

Intro to Behavioral Ethics

This video introduces behavioral ethics, a relatively new field of study drawing on behavioral psychology, cognitive neuroscience, evolutionary biology, game theory, and other related disciplines. Behavioral ethics investigates why people make the ethical and unethical decisions that they do in order to gain insights into how people can improve their ethical decision-making and behavior.

Much behavioral ethics research addresses the question of why good people do bad things. John Walsh, who helped create the Office of Compliance Inspections and Examinations at the U.S. Securities and Exchange Commission, recently wrote that the “ultimate promise of behavioral ethics...is that it provides pragmatic tools that have been demonstrated to work.” Indeed, behavioral ethics may be the “next big thing” in ethics education.

To learn more about the behavioral ethics concepts mentioned in this video watch *Conformity Bias*, *Role Morality*, and *Overconfidence Bias*. Many additional behavioral ethics concepts are explored in detail in the [Concepts Unwrapped](#) series, 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.

The case study on this page examines how the failure to disclose a conflict of interest put bankruptcy lawyer John Gellene in a legal bind. Conflict of interest, a common concept in behavioral ethics, arises when our personal and professional responsibilities and incentives conflict in ways that cause harm to others. For another case study that illustrates conflict of interest, read “*Cheney v. U.S. District Court.*” A case study that examines both role morality and conflict of interest, in this example between work duties and personal values, see “Freedom vs. Duty in Clinical Social Work.”

Terms defined in our ethics glossary that are related to the video and case studies include: behavioral ethics, conformity bias, conflict of interest, overconfidence bias, moral emotions, moral reasoning, role morality, and self-serving bias.



Discussion Questions

1. When asked the vast majority of people will agree with the following two statements. Would you agree with them also?
 - “I have solid, well-considered ethical beliefs that can be altered only by reasoned arguments or new evidence.”

- “I have character and integrity that will carry me though when I face difficult moral choices.”
2. Probably the strongest finding from the last decade’s research in behavioral ethics is that people simultaneously think of themselves as good people yet frequently lie and cheat (typically in a minor way). Is this consistent with your experience? Do you agree or disagree with the following statements from researchers in the field?
 - “The empirical evidence seems to point to the conclusion that we lie and cheat much more often than we care to admit. At the same time, we strive to maintain a positive image of ourselves, and moral values are a central component of our self-image.” (Francesca Gino)
 - “Essentially, we cheat up to the level that allows us to retain our self-image as reasonably honest individuals.” (Dan Ariely)
 - “Evolution prepared us humans to be devious, self-serving, and only half-honest, inclined to grab the lion’s share of goodies without being thrown out of the group. Homo sapiens became wired for truthfulness only to the extent that it suited us, pleased others, and preserved our reputations. We are willing to break rules to benefit ourselves, but only within limits we can justify. We are good and fair, most of the time—at least in our own minds—but that doesn’t exactly make us straight shooters. Our internal cop stops us only when we contemplated big transgressions.” (Mark Matousek)
 3. Do these statements from the experts who research in the field of behavioral ethics change your mind about your answers to the questions in #1?
 4. Most empirical research indicates that religiosity is not a significant factor in ethical behavior. Atheists and religious people tend to say that the same actions are ethical and unethical. And while religious people tend to give more money and time to their churches and synagogues, religious and nonreligious people otherwise have similar profiles in terms of altruism and volunteerism. Does this surprise you?
 5. Have you known good people to do bad things? Either personally, or you’ve heard or read about episodes in the media?
 6. If so, how would you explain their conduct?

Additional Resources

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: [“Teaching Behavioral Ethics \(Using “Ethics Unwrapped” Videos and Educational Materials\).”](#)

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: [“Teaching Behavioral Ethics.”](#)

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: [“Behavioral Ethics: Can It Help Lawyers \(And Others\) Be their Best Selves?”](#)

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.

There are many good books and articles on behavioral ethics. They include:

Ariely, Dan. 2012. *The (Honest) Truth About Dishonesty: How We Lie to Everyone—Especially Ourselves*. New York: HarperCollins Publishers.

Bazerman, Max H., and Ann E. Tenbrunsel. 2011. *Blind Spots: Why We Fail to Do What’s Right and What to Do about It*. Princeton, NJ: Princeton University Press.

