Alt mangen har os sagt

og vist, hvor vejen var, før nu;

- de pegte, men du gik den, du

Ibsen, Brand
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1. Acknowledgments

As I try to show in this thesis, ethics is not done in isolation, and this thesis is a good example of the fact that ethics is a collective project. It could never have been completed without the support I have received from my friends and family.

Firstly I want to thank my supervisor, Siri Granum Carson, who have followed this project with interest and enthusiasm from start to finish. Without her guidance and encouragement, this project would probably never have been finished on time, and it would probably be far less interesting. She has gone beyond the call of duty by spending Sundays and the International Worker's Day helping me with my thesis, something for which I am very grateful, even though it may have turned my thesis into a contribution to the oppression of the working class.

I must also thank all my friends, both from the field of philosophy and elsewhere, who have enriched my life with philosophical discussions. Without them philosophy would be boring, and I would probably have quit long ago. The list of people who have discussed the subject of this thesis with me is long. I want to mention a couple of them by name. Per is probably the one who has followed my project the closest, and our many heated discussions has lead to many important adjustments. Michael, Thomas and Martin deserve credit for helping me understand McDowell. It was truly a three man job. I also want to thank Kaja for proofreading the thesis.

My family also deserves mentioning. My father's favorite biblical story is the story about the prodigal son, and this is probably no coincidence since his oldest son left the farm in order to study philosophy. Still, he and my mother have both been supportive of my choices, something that unfortunately can not be taken for granted when one comes from a small town like I do. And no better support can be given to a student than mother's home cooking.
2. Abstract

The problem of corruption is one of the greatest challenges of our time. Not only is it unjust on an individual level, since it involves people enriching themselves at the expense of others. It is also destructive on a societal level. Corruption leads to problems like less trust in society, a less efficient economy and less efficient humanitarian aid programs. In this thesis I wish to make a small contribution towards preventing corruption in a business context. I will start out by using moral psychology to build an understanding of what actually happens when people make corrupt and other unethical decisions. I will argue that we are not as in control of our actions as we might like to believe. Situational forces and cognitive biases often overwhelm our rational capacities. Based on this view I will try to show that virtue ethics is one of our best hopes when it comes to preventing corruption. Weakness of the will was well known to Aristotle, one of the fathers of virtue ethics in the western tradition. In the last 50 – 60 years a modern virtue-ethical movement has emerged. This movement takes the limits of our rational decision-making seriously, and moves the emphasis from rationality and principles over to emotions, practical wisdom and intuition. Cultivating good behavior is essential if we want people in business not to be corrupt, and this requires a good understanding of human nature.

After having argued that a virtue-ethical approach is what is needed in order to prevent unethical behavior, I will attempt to show what practical consequences this view should have in business. I will present actual anti-corruption measures from business, and analyze these in light of virtue ethics. Hopefully I will be able to show what measures work and why. This thesis has a practical goal; I want to make suggestions that can be easily understood and applied by business leaders.

While my main purpose is to contribute to the prevention of corruption in business, the measures I suggest may have several other positive effects. Being virtuous is not only about doing no harm, it is a positive project. Being virtuous means to excel and to reach one's full potential as a human being. It involves becoming good at what one does while enjoying it too. Virtue ethics is not only a possible way of preventing corruption, it may also contribute to a more productive workforce and the happiness and flourishing of the workers.
3. Sammendrag på norsk


Etter å ha argumentert for at dydsetikk er det som trengs for å forebygge uetisk atferd, forsøker jeg å vise hvilke praktiske konsekvenser dette synet bør ha for næringslivet. Jeg legger frem tiltak mot korrupsjon som finnes i næringslivet i dag, og analyserer disse i lys av dydsetikk. Forhåpentligvis har jeg klart å vise hvilke tiltak som fungerer og hvorfor. Denne oppgaven har et praktisk siktemål. Jeg ønsker å komme med anbefalinger som er enkle å forstå og som kan innføres av ledere i næringslivet.

Selv om hovedformålet med oppgaven er å bidra til forebygging av korrupsjon i næringslivet, så har tiltakene jeg foreslår flere andre mulige positive effekter. Å være dydig handler ikke bare om å unngå å volde skade. Dydsetikk er et positivt prosjekt. Å være dydig betyr å bli god og å oppfylle ens potensiale som menneske. Det innebærer å mestre sitt virke, og å sette pris på dette. Dydsetikk gir ikke bare gode perspektiver på korrupsjonsforebygging, det kan også bidra til at ansatte blir mer produktive og lykkelige på arbeidsplassen.
4. Introduction

This thesis is about the problem of corruption, and how corrupt actions can be prevented in a business context. Corruption is one of the greatest challenges of our time. The UN’s Global Compact describes the negative consequences of corruption in the following way: “... it is a major hindrance to sustainable development, with a disproportional impact on poor communities, and it is corrosive to the very fabric of society” (p. 2). Corruption is not only a problem for developing countries, it is also a major challenge for business. Global Compact writes: “Its impact on the private sector is considerable and costly: It impedes economic growth, distorts competition and represents serious legal and reputational risk” (p. 2). With this thesis, I hope to make a small contribution to liberating the world from corruption, by giving ethical advise on how anti-corruption measures should be introduced in business.

