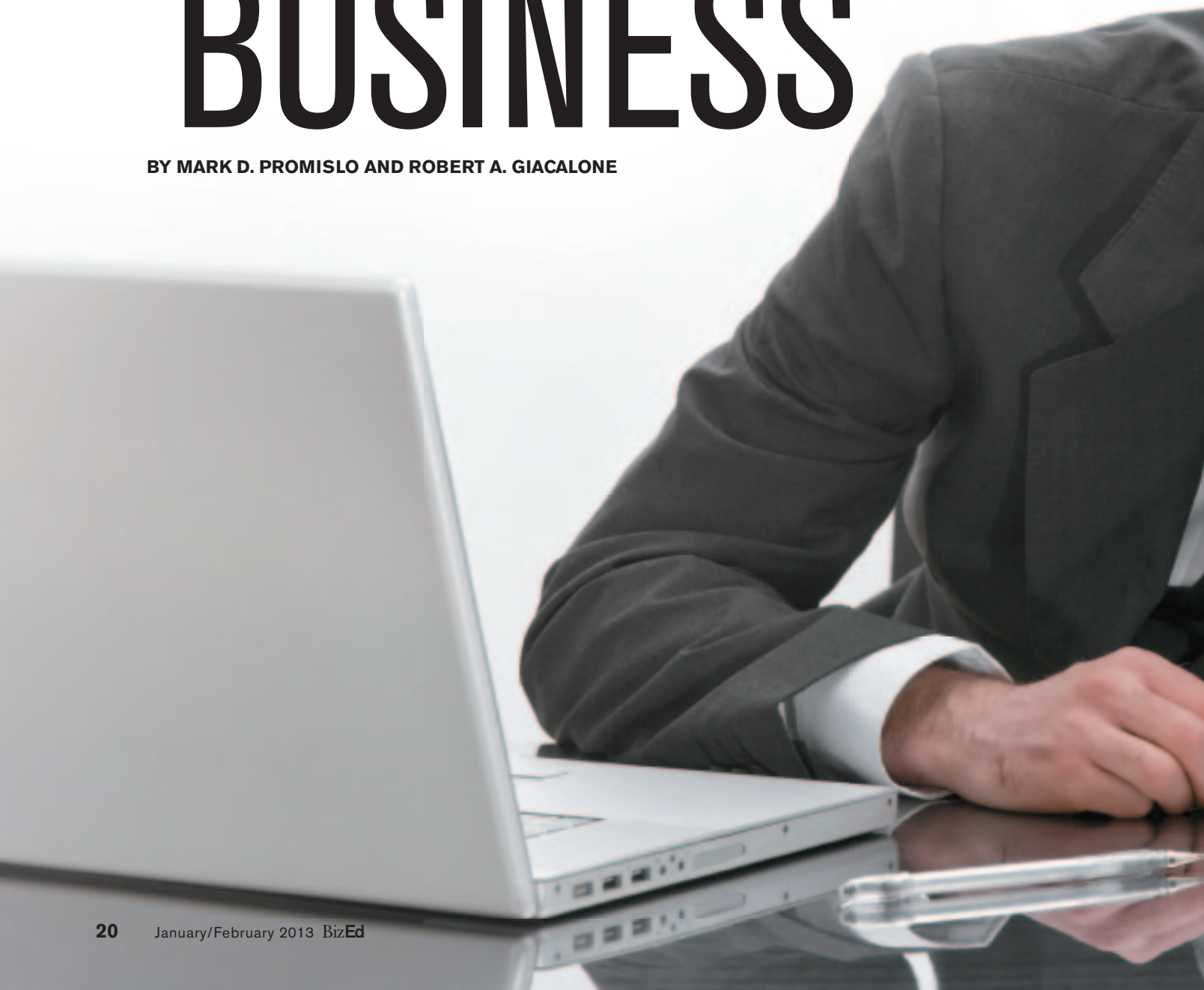


SICK ABOUT UNETHICAL BUSINESS

BY MARK D. PROMISLO AND ROBERT A. GIACALONE





When we were discussing the notorious Ford Pinto case with a recent undergraduate ethics class, we asked whether Ford should have proactively fixed the problems with its Pinto that exploded upon light impact—and if so, why? Immediately a student raised her hand and said, “If it didn’t take care of this issue, Ford would take a hit to its reputation and lose credibility.” Another student chimed in, “Investors would sell their stock, weakening the company’s ability to raise capital and pay dividends.” Yet another voiced his opinion that “Ford would have trouble maintaining a loyal customer base in the future.”

