

## COMPLIANCE & ETHICS INSTITUTE

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# Barriers to Ethical Behavior

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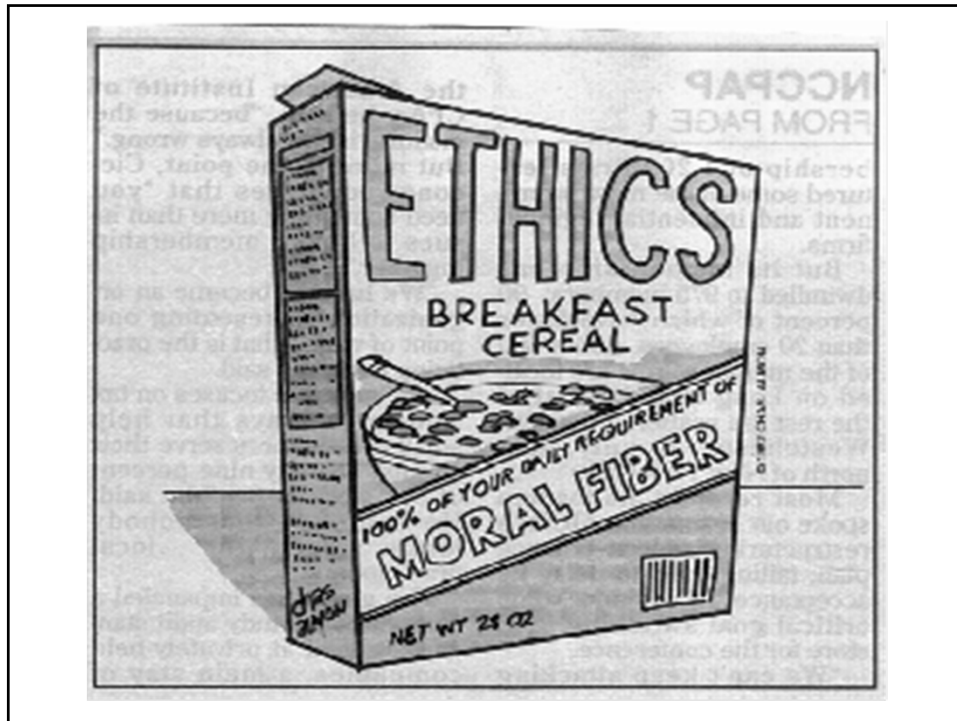


## Today's Agenda

1. What is Ethics?
  - Describe the meaning of ethical behavior!
2. Can ethics be taught? ...or learned?
3. What are barriers to ethical behavior?
4. What can you do to not fail at ethical behavior?



SOCIETY OF CORPORATE  
COMPLIANCE AND ETHICS



## If -- Through Life's Experiences You Obtain Adequate Moral Fiber

- Then you are prepared for ethical situations in which you are confronted.
- So, with the proper inputs.....
- outcomes are predictable.
- *"In any moment of decision, the best thing you can do is the right thing."*

Theodore Roosevelt

But, where is necessary moral fiber found?

## A Quick Story From This A.M.



## Can Ethics Be Taught?

- Please reflect....to yourself, at this time.

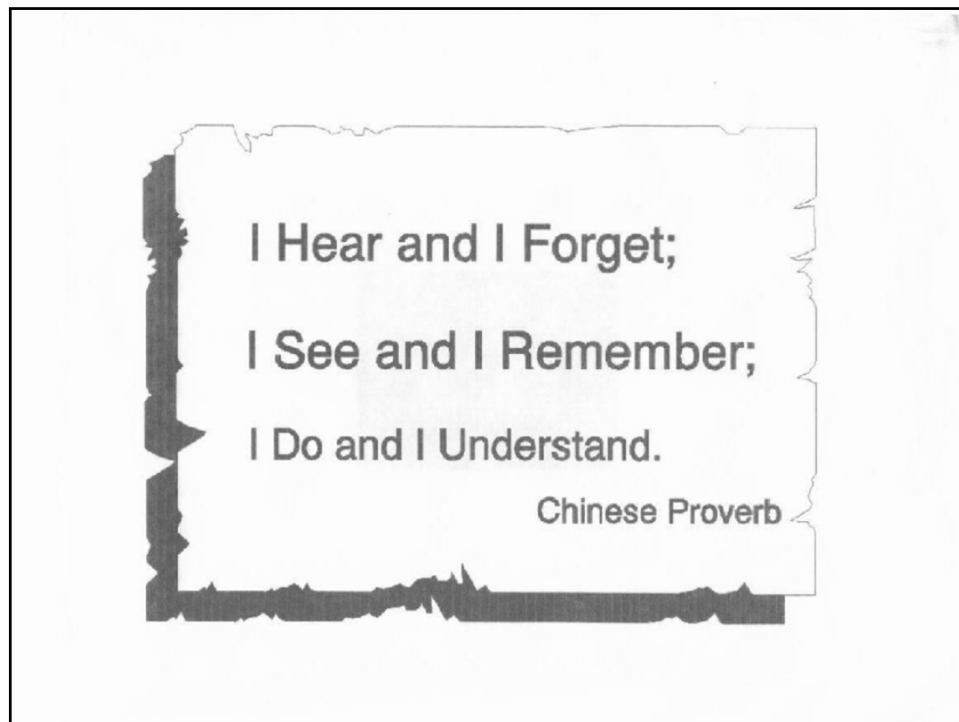
## **Consider Taking a Wine-Tasting Course**