In the process I will address other interesting topics. The thesis will include an analysis of human nature, rationality and why people make bad and sometimes evil decisions. Studying the prevention of corrupt actions in business can give us helpful insight into how we humans cope with difficult ethical situations, and this insight can hopefully be generalized and applied to other areas where people have to make ethical decisions. The thesis will hopefully also have a humanizing effect on business in general, since many of the anti-corruption measures that will be considered can have positive spillover effects. When we try to prevent corruption, we help people become good moral actors, and becoming a good person in this way involves more that just avoiding corruption.

Even though I hope to have a positive impact on business, it is appropriate to open this thesis with at word of warning. The philosopher Edwin M. Hartman writes that if we: “... expect too much of ethics, we shall be disappointed, and our disappointment may lead to unfounded skepticism about the whole ethical enterprise” (Hartman 2013:191). The ethical approach to preventing corruption and other unethical behavior is not a quick fix, or a guarantee against corruption, and putting too much faith in its advises will lead to disappointment. We shall see that becoming good is a difficult life-long project. Ethics can point companies in the right direction, but they will have to walk the walk themselves. That being said, it is my goal to

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help make that walk as smooth as possible, and I hope that readers of this thesis will end up with a strengthened belief in the power of ethics when it comes to promoting good behavior.

The thesis belongs to the field of *applied ethics*, and more specifically to the field of *business ethics*. Since we want to understand how a particular type of unethical action can be prevented, we need a solid understanding of what actually happens when people make unethical decisions, and I will therefore call on perspectives from what loosely can be called *moral psychology*. This field shows us that we are not as rational as we might like to believe, and that cognitive biases and situational pressures have a significant effect on our actions. I will try to show that *virtue ethics* can be one of philosophy's best contribution to the prevention of unethical actions, in a world inhabited by weak willed people such as ourselves.

Ethics is an ancient field, and many well developed theoretical approaches exist, but unfortunately, and as we shall see in this thesis, applying theoretical ethics in ethical situations is difficult. Our intuitions and emotions are often stronger forces than reason alone, and if we want to prevent corruption we need to shift the focus from rational decision-making, over to the cultivation of the right emotions, intuitions and habits. What we need to master difficult situations is practical wisdom, not theoretical knowledge of ethics. Knowledge about a subject is rarely enough to develop a good practice, and making the right decisions is very practical. Knowledge about human anatomy is not enough to make you a good surgeon, and knowledge about theoretical physics does not by itself make you a good engineer. Why then should knowledge about ethical theories make us good persons?

Structurally this thesis is roughly divided into two parts. The first part will concern the nature of morality, and how virtue ethics can help promote good behavior. I will try to show that psychology can be used to support a virtue ethical approach to preventing unwanted behavior. I will also present philosophical arguments for virtue ethics, mostly by introducing the theories of John McDowell. I will try to show that a philosophical approach to the problem is needed in order to make this thesis a positive and normative project. In the second part I will analyze real world anti-corruption measures in light of what we learned in the first part. My goal is to present advice that can be applied in business.
5. Methodological considerations

This thesis falls within the field of applied ethics, and more specifically within the field of business ethics. Business ethics is a diverse, multidisciplinary and hard to define field. In his article about business ethics on the Stanford Encyclopedia of Philosophy, Marcoux writes the following:

In concept, business ethics is the applied ethics discipline that addresses the moral features of commercial activity. In practice, however, a dizzying array of projects is pursued under its rubric (...) These projects vary considerably and often seem to have little in common other than the conviction, held by those who pursue them, that whatever each is pursuing is business ethics (Marcoux 2008 Fall)

Diverse topics like business ethics demand thorough methodological considerations and justifications. As Marcoux writes, simply stating that one's project is a form of business ethics only points to one's conviction that the project is in fact business ethics. It says little or nothing about the theoretical or methodological frameworks used.

In this chapter, I will firstly clarify the understanding of business ethics used in this thesis. Following this explanation, I will justify my use of empirical data and psychology. To some readers, and especially to readers from empirical sciences, it might seem odd that this needs justification. To some readers from the field of philosophy however, acknowledging that psychology can contribute to the field of ethics is tantamount to blasphemy. According to Kwame Anthony Appiah, early 20th century philosophy actively distanced itself from psychology. He writes “Philosophy was struggling to define itself, crucially, by contrast with psychology” (Appiah 2008:15), and he points to the anti-psychologism of Frege and Husserl as examples of this movement. Today, this view is no longer dominant. Appiah writes: “Anti-anti-psychologism is now perfectly mainstream” (Appiah 2008:21). Still, due to the potential controversy, I will spend some time justifying my theoretical choices, with a focus on justifying my usage of psychology.

2 It can also, though more indirectly, be framed as a thesis within the field of corporate social responsibility (CSR). Corruption is destructive for society, and introducing anti-corruption programs can therefore reduce the negative impact a company can have on society.
5.1 On business ethics

The focus of this thesis will be preventing corruption among employees in a business context. Business ethics will therefore be understood here as promoting good moral behavior among individuals in business. In managerial terms this could be understood as governance, risk-management or compliance, however these terms are a bit too limiting for this thesis. Framing the question as the promotion of good ethical behavior is a more positive move than using any of these managerial terms. As we shall see, to promote good ethical behavior it is necessary to include promotion of human flourishing and treating individuals as ends in themselves.