These types of responses were echoed by many other students in the class. Only much later in the discussion did a student raise her hand to say that knowingly selling a dangerous car was wrong because it *killed* and *injured* people.

So we raised the stakes by showing the 2003 PBS *Frontline* documentary “A Dangerous Business,” which examines the actions of McWane Corporation, a manufacturer of cast iron pipes. The company had a shocking record of negligence concerning employee safety. The filmmakers showed one horrific case after another, including instances of workers who were dismembered and even

killed on the job due to unsafe working conditions at McWane's plants. Employees also were subjected to inhumane treatment. For example, some reported that they were refused bathroom breaks and resorted to urinating in their pants.

This time, reactions from the class were markedly different. One student, who never had shown any emotion previously, became visibly upset upon seeing the graphic photographs of a worker who was crushed to death at the factory. With tears on her face she cried, "Companies cannot let that happen to people!" The documentary was effective because it demonstrated clearly that when companies or individuals act unethically, people can be harmed.

Why don't students generally see this connection? In part, because few examples of unethical behavior are as extreme as those in the McWane case; after all, most workers don't die as a result of unethical acts. But another reason is that this is how students are taught to think in business school. Across most curricula, students learn to consider the financial implications of unethical acts, such as the risk of fines, penalties, lawsuits, and damaged reputations. Their professors show how these actions negatively affect *organizational* outcomes, such as profitability. But little time is spent teaching students that unethical behavior can actually harm employees in tangible, non-monetary ways.

We believe it's critical for business students to recognize that many types of unethical behavior in the workplace damage people both physically and psychologically. In effect, people *get sick* because of

immoral actions. As educators, we have the responsibility, and the ability, to help students better understand this phenomenon.

Bad Behavior at Work

Unethical behavior in the workplace may consist of something as minor as an employee stealing a few pens to something as major as an executive making immoral decisions that directly result in the deaths of workers. In between these extremes lie dozens of unethical behaviors that diminish people's well-being. Two unethical actions, workplace bullying and workplace discrimination, provide representative examples.

Workplace bullying consists of threatening or humiliating behavior; it can be initiated by supervisors and/or co-workers. Bullying can include harmful actions such as isolating employees, belittling them publicly, intimidating them physically, and abusing them verbally. Not surprisingly, victims of bully-

ing suffer from depression, anxiety, stress, and insomnia. In extreme cases, victims sometimes even take their own lives. For example, Kevin Morrissey, a former managing editor of the literary journal *The Virginia Quarterly*, committed suicide after alleged bullying by his boss.

It's become easier to teach students about the devastating effects of bullying because television and Internet sites have brought prominence to the problem of bullying in schools. Celebrities have worked to promote awareness of the issue, and many of our students have had some experience with it during their years in school—either as bullies, victims, or witnesses to bad behavior. Business professors can use all of these sources to make the connections palpable simply by saying, "Hey, look at what bullying does to kids in school. Wouldn't we expect to see these effects in the workplace as well?"

Workplace discrimination can



be blatant, such as when a manager states that he will not hire a woman for a job. It can also be more subtle—for example, when a manager overlooks a worker’s superior performance because of his ethnicity. Whatever the form, discrimination can lead to serious psychological, behavioral, and physical problems such as alcohol abuse, anxiety, cardiovascular risks, and sleep disorders.

Yet even when students sympathize with victims of discrimination, they often make comments such as “That’s really too bad. The company is losing a good employee.” These kinds of responses illustrate, again, that many students do not fully appreciate the human costs of unethical acts.