- What if the course was pure textbook and lecture?...i.e. a passive experience...?



**You would have to imagine how the wines taste, but not actually taste them**





## Can Ethics be Learned?

- Based on the research of Dr. James Kohlberg and Dr. James Rest...
  - Kohlberg discovered 6 Stages of Moral Reasoning foundations
  - Beginning w/ doing the right thing
    - Because of
      1. **Punishment**
      2. **Rewards**
      3. **Following social groups**
      4. **Following norms, rules, laws**
      5. **Individual Rights**
      6. **Universal concern for human rights and fairness – regardless of laws**

## Dr. James Rest

Education / Experience causes movement to higher Stage!

- James Rest relied on Kohlberg
  - Moral Sensitivity (Issue Awareness)
  - Moral Judgment
  - Moral Motivation
  - Moral Character
- Defining Issues Test (DIT<sup>2</sup>)
- But, Barriers exist

## The Dirty Hands Problem

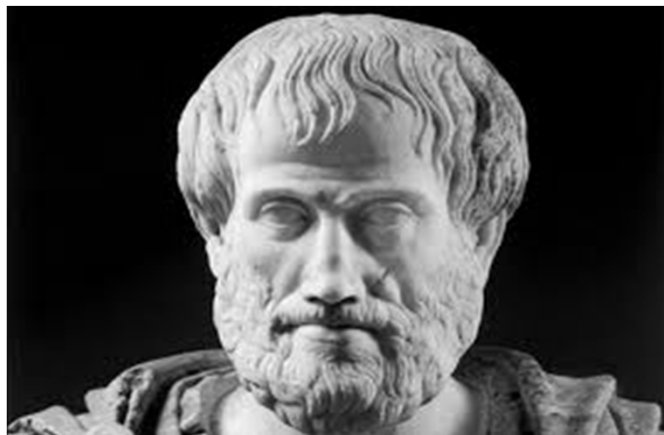
- Choices are hard and can be painful!
- Utilitarian – Consequences with the highest benefit or least harm for the greatest number. (Jeremy Bentham & John Stuart Mill)
- President Harry Truman's dilemma!

Back to the Question: What is  
“Ethics?”...or, “Ethical Behavior?”

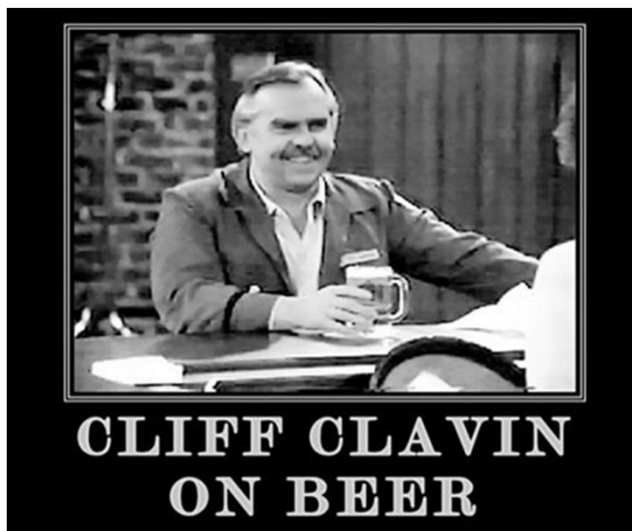
### *The Rules --*

- Accepted standards of behavior
- Practices of those in a profession
- Laws
- Expectations of
  - society / community
- But the heart (character)
  - aids decision-making

## **Aristotle (384 BC – 322 BC)**



## **Cliff Clavin (1982 – 1993)**





## **Aristotle**

*Happiness is the Ultimate Purpose of  
Human Existence*

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Human Existence*

### **Aristotle's Virtues**

- Trustworthiness,  
Benevolence,
- Altruism,
- Honesty,
- **Integrity,**
- Impartiality, Open-  
mindedness,
- Reliability,
- Dependability,  
Faithfulness.