Importantly, as we also shall see, this approach can strengthen the bottom line. Reducing individuals to risks to be managed or creatures who must be subjected to strict compliance regimes, might sometimes be a necessary part of running a corporation, but promoting good ethical behavior can hopefully include the benefits of these approaches, while still treating the employees with respect, which is another way of saying that one treats them as ends in themselves.

An important difference between this way of doing business ethics and applying traditional theoretical ethics, is the business context. Robert Solomon writes:

People in business are ultimately responsible as individuals, but they are responsible as individuals in a corporate setting where their responsibilities are at least in part defined by their roles and duties in the company and, of course, by “the bottom line” (Solomon 1992:320)

Good ethical behavior is not enough. As an employee in a corporation you are ethically responsible for your actions, but your role is also defined by other concerns you might find in a business context. If the individuals in a business never contribute to profits, the business will eventually collapse, and any good work that has been put into the ethical parts of the business will be lost when the business goes bankrupt. It is therefore important to look at the sum of all of the individuals responsibilities, when one works with business ethics of this type.

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3 Initially I tried to write a purely instrumental thesis, but as we shall see, such an approach is inherently self-defeating
This behavior oriented way of doing ethics differ from theoretical ethics in another important way. Purely theoretical ethics is concerned about what actions are morally good or bad. Discussions between for example kantians and utilitarians mostly consist of discussing why certain actions are right or wrong. In this thesis however, I will assume the badness of corruption without explicit reference to any ethical framework. One should not have to prove theoretically, that enriching oneself by abusing ones entrusted power, is a bad thing. What is important when it comes to corruption is the promotion of the right kind of behavior. There are of course exceptions where corrupt actions can be morally justified, but in business corruption should almost always be prevented, and I will therefore spend little time discussing such cases.

**5.2 Multidisciplinary considerations**

Applied ethics is by definition a multidisciplinary field. In order to understand how ethics may be applied to the real world, an understanding of how the real world works will be necessary. Historically philosophers have developed many such understandings, from metaphysical and ontological explanations of the physical world, to sociological and political understandings of human behavior. Today however, philosophy has lost its hegemony when it comes to such understandings. Empirical sciences like psychology or sociology have taken it upon them selves to explain human behavior and interaction, while the natural sciences have inherited the the job of explaining the physical world. In this thesis we want to explore why people make corrupt decisions, and how good behavior can be promoted. For this task we need an understanding of why people behave the way they do, and here we can learn a lot from the field of psychology, and its many experiments.

These experiences will primarily be used as a empirical support of a type of virtue ethics. I will attempt to show that psychology and virtue ethics converge around the same conclusions when it comes to how corruption may be prevented. These theories will be used in combination to evaluate tools for preventing corruption that are in use in business today. As a philosopher and an ethicist I will avoid trying to do psychological research myself. This is a job better left to the psychologists. I will however try to use psychological research to enrich the field of virtue ethics, and to give this field a better grounding in the real world. As Appiah writes “Philosophy should be open to what it can learn from experiments; it doesn't need to
set up its own laboratories” (Appiah 2008:3). I believe that using data from the field of psychology, to show that virtue ethics is fruitful when it comes to preventing bad behavior, will strengthen the validity of the thesis.

Using several different theoretical approaches simultaneously in this way is a trade-off. Focusing on only one approach has its benefits. This would leave more space to explore the nuances of that particular theory. On the other hand, using a multidisciplinary approach increases the plausibility of the conclusions. If the same conclusions are reached from several different and independent approaches, they are more plausible than if the conclusions are supported from only one approach. That said, Appiah would argue that much of philosophy and ethics throughout history is in fact indistinguishable from psychology. If this is true, it should not be controversial to use psychology in a philosophical thesis, or to use psychology as virtue ethics as I in part will be doing. Appiah writes:

... the canonical philosophers belong as much to the history of psychology as to the genealogy of philosophy” and “... their “metaphysical” and their psychological claims are, insofar as we insist on distinguishing them, profoundly interdependent (Appiah 2008:10)

Enriching philosophy by introducing psychology then, should not make the approach any less philosophical.

5.3 Empirical research on corruption?

Assessing the efficiency of anti-corruption measures is a central part of this thesis. It is legitimate to question whether or not my philosophical approach is the most efficient when it comes to achieving this goal. Normally when one wants to assess the effectiveness of a measure in business, one would preform empirical studies of the situation before and after the measure is introduced. My approach is instead to first make a framework based on virtue ethics and psychology, and then use this framework to preform theoretical evaluations of anti-corruptions measures that are being used in business today. Would it not be better to
empirically study the amount of corruption in businesses before and after a anti-corruption measure has been introduced?

