

TEACHING NOTES

McCOMBS SCHOOL OF BUSINESS

Framing

This video introduces the behavioral ethics bias known as framing. Framing describes how our responses to situations, including our ethical judgments, are impacted just by how those situations may be posed or viewed. For example, we may frame an ethical issue to benefit our own perspective or beliefs. Or, the framing of an issue in the news may affect how we respond to it depending on how tangible or abstract the problem may seem to us.

To learn about related behavioral ethics concepts, watch *Self-serving Bias* and *Tangible & Abstract*. For a closer look at how framing affected the behavior of former lobbyist Jack Abramoff, watch *In It to Win: Jack & Framing*.

The case studies on this page offer examples of how framing can cause significant environmental and economic effects. "Arctic Offshore Drilling" describes how groups with competing interests have framed the debate over expanded oil drilling off the coast of Alaska. "Selling Enron" illustrates how the energy company profited greatly from deceitful framing practices, but at a dire cost. For a related case study that explores the consequences of false framing, read "A Million Little Pieces."

Behavioral ethics draws upon behavioral psychology, cognitive science, evolutionary biology, and related disciplines to determine how and why people make the ethical and unethical decisions that they do. Much behavioral ethics research addresses the question of why good people do bad things. Many behavioral ethics concepts are explored in detail in *Concepts Unwrapped*, as well as in the video case study *In It to Win: The Jack Abramoff Story*. Anyone who watches all (or even a good part) of these videos will have a solid introduction to behavioral ethics.

Terms defined in our ethics glossary that are related to the video and case studies include: framing, self-serving bias, moral myopia, and tangible & abstract.



Discussion Questions

- 1. Studies show that people primed to think about business profits will make different choices than people facing the same decision who have been primed to think about acting ethically. Can you explain how that might affect you in your work life?
- 2. Can you think of a situation where you made a decision that you regret and probably would have chosen differently had you looked at the choice in a different way?
- 3. How do politicians and advertisers use framing to channel people's decision?
- 4. How might framing adversely affect your ethical decision making in your projected workplace?
- 5. How can you work to ensure that ethical considerations stay in your frame of reference when you make decisions in your career and your life?



6. How can firms help their employees to keep ethical considerations in mind when they make decisions?

Additional Resources

Cruver, Brian. 2002. Anatomy of Greed: The Unshredded Truth from an Enron Insider. New York: Carroll & Graf Publishers.

Herbert, Wray. 2010. *On Second Thought: Outsmarting Your Mind's Hard-Wired Habits*. New York: Broadway Paperbacks.

McDonald, Allan J., and James R. Hansen. 2009. *Truth, Lies, and O-Rings: Inside the Space Shuttle Challenger Disaster*. Gainesville, FL: University Press of Florida.

The latest teaching resource from Ethics Unwrapped is an article, written by Cara Biasucci and Robert Prentice, that describes the basics of behavioral ethics, introduces the videos and supporting materials along with teaching examples, and includes data on the efficacy of Ethics Unwrapped for improving ethics pedagogy across disciplines. It was published in Journal of Business Law and Ethics Pedagogy (Vol. 1, August 2018), and can be downloaded here: "<u>Teaching Behavioral Ethics (Using</u> "<u>Ethics Unwrapped</u>" Videos and Educational Materials)."

For resources on teaching behavioral ethics, an article written by Ethics Unwrapped authors Minette Drumwright, Robert Prentice, and Cara Biasucci introduces key concepts in behavioral ethics and approaches to effective ethics instruction—including sample classroom assignments. The article, published in the *Decision Sciences Journal of Innovative Education*, may be downloaded here: "Behavioral Ethics and Teaching Ethical Decision Making."

A detailed article by Robert Prentice with extensive resources for teaching behavioral ethics, published in *Journal of Legal Studies Education*, may be downloaded here: "<u>Teaching Behavioral Ethics</u>."

An article by Robert Prentice discussing how behavioral ethics can improve the ethicality of human decision-making, published in the *Notre Dame Journal of Law, Ethics & Public Policy*, may be downloaded here: "<u>Behavioral Ethics: Can It Help Lawyers (And Others) Be their Best Selves?</u>"

A dated but still serviceable introductory article about teaching behavioral ethics can be accessed through Google Scholar by searching: Prentice, Robert A. 2004. "Teaching Ethics, Heuristics, and Biases." *Journal of Business Ethics Education* 1 (1): 57-74.

Transcript of Narration

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"In any kind of decision-making, context counts. The simple reframing of a situation or a question can produce a totally different answer from the same person. For example, people would rather buy a hamburger made of meat labeled seventy-five percent fat free than meat labeled twenty-five percent fat. In fact, when questioned, these people will tell you that the seventy-five percent fat-free burger tastes better than the twenty-five percent fat burger, even though the burgers are identical.

When NASA was deciding whether to launch the ill-fated space shuttle Challenger, Morton Thiokol's engineers at first opposed the launch on safety grounds. But when their general manager instructed the engineers to, "put on their management hats," he reframed the decision from one focusing on safety to one focusing on dollars and cents. The engineers then, unfortunately, changed their decision.

We need to look beyond the obvious frame of reference in business - "will this be a profitable decision?" - and consider our actions from a broader ethical perspective like, "how will this look when it is reported on the front page of the newspaper?"

Decisions made by business people often occur in a context where subjective factors predominate, and the framing of an issue is particularly influential. In Enron's declining days, the company attempted to save money by encouraging employees to minimize travel expenses. An Enron employee later wrote that he intentionally flouted the new policy. While this seems like a clear ethical lapse, in the employee's mind, he deserved to stay in the most expensive hotels and to eat at the best restaurants because of how very hard he was working. He framed the issue in terms of his narrow self-interest, and not in the broader ethical context of adhering to company policy.

CFOs and accounting personnel at Enron, HealthSouth, and other scandal-ridden companies did not need a philosophy course to help them figure out that their manipulation of financial statements was unethical. Their problem was that at the time of their actions, their frame of reference was loyalty to the company and to the company's goal of maximizing stock price. Had those employees been able to think in terms of the bigger ethical picture - for example, the impact of their action on other people's pension funds - they may have acted differently."