BUSINESS ETHICS

BUSINESS AND SOCIETY 360

Series Editors: David M. Wasieleski and James Weber

Recent Volumes:

The *Business and Society (BAS) 360* book series is an annual publication targeting cutting-edge developments in the broad business and society field, such as stakeholder management, corporate social responsibility and citizenship, business ethics, sustainability, corporate governance and others. Each volume will feature a comprehensive discussion and review of the current 'state' of the research and theoretical developments in a specific business and society area. As business and society is an inherently multi-disciplinary scholarly area, the book series will draw from work in areas outside of business and management, such as psychology, sociology, philosophy, religious studies, economics and other related fields, as well as the natural sciences, education and other professional areas of study.

This volume focuses on research drawn from work grounded in 'Business Ethics.' Scholars known in this discipline contribute to a 360-degree evaluation of the theory, including cross-discipline research, empirical explorations, cross-cultural studies, literature critiques and meta-analysis projects.

The book should appeal to a wide range of readers; from emerging and senior business school educators researching and teaching in the business and society field, to doctoral and Master's level students across the business, social sciences and natural sciences seeking to learn about this multi-discipline and sustained field of management study. Business executives and managers could benefit from reading how the business and society field began, the path it has taken and the new, emerging directions that scholars envision for the field.

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About the Editors

David M. Wasieleski is a Professor of Business Ethics and Management at Duquesne University and Affiliate Research Professor at the ICN Business School in Nancy, France. Dr Wasieleski has published in many major academic journals in the areas of business ethics, decision-making, and sustainability. He serves as an Associate Editor (Ethics Track) for *Business & Society*, Section Editor for Behavioral Business Ethics for the *Journal of Business Ethics*, Associate Editor for the *Humanistic Management Journal, and* the North American Editor of the *Journal of Business Ethics Education*. In 2018−2019, David is the Division Chair of the Social Issues in Management Division at the Academy of Management.

James Weber is a Professor of Business Ethics and Management and is currently the Managing Director of the Institute of Ethics in Business at Duquesne University. He received the Sumner Marcus Award for outstanding contribution of service to the field in 2013 from the Academy of Management's SIM Division. A prolific author with publications in major academic journals and co-author of a market-leading textbook, Dr Weber also served on the editorial boards of *Business Ethics: A European Review*, *Journal of Moral Psychology*, *International Journal of Ethics Education, Encyclopedia for Business Ethics and Society* (SAGE Publications) and *Business Ethics Quarterly*.

Preface

Where Are We? How Did We Get Here? Which Way Should Be Go Now?

Sound familiar? Have you ever considered the answers to these questions related to the work you do? Existential moments are common in the maturation of any academic discipline. They are the product of a passionate, caring constituency that is careful about making meaningful contributions that can propel future research and provide illusory discoveries that are conceptually powerful, empirically sound, and practically useful.

It is in this spirit for academic progress that we proudly present, the *Business and Society 360 (BAS 360)* annual book series. It is our view that there has never been a more opportune time to introduce a comprehensive book series on the most important theories, concepts, and constructs that drive our field. Taking advantage of this moment of reflection that seems to creep into many of our academic discussions at IABS, the Academy of Management (primarily in the Social Issues in Management Division), and our scholarship, as evidenced by a recent Special Issue in *Business and Society* on "Stakeholder Theory at the Crossroads," as well as an editor reflection piece on how to define the scope of work that appears in the journal. We also see debates about the field's status through groups like, The Aspen Institute, who hosts an annual forum on topical CSR issues with the purpose of determining the most promising future research.

We envision *BAS 360* as an annual book series targeting cutting-edge developments in the broad business and society field (stakeholder management, corporate social responsibility and citizenship, business ethics, sustainability, corporate governance, and others). Each volume features a comprehensive 360-degree discussion and review of the current state of the research and theoretical developments in a specific area of business and society scholarship. The goal of this series is to shape future work in the field around our many disciplines and topics of interest, to

enlighten scholars in the area about the most productive roads forward. Essentially, at this crossroad, which way do we proceed?

The 360-degree view is intended to reflect on a theory's cross-discipline research, empirical explorations, cross-cultural studies, literature critiques, and meta-analysis projects. Given our multidisciplinary identity, each volume draws from work in areas both inside and outside of business and management.