Theoretically yes. In practice however, the nature of corruption makes it hard to do empirical studies of the effects of anti-corruption measures. Corruption is clandestine by nature, and avoids detection and measurement. If you want to know whether or not an anti-corruption measure has been successful you will have to measure whether or not a person you do not know who is, decided not to do some corrupt act that you do not know what would be. You would also need to know whether or not this person avoided doing the corrupt action as a direct result of the anti-corruption measure. If you knew the corrupt act and the person conducting it, there would be no need for anti-corruption measures, because you would already have discovered the corruption. Norwegian economist Tina Søreide addresses this problem. According to her it can be solved by introducing anti-corruption measures in several companies simultaneously, while using other companies as control groups (Søreide 2013:74). This approach is clearly beyond the scope of any master thesis, and more appropriate for a large scale research program. I therefore believe that my indirect approach is the most practical to the subject, within the scope of a master thesis.
6. On virtue ethics

The primary theoretical foundation of this thesis is a form of virtue ethics, which is defined in the following way in the Stanford Encyclopedia of Philosophy:

Virtue ethics is currently one of three major approaches in normative ethics. It may, initially, be identified as the one that emphasizes the virtues, or moral character, in contrast to the approach which emphasizes duties or rules (deontology) or that which emphasizes the consequences of actions (consequentialism) (Hursthouse Fall 2013).

Ethical theories are often concerned with what actions one ought to take. Within consequential ethics the actions that provide the best consequences should be chosen, and within deontological ethics any action is permitted as long as it does not conflict with some rule or rules. Virtue ethics differ from these two approaches in that it focuses on ethical character and virtue, instead of isolated actions. The right thing to do is simply what a good person would do, and what matters most is therefore the character traits, values and dispositions of the individual.

The virtue ethical approach has its origins in the works of Plato and Aristotle. It can also be found in ancient Chinese philosophy, but in this thesis I will primarily be using concepts from the western tradition, and I will mostly be using modern writings. This thesis has a pragmatic grounding. I want to explore how corruption best can be prevented, and I will therefore not have any loyalties towards the virtue ethical tradition or its proponents as such. This is not an exegetical thesis. If I find that some of these positions are flawed in the light of empirical data for example, I will accept the data as the highest authority, and adjust the theory accordingly. This is my main reason for including psychological theory. I am interested in what works. I will be using virtue ethics as a starting point, since starting a new ethical approach from scratch would be too daunting of a task. But the framework that will result from this project may not be easy to place within a virtue ethical tradition, since I will be putting together bits and pieces from both psychology and philosophy that probably have not been put together in exactly that combination before.

If we take inspiration from Martha Nussbaum's view on virtue ethics this should not be a problem. She writes:
I propose that we do away with the category «virtue ethics» in teaching and writing (...) let us get on with the serious work of characterizing the substantive views of each thinker about virtue, reason, desire, and emotion – and deciding what we ourselves want to say (Nussbaum 1999:201)

She reaches the radical conclusion that virtue ethics is meaningless as a category based on the fact that it has no real contrast. In the beginning of this chapter I contrasted virtue ethics, using Rosalind Hursthouse's article, with deontology and consequentialism. This is a oversimplification. Bentham and Mill, the fathers of utilitarianism, and Kant, one of the most central deontologists, all wrote extensively on the subject of virtue, according to Nussbaum. All of them were interested in what makes a person good, and disposed towards doing the right thing.

Without a clear contrast, virtue ethics loses any clear meaning. I believe that it is still possible to construct a virtue ethical contrast with deontology and consequentialism, if we contrast virtue ethics with some of the understandings of deontology and consequentialism from the 19th century to the 1950s. According to Hursthouse the virtue ethical tradition “…suffered a momentary eclipse during the nineteenth century but re-emerged in the late 1950's in Anglo-American philosophy” (Hursthouse Fall 2013). During this period central virtue ethical concepts, like the virtues themselves and moral judgments, were largely ignored, and rationality alone was the main focus. But the lines are still blurry, and it is an open question whether or not this contrast is enough to justify keeping virtue ethics as a separate category.

Nussbaum has not yet succeeded in convincing academia that virtue ethics is a category we should get rid of, and I will place this thesis in that category. But as Nussbaum writes, it is important to focus on substance, and not on what words we are using. And I accept the challenge she poses when she writes that the serious work is: “... deciding what we ourselves want to say” (Nussbaum 1999:201). I will not go so far as to discard virtue ethics as a category, like Nussbaum suggests, since I will be using many of the concepts that is historically associated with it. But I will embrace the flexibility the category offers, and fill it with the content that matches the task of preventing corruption.
6.1 Key concepts in virtue ethics

Before I introduce psychological perspectives on moral behavior, I will here introduce some key concepts in virtue ethics. This is an anticipation of a further section where I will try to show how psychology and virtue ethics can support each other. Introducing these concepts now should help readers see possible similarities between virtue ethics and psychology while reading the psychological section. The following three concepts are central to virtue ethics: “... *arête* (excellence or virtue) *phronesis* (practical or moral wisdom) and *eudaimonia* (usually translated as happiness or flourishing)” (Hursthouse Fall 2013). Virtue (*arête*) can be understood as: “... a stable disposition to act” (Hartman 2013:30) and: “The virtuous person enjoys acting virtuously and wants to be the sort of person who enjoys acting virtuously. So you are a generous person if and only if you characteristically act generously” (Hartman 2013:30). Possessing a virtue then, means that you are disposed towards acting in a particular way, and this is part of your *character*. The virtuous person enjoys being virtuous, and this brings us to the concept of eudaimonia.