To help students understand the negative effects of mistreatment in the workplace, teachers can use a prominent case of alleged discrimination. For instance, we’ve shown the documentary “The High Cost of Low Price,” in which Walmart workers claim they were denied promotions due to their gender or race.

In classroom discussions afterward, we encouraged students to put themselves in those workers’ shoes. Then we asked them to write down all the feelings and effects they might experience in a similar situation. Responses included comments such as “That’s a tough spot. I would probably have trouble sleeping if that happened to me” and “I would be so angry if I got turned down because I’m a woman. Then I’d probably get really depressed. I might have to quit my job.” These reactions convinced us that students were now thinking about the *human* costs of unethical workplace behavior.

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Who’s Being Hurt?

When discussing unethical workplace acts, professors and researchers often single out the direct victims as the sole injured parties. While clearly it is vital to recognize the victims, studies have shown that immoral behavior also can lead to harmful effects for others: people who witness it, such as co-workers; people who are indirectly affected, such as family and friends; and even the perpetrators themselves. It is essential that students appreciate the full range of individuals who suffer due to unethical workplace behavior. In our classrooms, we establish that range by putting the spotlight on two types of participants: witnesses or “associated persons,” and those who commit unethical workplace actions.

People who either witness an unethical act or are associated with someone involved in the act can be affected due to their empathy for the victim. For example, an employee might be devastated to see his close friend bullied at work. A husband who knows that his wife is the target of sexual harassment can suffer from anxiety. The child of an abused worker may experience stress because she sees her father return home upset every day. Sometimes co-workers who witness immoral acts not only are traumatized, but they also wonder, “Am I next?”

Making these characters the focus of a lesson can lead to rich discussions in the classroom. We

encourage students to describe times they witnessed unethical behavior or were associated with it in some way. We ask questions such as, “Did you ever notice another student cheating on an exam? How did it make you feel?” or “Have you ever seen someone you care about being mistreated? Did you start to feel their pain?” We note that witnessing such behavior introduces another stressful element: People start to wonder at what point they should step in and actively stop or report the action.

Studying the perpetrators is equally valuable, as studies suggest that unethical behavior can have a deleterious impact on the people who engage in it. Workers who commit immoral acts can experience severe shame, guilt, and stress, which can have adverse effects on them emotionally and physically. Whether these people are getting their just desserts for their wrongdoing is not the issue; at times, workers are pressured to do things that go against their own morals. Further, their diminished well-being can have a negative impact on their co-workers, subordinates, managers, and families, as well as the organization itself.

One way to bring this point home is to present guest speakers who have committed unethical acts at work. They can be tremendously effective as they convey the heavy price they paid for their behavior.

For one of our classes, we brought in Walt Pavlo, a former MCI employee who was convicted of wire fraud and money laundering. He spoke passionately about the guilt he still feels and the repercussions of his behavior, both for himself and many others.

In class discussions the next day, one student commented, “Wow, the guy still can’t get a job. That would make me think very carefully before I did something wrong at work.” Another observed, “Even if it helped my career, I just could never do something that went against my conscience. Plus, I think about how ashamed his family must feel.”

Once we’ve highlighted the types of people who are affected by bad behavior, we use role-playing exercises to help students experience what it feels like to be a victim, a perpetrator, a witness, or an associated person. We believe this helps them develop an even deeper understanding of the full effects of unethical workplace behavior. One exercise we have used involves a fictional case of sexual harassment in which a male boss informs a female subordinate that she will never be promoted unless she goes out on a “date” with him.

Participating in this role-playing exercise has produced a wide variety of responses that show that students are starting to understand the harmful effects of bad behavior. A student playing the witness



said that seeing the woman being harassed “turned my stomach,” while a perpetrator admitted that he “felt awful having to say those words, and I would have a hard time living with myself.” A victim recounted that she felt “dirty and disgusting,” and an associated person said that feeling empathy for the victim “triggered some of my own painful memories of harassment.” Indeed, what we see is that the simple act of role playing helps students connect viscerally to the experiences of everyone involved in an unethical situation.