## Aristotle

*Happiness is the Ultimate Purpose of Human Existence*

### Aristotle's Virtues

- Trustworthiness, Benevolence,
- Altruism,
- Honesty,
- **Integrity,**
- Impartiality, Open-mindedness,
- Reliability,
- Dependability, Faithfulness.

### SCCE Code of Ethics

- The services we provide require the highest standards of *professionalism, integrity & competence.*
- unprejudiced and unbiased judgment on behalf of an employer
- Confidentiality
- Trust

## “Obedience to Authority: An Experimental View” (1974)

Stanley Milgram (1933-1984)

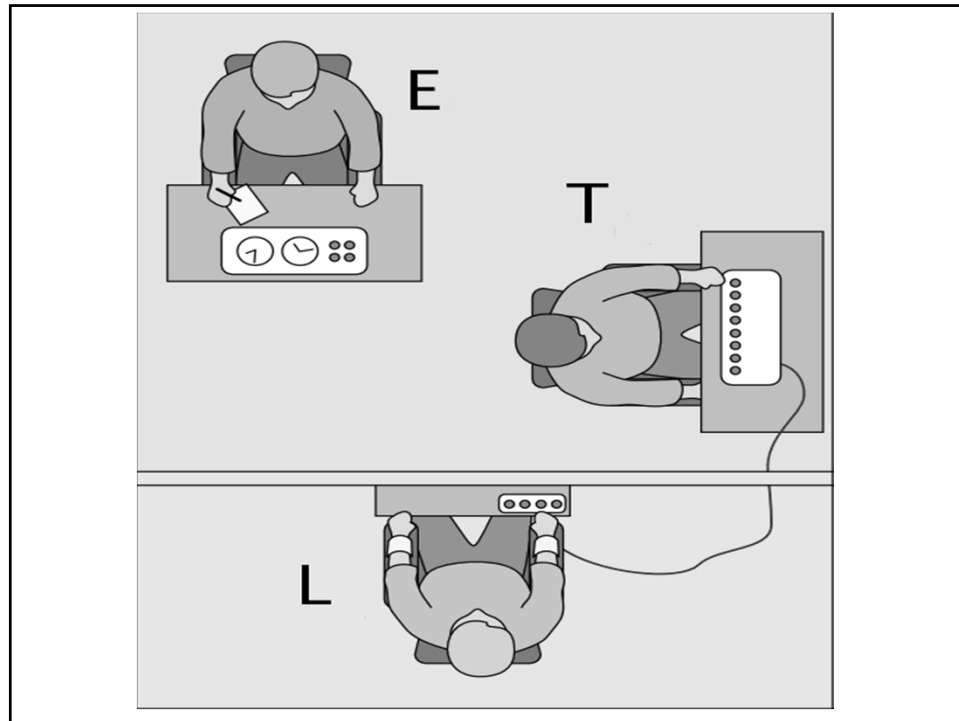


## The Milgram Experiment(s)

- Conducted at Yale University 1960's – 1970's
- Stanley Milgram was questioning why people would do evil,
  - While asserting that they were just doing their jobs
  - Nuremberg Trials, Post-WWII
  - And Adolf Eichmann trial 1961

## The Experimental Construct

- **3 players**
  - E = Experimenter (wears a light blue jacket); he knows what is going on. An actor. In the original, this was Stanley Milgram's role.
  - T = Teacher (clothing, off-the-street); this person is the subject of the experiment.
  - L = Learner (hidden behind a wall initially); an actor not really present during the actual experiment. Sounds are tape recorded.
- The purported (false) experiment was to examine if learning improves if punishment (shock) is inflicted



## Results

- Before the actual experiment, Yale students & faculty responded that only 1.2% would inflict maximum voltage..
- ?? % of subjects administered the maximum, 450-volt shock (1961 - 1974)..
- Now the video (2007 ABC News): watch the body language of the subject (Teacher)...What are the subjects saying?
- Conclusions?