Eudaimonia, which as we have seen translates into happiness or flourishing, involves that you: “... develop your, strengths, realize your potential, and become what it is your nature to become” (Haidt 2006:157). Happiness in this view means fulfilling ones potential and acting virtuously. Being virtuous then, is not only good for others, it is also good for yourself. It helps you achieve your *telos*, or purpose as a human being.

The final, and perhaps the most important concept for this thesis, is practical wisdom (*phronesis*). Hartman writes: “If you are a practically wise (*phronimos*) person, you know how to get what you aim at and you know what to aim at. You know what living well looks like, you know how to do it, and you do it” (Hartman 2013:53). Being virtuous can be considered a form of skill. Virtue requires action, and we need to know how to practice the virtues. It is not enough to know what for example generosity is, in order to be virtuous. One has to actually act generously, and one has to know how this is best done in practice. This is the role of practical wisdom. It is important to note that the concepts discussed here are symbiotic and must be promoted together. For example, one needs practical wisdom in order to be virtuous, and being virtuous is also what it means to flourish and become happy.
7. Moral psychology

In this chapter I will present a psychological view on how ethical decisions are made. I will try to show that our rational capacities are of limited use in ethical situations, and I will try to give an overview of the forces that are at play when we make ethical decisions. Building on these perspectives, I will present a psychological case for virtue ethics as a good approach to preventing unethical behavior. I will try to show that the virtue ethical approach is well suited for helping people overcome the situational pressure and the cognitive biases that promote unethical behavior. This exercise will give important insight into how practical wisdom works psychologically, and it will give insight into what actually happens when a person makes a moral choice.

7.1 Cognition and rationality

Studying human cognition is a good starting point for understanding how moral choices are made. One way of understanding cognition is to separate it into two parts, or two different systems. This approach can be called dual process theory. Professor of organizational behavior Eugene Sadler-Smith describes this approach in the following way:

There has been substantial theoretical convergence within psychology on a view of human cognition comprising of special automatic systems and sub-systems capable of intuitive reflexive processing (including intuitive moral judgment), and general purpose deliberative systems and sub-systems capable of reflective analytical processing (including analytical moral reasoning) (Sadler-Smith 2012:362)

These two systems can simply be called system 1 and system 2.

Psychologist Daniel Kahneman gives the following description of the two systems: “System 1 operates automatically and quickly, with little or no effort and no sense of voluntary control” (Kahneman 2012:20) and “System 2 allocates attention to the effortful mental activities that demand it, including complex computations. The operations of System 2 are often associated

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4 According to Kahneman, this terminology was originally introduced by Stanovich and West (Kahneman 2012:20)
with the subjective experience of agency, choice and concentration” (Kahneman 2012:21). The division between the two systems is not as clear as I have sketched here. Kahneman calls this ways of thinking about cognition a useful fiction. He writes “System 1 and System 2 are not systems in the standard sense of entities with interacting aspects or parts. And there is no one part of the brain that either of the systems would call home” (Kahneman 2012:29). The division is fictitious in the sense that we are not talking about clearly identifiable systems in the brain.

The systems are a part of the whole, and do not works as systems in the real sense of the word. But the division and the terminology is useful because it makes it easier for us to understand human cognition and the mechanisms that dual process theory includes, and it makes it easier to communicate this information. Kahneman writes: “A sentence is understood more easily if it describes what an agent (System 2) does than if it describes what something is, what properties it has” (Kahneman 2012:29). For the purpose of this thesis the fiction is close enough to the truth, and the pedagogical qualities of the fiction are helpful in the application of the ethical theories used. Since we want to give practical advise, we need theories that are easy to communicate to potential users.

The fact that our cognition is dualistic in the way I have presented above has both advantages and disadvantages. One of the main benefits of System 1 cognition is that it allows us to automatize and routinize our daily lives. It would be very strenuous and ineffective if we had to make active decisions about everything we do, a system 2 activity. If walking, for example, consisted in of sequences of considering whether or not to move one leg in front of the other, walking would be an exhausting activity and it would require our undivided attention. Thanks to System 1 we can automatize walking. This is the reason why walking requires little effort, and this automatization allows us to use our cognitive resources on other activities.