Introduction to this Volume on Business Ethics

The *Oxford Handbook of Business Ethics* defines the field of business ethics rather broadly. It is rooted in the philosophical analysis of moral dilemmas related to business issues. But it also involves normatively dealing with the social and economic exchanges within business (Brenkert & Beauchamp, 2012), in pragmatic ways. According to Georges Enderle (2018), business ethics' philosophical orientation is understood as a three-level approach, relating to enhancing "the ethical quality of decision making and action at […] the personal (micro), organizational (meso), and systemic (macro) levels" (p. 620). Comprehensively, business ethics entails economic ethics as well (van Liedekerke & Demuijnck, 2011). It is a constantly evolving discipline, which has seen its development accelerated in the past decades under the influence of globalization.

While there is some debate over when the field of business ethics actually began, it has come a long way since the days of asking whether it is an oxymoron and whether it is possible to be taught in business schools. Coinciding with the formation of the first major business schools in universities across North America, at the turn of the last century, the *Wall Street Journal* editorialized that business schools were expected to engage "in the training of the consciences of their students in habits of spontaneous morality" (1903, p. 1). Still, in these early days following the advent of the Second Industrial Revolution (Micklethwait & Wooldridge, 2005), the effective delivery of business ethics education was questionable (Abend, 2013). As recently as 1970, Henk van Luijck, Europe's first full professor in business ethics, was quoted as saying, "Back in 1970 nobody had ever heard of business ethics as we know it now" (van Luijck, 2006). In his reflections on the field, van Luijck lamented that business ethics, as a research discipline, did not yet exist.

Since then, the field has advanced at a great rate. Business ethics has become a standalone discipline but has also expanded into "different domains and specializations" (van Liedekerke & Demuijnck, 2011). It is a multidisciplinary field that borrows from and informs such diverse areas as philosophy, psychology, sociology, and management (among others). Business ethics is even considered a cornerstone in the strategic management field as evidenced by the hundreds of articles published in strategy over the last 20 years and calls for more ethics-oriented research in this area (Robertson, 2008). Business ethics is flourishing in North America (Petrick, Cragg, & Sanudo, 2011) and abroad. Researchers in this area remain bonded by their commitment to understand how ethical business behavior can be improved.

Despite some doubts over how much progress the field has made over the last 25 years (Wood, 2017), the sophistication of business ethics as an area of inquiry is evidenced by the proliferation of ethics research at the Academy of Management beyond the Social Issues in Management Division. Arguably, every division and interest group at the Academy explores business ethics issues and applies ethical perspectives into their domains. Other major academic associations such as the International Association for Business and Society, the Society for Business Ethics, the European Business Ethics Network, the Sustainability, Ethics, and Entrepreneurship group, and the International Humanistic Management Association, among others, all promote business ethics work for scholars, instructors, and practitioners. Accreditation agencies like AACSB and Equis have revised their standards for business educational institutions to embrace the importance of including ethics education across business disciplines.

Recent calls for more reflection and theoretical and empirical development in business ethics research (Abend, 2013; Blay, Gooden, Mellon, & Stevens, 2018; Enderle, 2018; Painter, Hibbert, & Cooper, 2018) continue to push the field forward. Partly in response to these calls, but also in the spirit of the *BAS 360* book series' purpose, we selected "Business Ethics" as the theme for the third volume. This concept, broadly defined, encompasses work in a variety of subdisciplines of business ethics research. Leading scholars in the field provide their insights on the progress each business ethics area has made and offer chapters addressing business ethics research across the individual, organizational, and institutional/systemic levels of analysis. Topics in behavioral business ethics, ethical leadership, philosophical foundations, group morality, corruption, moral development, technology, and neuroscience are surveyed in Volume 3.

This volume is broken down into four main sections that take us on a journey from reflections on the development of the business ethics field to major areas of research at different levels of analysis to possible future research avenues. Part 1 features two chapters on the foundations of the business ethics field asking, where have we come from and where have we been. The second section focuses on influences on business ethics at the individual level of analysis. Next, Part 3 addresses organizational-level ethics. Finally, the book ends with chapters highlighting new frontiers in research for the business ethics field.

In Part 1, the opening chapter co-authored by Jennifer Kish-Gephart, Linda Trevino, Anjier Chen, and Jacqueline Tilton discusses the history and future of behavioral ethics research. The authors analyze and review the historical trends of business ethics research from the 1960s to 2000s. They argue that the need for behavioral business ethics research is ever-present and offer future research opportunities in this growing area.

The second chapter in this first section provides an additional foundational review of the business and society domain by examining the ethical implications of the current technological revolution. John Hooker and Tae Wan Kim provide a compelling discussion of how ethics can inform and advise business in this modern age of ubiquitous and exponential technological development. They critically examine our current ethics approaches in this new context and invite us to consider new business models and ways of thinking in the wake of this social transformation.