Types of Damage

Students should learn that while some kinds of unethical behavior at work can have an immediate impact on well-being—such as

actions that lead to accidents or physical violence—the consequences of other behaviors might not be so immediate or direct. As a result, their long-term effects—stress, trauma, and poor health behaviors—are often ignored.

Stress arises when people cannot cope with the unethical behavior they have engaged in, been victimized by, or witnessed. Often this stress is tied to negative emotions, such as anger and shame, that are linked to mental and physical problems.

Employees experience trauma when an immoral action that they’ve witnessed, engaged in, or been vic-

timized by challenges their beliefs about how the world operates. For example, Scott Jones, a former employee at the luxury San Diego hotel The Lodge at Torrey Pines, was repeatedly harassed for being gay; he was so traumatized he had to leave the company for health reasons. Some people cope with their distress by taking up unhealthy behaviors such as smoking, drinking, and eating poorly. For instance, one study related the case of a female psychiatric resident who started abusing alcohol after she was bullied by a co-worker and a supervisor.

To get students to “connect the dots” between unethical behaviors and consequences, professors once again can turn to discussion, guest speakers, and role-playing. In

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our courses, for instance, we ask students to explore the ways that being a victim of sexual harassment can lead to stress, trauma, and poor health behaviors. We also integrate examples from outside the business world—and outside the ethics classroom—by including doctors, psychologists, and social workers who offer firsthand accounts of how their patients have been damaged because of unethical acts at work. In fact, these individuals have been among our most effective guest speakers.

Finally, we've encouraged professors from other business disciplines to discuss the effects of unethical behavior at work. Organizational behavior professors cover issues such as abusive supervision; human resources professors highlight gender-based inequities in compensation; and marketing professors link moral principles to controversial behaviors such as advertising unhealthy foods to children. Within these discipline-specific contexts, students acquire an even better understanding of why it is critical for them to behave ethically at work.

The Payoff

Why should an ethics class take an approach that emphasizes individual well-being? After all, some might say, we're teaching business, not medicine. Nevertheless, we believe this perspective offers four advantages:

■ *It enables students to view ethics in very personal terms.*

They learn about the human costs of unethical decisions, which will prompt them to consider their actions more carefully if they encounter bad behavior in the workplace—as they probably will. When they do, they will imme-

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diately understand the personal impact of such behavior. They'll realize the damage isn't done to some amorphous bottom line, but to their own well-being—and that of their co-workers, friends, and family members.

■ *It motivates students to behave ethically for reasons that go beyond moral codes.* Certainly, we would like students to behave ethically because it is the right thing to do. But the truth is that some people engage in ethical behavior primarily to prevent the loss of money or reputation. If such students know that they and those around them can be harmed by bad behavior, they have another incentive to act morally.

■ *It corresponds to topics taught in other business disciplines that focus on well-being.* Work stress, for example, has long been an area of interest in management research, and more recently neuroscience has found its way into both marketing and management studies. Thus, making individual well-being a centerpiece of business ethics education enables faculty to incorporate cutting-edge research into their teaching.

■ *It opens up new avenues for schools seeking financial support for scholarship.* The focus on well-being creates possibilities that extend far beyond traditional social science research. For example, organizations like the U.S.

National Institutes of Health and the National Institute of Mental Health may be receptive to business management research that ordinarily would fall outside their domains. It's equally important to note that a focus on well-being is interdisciplinary; it enables business faculty to collaborate with their counterparts in psychology, public health, and medicine to develop interesting and innovative methods to ameliorate the damage of unethical behavior.

While making the connection between ethics and well-being can be a fruitful endeavor for business schools, understanding that connection is an essential skill for business students on their way to becoming global leaders. As students begin to see that unethical behavior can make them sick, or make others sick, new motives for ethical and socially responsible behavior will emerge. And perhaps in the future, when professors ask why Ford should have fixed its Pinto, more students will say, "Because human lives were at stake." 

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Mark D. Promislo is an assistant professor in the department of management at Rider University's College of Business Administration in Lawrenceville, New Jersey. Robert A. Giacalone is a professor in the department of human resource management at Temple University's Fox School of Business in Philadelphia, Pennsylvania.



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