The downside of having a dualistic cognition of this sort is that it makes us susceptible to making mistakes. Critical thinking and self-control is a System 2 operation, and System 2 is lazy and easily distracted. Moral deliberation is impossible without critical thinking, and is therefore a function of System 2. When System 2 is distracted or otherwise disengaged then, we are disposed towards making ethical mistakes, since all that is left is our moral intuitions as we saw with Sadler-Smith.
System 2 is a limited resource. According to Kahneman humans can suffer from what he calls *ego depletion*. He writes “... if you have to force yourself to do something, you are less willing or less able to exert self-control when the next challenge comes around” (Kahneman 2012:42). He uses experiments conducted by psychologist Roy Baumeister to prove this point. In these experiments the subjects are made to suppress some natural tendency, a System 2 activity, before they are made to do a difficult cognitive task. These subjects give up earlier than subjects who are not made to use their System 2 capacities before the cognitively difficult task. This shows that System 2 cognition is best understood as a limited resource. Biologically this may be connected to our blood glucose level. Kahneman writes:

> The most surprising discovery made by Baumeister's group shows, as he puts it, that the idea of mental energy is more than a mere metaphor. The nervous system consumes more glucose than most other parts of the body, and effortful mental activity appears to be especially expensive in the currency of glucose (Kahneman 2012:43)

This means that our ability to think rationally about ethical decisions is biologically limited. Making ethical decisions after already having used our System 2 capacities, for example after a long day at work, will be less reliable than when we are rested.

As previously mentioned, the limitations of Systems 2 makes us susceptible to irrationality, mistakes and biases. Kahneman writes:

> Because System 1 operates automatically and cannot be turned off at will, errors of intuitive thought are often difficult to prevent. Biases cannot always be avoided, because System 2 may have no clue to the error. Even when cues to likely errors are available, errors can be prevented only by the enhanced monitoring and effortful activity of System 2. As a way to live your life, however, continuous vigilance is not necessarily good, and its certainly impractical. Constantly questioning our own thinking would be impossibly tedious, and System 2 is much too slow and inefficient to serve as a substitute for System 1 in making decisions. The best we can do is a compromise: learn to avoid significant mistakes when the stakes are high (Kahneman 2012:28)

System 2 is incapable of handling the tasks System 1 usually handles, in an efficient manner.
According to Kahneman, the best we can hope for is to identify the situations that are important to us and spend our System 2 resources there, if we want to avoid bad decisions.

The dualist view of cognition has important consequences for the field of applied ethics. Rule based approaches to applied ethics, like kantian deontology, rule utilitarianism and rule consequentialism, have significant flaws when it comes to promoting good behavior. They fail us in the moments where we make our decisions. When faced with a new and unfamiliar situation, we rarely have time to engage our System 2 cognition in order to judge the situation in light of, for example, Kant's categorical imperative. We do not necessarily have the time to take a step back and make a reasoned conclusion. In situations like this the decisions will be made by System 1, and this system lacks the analytic capacities needed for applying theoretical ethics.

Normative rule based approaches might tell us important things about what actions are right or wrong, but if we accept Kahneman's view this only gets us halfway there. We have to identify and judge moral situations beforehand. Then we have to train and prepare for these situations. In this way we are forming our System 1 dispositions using System 2. We can, in a sense, give ourselves deontological or consequentialist/utilitarian reflexes in specific situations. Another lesson we need to learn as applied ethicists is that we should keep an eye on the biases and situational forces that affect our actions. It follows from this that an alternative to trying to make people good, is to tweak their environments in such a way that System 1 mistakes and biases are minimized, and good behavior promoted.

7.2 Cognition and morality

Kahneman is mostly interested in the connection between cognition and rationality, but other researchers have applied dual process theory more directly to the fields of ethics and moral psychology. Social psychologist Johnatan Haidt is one such researcher, and he is skeptical of rationalist explanations of moral actions. He writes: “... in psychology our goal is descriptive. We want to discover how the moral mind actually works, not how it ought to work, and that can't be done by reasoning, math, or logic.” (Haidt 2012:140). Haidt is not saying that rationalist approaches to ethics are without value or normative force, but his goal is to show that we humans are not at rational as we would like to believe, when we are faced with ethical situations.
According to Haidt, the first principle of moral psychology is: “... intuitions come first, strategic reasoning second” (Haidt 2012:59). This view comes close to David Hume's claim that “Reason is, and ought only to be the slave of the passions, and can never pretend to any other office than to serve and obey them” (Hume 1978:415). Haidt thinks Hume goes a bit too far, for Haidt rationality can by itself motivate moral actions, or make you change your mind about moral questions, but he believes that this is a rare event. The human mind is a rationalizing machine. When faced with a situation, a moral intuition may arise, and the rational part of the mind, System 2 with Kahneman's words, will engage itself in the job of explaining why the intuition must be correct. Moral arguments are not made, in Haidt's view, in a rational search for the truth. They are instead formed to “... further our social agendas – to justify our own actions and to defend the teams we belong to...” (Haidt 2012:XIV). This is a radical break with rationalist explanations of moral actions. Haidt defines a rationalist as: “... anyone who believes that reasoning is the most important and reliable way to obtain moral knowledge” (Haidt 2012:7). Haidt backs this up by using psychological experiments.

These experiments are conducted by telling people morally challenging stories, and asking these people to make moral assessments of the stories. Here is an example of one such story: “A man goes to the supermarket once a week and buys a chicken. But before cooking the chicken, he has sexual intercourse with it. Then he cooks and eats it” (Haidt 2012:4).

According to Haidt: “... if you are not a liberal or libertarian Westerner, you probably think it's wrong – morally wrong – for someone to have sex with a chicken carcass and eat it” (Haidt 2012:4). This is interesting according to Haidt, because no harm is caused in the example, and it should therefore not be rational to condemn it as immoral. One might find the example disgusting, but this should not be enough for moral condemnation.

