Chapter Five

Personal Values
Influence Ethical Choices
Chapter Preview: Personal Values Influence Ethical Choices

- Developing a strong sense of character
- How values are formed
- Value conflicts and how to resolve them
- Making ethical decisions based on personal values
- Corporate crime and steps to eliminate it
Character, Integrity and Moral Development

• Character is composed of your personal standards of behavior including:
  – Honesty
  – Integrity
  – Moral strength
Integrity: A Dimension of Character

• **Integrity** is congruence between what you
  – know
  – say
  – do

• Practicing what you believe demonstrates integrity

• Critical to successful relationships
A Valued Character Trait

- People with integrity do what they say they will do
- Are clear about what they stand for
- Think hard about what is right and wrong
The Corrosion of Character

- Richard Sennett believes decline of character can be traced to:
  - economic conditions
    - fast-paced, high stress
    - information-driven
  - limited connections
    - past
    - neighbors
    - selves
Character Development

- Integrity can be developed
- Make and keep promises to self and others
- Many organizations and educational institutions believe in character training
Six Pillars of Character

- According to the Josephson Institute of Ethics:
  - Trustworthiness
  - Responsibility
  - Caring
  - Respect
  - Fairness
  - Citizenship
People working together with integrity and authenticity and collective intelligence are profoundly more effective as a business than people living together based on politics, game playing, and narrow self-interest.

Peter Senge
Author, *The Fifth Discipline*
Personal Values

- **Values** are personal beliefs and preferences that influence one’s behavior
- Deep-seated in personality
- Exist at different levels of awareness
- Awareness of values enhances integrity
Five-Part Valuing Process to Clarify and Develop Values

• Thinking
  – critical thinking
  – distinguishing fact from opinion

• Feeling
  – listening to “gut level”

• Communicating
  – listening closely
  – interacting with others
Five-Part Valuing Process to Clarify and Develop Values

• Choosing
  – being well informed

• Acting
  – repeatedly and consistently
Identifying Your Core Values

- **Core values** are those that consistently rank higher than others
- General principles and beliefs that guide intermediate and long-term goals
- Influence the behavior of individuals and organizations
Values and Job Selection

• We often must choose among core values
  – High salary
  – Security
  – Meaningful work
  – Lots of time off

• Most choices require compromising at least one
Values Shaping Influences

• Major influences that shape our values are:
  – People
  – Events
  – Family
  – Religious groups
  – Schools
  – The media
People and events have influenced the formation of values for three groups of Americans: Matures, Baby Boomers, and Generation X. These three generations were recently joined by the Millennial generation, whose life events are still happening. This means that today’s work force represents the broadest range of ages and values in American history.

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<td>Eisenhower</td>
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<td>World War II</td>
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<td>The New Deal</td>
<td>John Travolta</td>
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<td>Andy and Opie Taylor</td>
<td>JFK and MLK assassinations</td>
<td>Work/life balance concerns</td>
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Family

• Parents assume many roles
• Most important role is moral teacher
• Challenges to families:
  – single-parent households
  – two parents working outside the home
  – care for elderly parents
  – financial pressures
Religious Groups

Value priorities often developed through religious training
– Religious doctrine
– Role models

Many now seeking spiritual and moral anchors in both personal lives and work
Some see character education as fundamental aspect of education
Values clarification common part of curriculum in 70s
Objections and fears about imposing values, so much was eliminated
Resurgence in the movement today
Media

Viewers often see
- people abusing and degrading each other without consequences
- violence and antisocial behavior

Research connecting television viewing and
- depression
- desensitization of children
People We Admire

*Modeling* is shaping behavior to be like people you admire

Important for children and adults

Leaders in the workplace are important models for adults
Avoiding Values Drift

**Values drift** is the slow erosion of core values over time

- exposure to conflicting situations
- pressure to compromise

Reflect on core values when making decisions at work

Choose appropriate ethical behavior to maintain integrity
Avoiding Values Drift

Organizations must constantly ask the following questions:

– What do we stand for?
– Why do we exist?

Successful companies, through constant monitoring, adapt to a changing environment without losing sight of core values.
Values Conflicts

Differences between individual’s personal values is major cause of values conflict.

Problems may be due to conflicts between worker’s and the manager’s value systems.
Values Conflicts

Organizations should look for value conflicts when addressing organizational problems

- Declining quality
- Absenteeism
- Poor customer service
If you want young people to take notions like right and wrong seriously, there is an indispensable condition: they must be in the presence of adults who take right and wrong seriously.

William J. Bennett
Internal values conflict occurs when a person is caught between two or more strongly held values.

Value clarification minimizes conflicts.