Part 2 begins with a chapter by Javier Pinto-Garay on virtue ethics in business. Dr Pinto-Garay provides a 360-degree view of recent research in the virtue ethics area by first identifying some of its main sources and outlining the main epistemological approaches. He presents different spiritual approaches to virtue as well as the major work in modern virtue ethics. His chapter ends with an invitation for new work in this area that could address current business issues.

Also in this section on individual-level business ethics, Chapter 4 looks at the effects of unethical leadership in organizations. Preethi Misha and Marius van Dijke survey the existing research on unethical leadership, but then take an interesting focus on middle and junior managers. Specifically, they examine how these types of managers make meaning of top-level unethical leadership. Their empirical study shows how the unethical actions of top leaders can trickle down to lower levels of the organization. This has great implications for managerial practice.

In Chapter 5, Matthew Caufield engages us with a relatively new concept in the field, expressive business ethics. He stresses the importance of how individuals' actions affect others' attitudes. Each action we take expresses a certain meaning to others, which has huge implications for organizational responses. This expressive perspective offers a promising approach to business ethics research.

Finally, Part 2 concludes with a chapter by Dawn Elm on cognitive moral development and ethical decision-making. Dr Elm reviews the major work on CMD and moral reasoning and reflects on how moral reasoning affects individuals' handling of ethical dilemmas. She incorporates different perspectives on cognitive moral reasoning by examining the role of emotions and intuitions in decision-making. This chapter concludes with an analysis of the methods used to empirically test moral reasoning and offers her insights into the next steps for this area of research.

This volume then moves to the organizational level, starting with a chapter discussing the importance of morality in group settings. Lily Morse, Jonathan Kenney, and Christopher Adkins walk us through more than 30 years of research in this area, drawing on work in multiple disciplines. Their chapter critically reviews this rich body of work and synthesizes it into a proposal for future research on morality at different levels of analysis. They specifically call for more work on the relationship between moral emotions and the social environment to better understand this aspect of business ethics.

Chapter 8, written by Richard Nielsen, considers unethical behavior across levels with a commentary on how observers deal with unethical behavior in organizations. He discusses in detail five types of observer ethics engagement methods to help facilitate effective and safe ways for observers of unethical behavior to navigate these instances. Specific cases and contexts are explained to devise strategies for surviving this organizational phenomenon.

Flowing from the previous chapter's discussion of unethical behavior in organizations, Chapter 9 addresses the dark side of behavioral ethics research. Scott Reynolds and Eunhee Bae review concepts that typically are presented as desirable through a negative lens. This very interesting perspective on behavioral ethics looks at ethics concepts through philosophical and institutional perspectives to demonstrate how these concepts could have a dark side. This chapter will have readers rethinking concepts in our field by having them consider the possible implications of the dark side of research and management.

Part 4 of this volume presents chapters that explore newer lines of inquiry within business ethics research. These "new frontiers" begin with an examination of neuroscience research in the context of ethical leadership. Christian Voegtlin, Ina Walthert, and Diana Robertson highlight recent brain research in social cognitive neuroscience to elucidate the field's understanding of how ethical leaders operate, as well as how individuals relate to one another. This fast-developing area of research provides fruitful avenues of research in ethical leadership and responsibility.

Our next chapter presents a new way of perceiving our research by offering an ontology for ethical and responsible management centered on humanistic management principles. Michael Pirson and Erica Steckler argue for a revised paradigm for ethical management of organizations, one that emphasizes dignity, well-being, and the reduction of human suffering. The application of this human-centered ontology provides a plethora of research opportunities in responsible management.

Finally, Chapter 12 ends our book with an introduction into new "precision" tools for ethics research. Regina Taylor, Marshall Schminke, Guillaume Soenen, and Maureen Ambrose, wrap up this volume with a forward-looking vision of the business ethics field. They argue for more refinement in the conceptualization and measurement of behavioral ethics variables. Using an example that sheds light on what needs to be accomplished, the authors introduce a new concept, perceived organizational support for ethics (POS-E). They test its predictive power and then posit several theoretical and practical implications that show why it is so critical to strive for construct specificity in our field.

This volume's survey of business ethics research past, present, and future is not exhaustive of all work being conducted in this field. We do not pretend to provide coverage of every stream of research in this vast domain. However, our expert scholars contributing to this book do present major areas of study that can inform future work within this aspect of business and society research. We are confident that this fine collection of chapters will inspire further thought toward advancing our field.

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