What happened when Haidt and his colleagues presented this kind of harmless-offensive stories was that many of the subjects invented and added victims to the stories. Haidt, who conducted several of the interviews himself, claims that these were obvious post-hoc fabrications. He writes: “People often condemned the actions very quickly - they didn't seem to need much time to decide what they thought. But it often took them a while to come up with a victim” (Haidt 2012:28). For the second part of the experiment, Haidt had trained his interviewers to argue against the subjects, showing them that that the actions in the story are in fact harmless, and that no real victim exist. This led to what Haidt calls a state of moral dumbfoundedness. He writes:
... even when subjects recognized that their victim claims were bogus, they still refused to say that the act was OK (...) They seemed to be morally dumbfounded – rendered speechless by their inability to explain verbally what they knew intuitively (Haidt 2012:28)

In these studies, it does not matter whether or not the harmless offenses are in fact morally acceptable or not. What matters is the subjects' convictions and responses to rational arguments and reason.

If rationality is a good source for changing ones mind about ethics, the subjects would be convinced that the action would be acceptable. Instead they insisted on keeping their conviction, despite evidence of the inconsistency of their view. For Haidt this is clear evidence against theories claiming that reason is the primary source of moral beliefs. He writes: “These subjects were reasoning. But it was not reasoning in search of truth; it was reasoning in support of their emotional reactions” (Haidt 2012:29). Brain scans give support to this view. Ethicist Tom E. Culham writes that these show that:

... decisions are made in unconscious portions of the brain that are associated with emotions and the body. Milliseconds later, the “decision” is relayed to the consciousness, suggesting that emotions and the unconscious are critical in ethical decision making (Culham 2013:110)

Again, intuitions come first, and we use our reasoning strategically to defend these.

There are other reasons for accepting Haidt's skepticism towards reason and rationality in moral decision-making. These sides of human nature have often been contrasted with emotions, who have been condemned as what tempts us into immoral actions. Stoicism is an example here. Anthony Kenny writes: “Since according to Stoic theory, nothing can do us good except virtue, and nothing can do us harm except vice, beliefs of the kind exhibited in desire and fear are always unjustified, and that is why the passions are to be eradicated” (Kenny 2004:284). Similar views were prominent during the virtue ethical eclipse that lasted until the fifties. Holders of such views believe that if only we are rational all the time, and hold the passions in check, we will also act morally right. This view is hard to reconcile with certain examples from psychology.
Haidt uses the neuroscientist Damasio's research on certain brain damaged patients as one such example. The patients in Damasio's studies had suffered damage to the part of their brains that is responsible for emotions. The patients: ”... retained full knowledge of what is right and wrong, and showed no deficits in IQ (...) Yet when it came to making decisions in their personal lives and at work, they made foolish decisions or no decisions at all” (Haidt 2012:39). It turns out that reason is dependent upon passions and emotions to function properly. Without these forces, that is without preferences, every action at every moment is perceived as just as appropriate as any other.

Another psychological example that indicates that emotions are required for moral action and also for moral reasoning, is the case of psychopaths. People with this condition lack important moral feelings: “They feel no compassion, guilt, shame, or even embarrassment, which makes it easy for them to lie, and to hurt family, friends, and animals” (Haidt 2012:72). Psychopaths are capable of reason and rationality, but without the right kind of emotions, there is nothing stopping them from hurting others. Rationality is therefore not the main source of moral actions, and emotional distractions are not what makes us act immorally.

A third reason for doubting the value of rationality when it comes to ethical decisions, is Eric Schwitzgebel and Joshua Rust's research on the moral behavior of ethics professors (Schwitzgebel and Rust 2014). Their research show that ethics professors do not act morally better or more coherent than comparable groups, like other professors, both from the field of philosophy and other fields. If they are right, reflecting on theoretical ethics, has no significant impact on moral behavior. If dedicating your working life to reflecting and reasoning about ethics, like ethics professors do, does not make you act any better, it is hard to see how theoretical knowledge about ethics alone can have any positive impact on actions.

The picture I have painted so far might seem like a grim one. If moral reasoning does not make you act any better, is it not a waste of time? And are our efforts to promote good behavior in people wasted? Thankfully no. Moral reasoning conducted in isolation rarely has any positive impact, but humans are group oriented creatures. Haidt writes:

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5 According to Haidt this kind of reasoning, conducted as a internal dialogue, can lead to a change of beliefs, but this kind of event is rare. He writes: "For most of us, it's not every day or even every month that we change our minds about a moral issue without any prompting from anyone else” (Haidt 2012:56).

He presents philosopher as an exception to the rule: “I also suspect that philosophers are able to override their initial intuitions more easily than can ordinary folk” (Haidt 2012:385). He bases this view on findings by
The main way that we change our minds on moral issues is by interacting with other people. We are terrible at seeking evidence that challenge our own beliefs, but other people do us this favor, just as we are quite good at finding errors in other people's beliefs (Haidt 2012:79).

People will change their minds when presented with good arguments from their friends, especially when there is also an emotionally appealing component present.