Value ranking makes decisions easier.
Values Conflicts with Others

Interpersonal conflicts may arise between workers of different:

- Ages
- Races
- Cultures
- Ethnic backgrounds
- Gender
Values Conflicts with Others

Can be highly emotional issues that disrupt friendships, work teams, and productivity

Often based on
- Interpretations of work ethics
- Priorities of work life and personal life

Responses to situations can be difficult and may require compromise
**Personal Values and Ethical Choices**

*Ethics* are principles that define behavior as
- right
- good
- proper

Provides means of evaluating and deciding among options

Rules that direct your conduct and moral judgments
Jobs often present ethical dilemmas. Each organization has different ethical standards. Some feel pressure to violate ethical standards to meet business objectives. Often faced with multiple options – Rarely just one right and one wrong answer.
The Right Choices

Learn to distinguish between right and wrong

- Seek your employer’s code of ethics or the ethical code of your professional organization
- Ask an experienced or trusted colleague
- Restrain from choosing wrong path
The Right Choices

Make sure your values are in harmony with those of your employer

- Leads to success for individuals and organizations
- Provides a strong bond among all members of a work force
The Right Choices

Don’t let your life be driven by the desire for immediate gratification
– People are often under pressure to show the trappings of success
– Progress and prosperity have same meaning to many
– Often means compromising values
Total Person Insight

Nothing is more powerful for employees than seeing their managers behave according to their expressed values and standards: nothing is more devastating to the development of an ethical environment than a manager who violates the organization’s ethical standards.

Dan Rice and Craig Dreilinger
Corporate Values and Ethical Choices

Good corporate citizens consistently make ethical decisions in the best interest of:

- Employees
- Customers
- Stockholders
- The community
Corporate Values and Ethical Choices

Organizations get into serious trouble by ignoring ethical principles.

“Gray-area” situations cause difficulty in choosing the right, ethical course of action.

Even when right choice is clear, competitive pressure can lead to poor managerial decisions.
How to Prevent Corporate Crime

Establish and support a strong code of ethics

- Written statement of ethical expectations can be a powerful force in preventing unethical or criminal behavior
- Research suggests that companies also need to create an “ethical climate”
How to Prevent Corporate Crime

Hire with care

- Priority in hiring process
- Identify a guiding set of values
- Hire people who share values and can work together
- Screening and integrity tests
How to Prevent Corporate Crime

Provide ethics training
– Ethics codes developed and posted for employees to read
– Provide opportunities for discussion of ethical decisions
– Offer formal training sessions
How to Prevent Corporate Crime

Develop Support for Whistle-Blowing
– Revealing wrongdoing within an organization
– Three choices:
  • Keep quiet and keep working
  • Leave the situation
  • Report the situation
Total Person Insight

All that is necessary for evil to triumph is for good men to do nothing

Edmund Burke
Nineteenth-century English political
Not Easy!

Whistle-blowing is not an easy path to take
You may be right, win your case, and still lose friends and/or job
Sarbanes-Oxley Act of 2002
– Illegal for employers at publicly held companies to retaliate
– Criminal liability of executives
<table>
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<th>Sears's Guidelines for Ethical Decision Making</th>
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<td><strong>Questions for Making Ethical Decisions:</strong></td>
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<tr>
<td>Is it legal?</td>
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<td>Within Sears's shared beliefs and policies?</td>
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<tr>
<td>Right/fair/appropriate?</td>
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<tr>
<td>Would I want everyone to know about this?</td>
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<td>How will I feel about myself?</td>
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Guidelines for Making Ethical Decisions from the *Code of Business Conduct*, Sears, Roebuck and Co. Reprinted by permission of Sears and Roebuck and Co.
Whistleblower Checklist

Is this the only way?
Do I have the goods?
Why am I doing this?
Am I ready?
Values and ethical choices are more complicated at the international level. All parties must recognize and attend to value differences. Encourage mutual understanding and respect.
Common ethical problems

- Bribery used to secure foreign contacts
- Human rights violations
- Lack of sensitivity to foreign customs
Summary

Strong sense of character grows from personal standards of behavior. Behaving according to values allows you to maintain integrity.
Summary

Values are the foundation for
- attitudes
- preferences
- opinions
- behavior
Summary

Values formed in early life and are influenced by

- family
- religious beliefs
- schools
- the media
- role models
Summary

Internal conflicts arise when we must choose between strongly held personal values.

Conflicts with others are often based on age, racial, religious, gender, or ethnic differences.
Summary

Value conflicts with others require skilled interventions before they can be resolved.

Clarified personal values make ethical decisions easier.
Summary

Shared values unifies employees by providing guidelines for behavior and decisions.

Corporate values and ethics are receiving increased attention.
Summary

Many organizations
- have ethics codes to help guide employees’ behavior
- hire those who share their corporate values and offer ethics training opportunities

Growing international business presents new ethical challenges