De Cremer, David (Editor). 2009. *Psychological Perspectives on Ethical Behavior and Decision Making*. Charlotte, NC: Information Age Publishing.

De Cremer, David, and Ann E. Tenbrunsel (Editors). 2012. *Behavioral Business Ethics: Shaping an Emerging Field*. New York: Routledge.

DeSteno, David, and Piercarlo Valdesolo. 2011. *Out of Character: The Surprising Truths about the Liar, Cheat, Sinner (and Saint) Lurking in All of Us*. New York: Crown Publishers.

Dienhart, John William, Dennis J. Moberg, and Ronald F. Duska (Editors). 2001. *The Next Phase of Business Ethics: Integrating Psychology and Ethics*. Bingley, UK: Emerald Group Publishing.

Gino, Francesca. 2013. *Sidetracked: Why Our Decisions Get Derailed, and How We Can Stick to the Plan*. Boston: Harvard Business Review Press.

Heffernan, Margaret. 2011. *Willful Blindness: Why We Ignore the Obvious at Our Peril*. New York: Walker Publishing Company.

Matousek, Mark. 2012. *Ethical Wisdom: The Search for a Moral Life*. New York: Anchor Books.

Messick, David M., and Ann E. Tenbrunsel (Editors). 1996. *Codes of Conduct: Behavioral Research into Business Ethics*. New York: Russell Sage Foundation.

Rhode, Deborah L. (Editor). 2006. *Moral Leadership: The Theory and Practice of Power, Judgment, and Policy*. San Francisco, CA: Jossey-Bass.

Werhane, Patricia H., Laura Pincus Hartman, Crina Archer, Elaine E. Englehardt, and Michael S. Pritchard. 2013. *Obstacles to Ethical Decision-Making: Mental Modes, Milgram and the Problem of Obedience*. Cambridge, UK: Cambridge University Press.

Transcript of Narration

Written and Narrated by

Robert Prentice, J.D.

Department of Business, Government and Society

McCombs School of Business

The University of Texas at Austin

“Most people understand that ethics is important, but when they think of studying it, they conjure up visions of Aristotle or John Stuart Mill because ethics has traditionally been taught in philosophy departments. Or, they think of preachers giving sermons to build up the character of their parishioners. These are important ways to think about ethics, but studies show that philosophers are not any more ethical than the rest of us, even though they are likely better at moral reasoning. And, it turns out, there is no strong correlation between traditional measures of character and ethical actions, which is why we constantly read in the newspaper about good people doing bad things.

The latest approach to teaching business ethics, which is highlighted in many of the short videos in this series, comes from the new field called behavioral ethics, which studies how and why people make the ethical and unethical decisions that they do.

Behavioral ethics focuses in large part upon why well-intentioned people sometimes make bad decisions and do not live up to their own ethical standards. Many psychological biases and decision-making heuristics or short cuts cause people to make unethical decisions in violation of their own standards. Sometimes these missteps are made consciously; more often they are made subconsciously. Organizational pressures that exist inside many firms and social pressures that are ubiquitous in society can also make it difficult for people to act ethically.

The study of behavioral ethics largely focuses upon these situational factors which, the evidence indicates, can overwhelm a person's character. For example, consider the conformity bias, which is the tendency people have to take their cues for proper behavior, including ethical behavior, from their peers rather than exercising their own independent ethical judgement.

And then there is role morality, which describes the tendency many people have to use different moral standards as they play different "roles" in society. For example, to take ethically questionable actions in their role as loyal employees at work to advance their company's profit goals that they would never take at home to put money in their own pocket. And there is the overconfidence bias, which is the tendency of people to be more confident than is objectively justified regarding their moral character and their ability to act ethically.

These concepts, and others covered in Ethics Unwrapped, certainly do not exhaust the ethical traps that our minds can lay for us, but they make a good start at warning people who sincerely want to act ethically about psychological biases and organizational pressures that may trip them up. This

information should be very helpful to people who want to improve the ethicality of their decision making and actions, and to businesses and other organizations that wish to create ethical environments in which their employees' ethical decision making can flourish.”