### The Milgram Experiment Video



## Conclusions

- Beware of unjust authority.
- Although many throughout history have used the excuse or defense, “I was just doing my job,” NO court has ever relied upon that defense.
- Know and practice the right thing to do.
- Get help.
  - a power to resist authority with groups  $\geq 4$

## The Parable of The Sadhu



- The video clip of a dilemma
- Group vs individual actions
- What was the preconceived notion of the group?
  - What were the group goals?
- What happened to the Sadhu?

## Buzz McCoy and The Parable



## Conclusions

- Leadership is necessary to
  - Plan actions to meet objectives
  - Execute the plan
  - And help lead through contingencies that may have ethical dimensions

## Lincoln Hall (1955-2012)



- The web clip from Today Show and MSNBC
- What was different in the characteristics of the group?
- What happened to Dan Mazur's guide business after the event and the worldwide publicity?
- <http://www.msnbc.msn.com/id/21134540/vp/13274831#13274831>



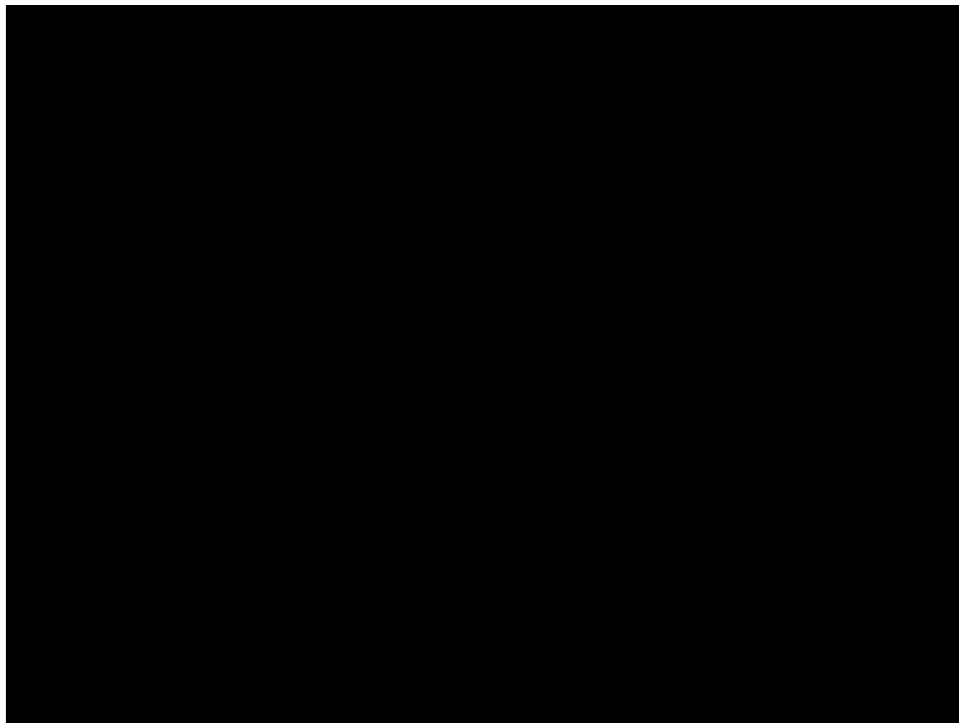
## What Are the Differences?

- Leadership
- Plan
- Goal
- Strong ethical dispositions
  - Related to human life
- Dan Mazur's Guide business suffered for a couple of years



## A Test

Count the number of basketball passes the team in white makes.



## The moonwalking bear test, otherwise known as “In-Attentional Blindness”

- Cell phones can divert attention from drivers.
- A submarine commander looks through his periscope and sees no ships nearby.
  - He orders the ballast blown and the submarine to surface.
  - He then hears the clank of a ship hitting his deck and realizes that he has surfaced with another ship directly overhead.
- Failure to see key information during a decision-making process.
- Also, “Change Blindness”
  - Gradual change over time
  - Arthur Andersen failed to see all that was happening at Enron

## Our Session Summary #1

- Reflect on your experiences (teach yourself)
  - Case #1: A situation when you acted ethically...
 

How did you do it, or how did you respond to an unjust authority?
  - Case #2: When you succumbed to unethical behavior – why did you do it?
    - What was different?

## Our Session Summary #2

- Plan for the next dilemma: Consider Cases #1 vs #2 above
  - Consider individual versus organization goals
- Beware of obedience to unjust authority
- Keep your head up – be attentive to what is happening around you
  - Ask for help!

## The End

**Thank you!**

**“Have the courage to say no.  
Have the courage to face the truth.  
Do the right thing because it is  
right.  
These are the magic keys to living  
your life with integrity”.....**

W. Clement Stone (1902-2002)