It follows from this that a good way of promoting self criticism and good moral behavior, is accountability to other people. According to Haidt this is because: “... people are trying harder to look right than to be right” (Haidt 2012:89). Certain conditions apply if you want to use accountability to make people pursue the truth. The person must know beforehand that he or she will be held accountable by an audience. The audience's views must be unknown, and the person must believe that the audience is well informed and interested in accuracy. Haidt writes: “When all three conditions apply, people do their darnedest to figure out the truth, because that's what the audience wants to hear” (Haidt 2012:89). This perspective makes sense in light of Haidt's view on the origins of morality.

Haidt believes that our capacity for morality is a result of evolution. If Haidt is right that our moral capacities are genetic, morality must have given us some form of evolutionary advantage. According to Haidt the findings above make sense if we look at moral reasoning as an instrument that helps us protect our reputations and promote our interests among other people, which in turn increases our chances of reproducing. Haidt takes the side of Glaucon here, against Plato, and writes: “I'll show that Glaucon was right: people care a great deal more about appearance and reputation than about morality” (Haidt 2012:86). If this view of the origins of moral reasoning is correct, it makes sense that our reasoning is a rationalizing machine. Its evolutionary origins is not an instrument for finding moral truth. Instead it evolved to fabricate explanations that will protect our reputation. This mechanism is so strong that we even fool ourselves with our explanations. If you get criticized by somebody, your reasoning capacities will spontaneously make up some explanation that you can use to defend yourself. Your reasoning is strategic, and it serves your intuitions.

Deanna Kuhn. This might prima facie appear to contradict Schwitzgebel and Rust's reasearch on ethics professor's behavior, but overcoming intuitions and changing one's mind is not the same as living ethically coherent, which was what Schwitzgebel and Rust studied.
Different societies have different values and moral views, and this is something Haidt has to respond to if he believes that morality is primarily evolutionary. We humans share the same genes, but there exists a multitude of different cultures. According to Haidt there are two candidates for the role as the source of morality, in addition to the contribution from reason. He writes: “If morality doesn't come primarily from reasoning, then that leaves some combination of innateness and social learning as the most likely candidate” (Haidt 2012:31). By innateness here he means genetic dispositions. His conclusion is that morality stems from a combination of the three. Most of us are born with moral capacities and tools, but culture determines which of those capacities and tools are promoted and allowed to grow, and what tendencies that are suppressed.

### 7.3 Situational irrationality

Experiments from the field of social psychology can tell us a lot about moral behavior. They show that our actions are heavily affected by situational factors. We are, for example, more disposed towards acting kindly when we have just been smiled to, or when we have just been exposed to a pleasant smell (Kvalnes 2012:57). One of the most famous experiments of this type is Stanley Milgram's experiments on obedience, where he showed that we are so disposed towards obeying authority figures, that most of us can be made to kill people under the right situational circumstances (Zimbardo 2007:260). Like the experiments we considered in the chapter about cognition, these experiments should have great consequences for the field of ethics. They contribute to the view that reasoning and rationality are relatively weak forces, compared to biases and situational forces, in ethical situations.

The psychologist Philip Zimbardo is one of the most prominent proponents of the importance of situational forces in decision-making, and his famous, or maybe notorious, Stanford Prison Experiment (SPE) is a good example of how strongly situational forces affect us. In this experiment (Zimbardo 2007) normal and healthy college students were placed in a prison environment, and randomly assigned the roles of prisoners and guards. The experiment quickly deteriorated, and had to be canceled before planned because the guards started torturing the prisoner mentally and physically.

Zimbardo's experiment has been criticized for having low scientific validity (Zimbardo 2007:197). The experiment did not have a control group, and the sample size was relatively
small. Drawing conclusions about human nature based on observations in a group of 24 people is a bit too ambitious. Further more, the recordings conducted in the experiment were selective due to the projects limited budget, and Zimbardo himself got too closely involved in the experiment, because he took on the role of prison warden in addition to his role as an independent observer.

Due to these limitations Zimbardo supplements his work with other examples of people who have done horrible things due to situational pressure. In addition to Milgrams experiments, which have already been mentioned here, he uses a score of other examples, from scientific studies, for example one conducted on nurses (Zimbardo 2007:277) who are pushed by authorities into giving patients what they believe to be a deadly overdose (in the experiment the patients are of course given a placebo), to real world examples, like the example of the Nazi police reserve battalion 101 (Zimbardo 2007:285) which consisted of 500 normal men from Hamburg who throughout the second world war shot at least 38 000 Jews, and sent another 45 000 to the concentration camp at Treblinka. What these examples and studies have in common is the fact that the people who conducted these atrocities were normal people, not evil monsters. It is not plausible that all the people from the examples above somehow suddenly made individual decisions to become evil. And if normal people can be made to do horrible things there has to be more to their actions than their character. Zimbardo fills this space with situational forces.

Zimbardo contrasts situational forces with internal characteristics or dispositional qualities and writes: “Most of us have a tendency both to overestimate the importance of dispositional qualities and to underestimate the importance of situational qualities when trying to understand the causes of other people's behavior” (Zimbardo 2007:8). This bias can be called the fundamental attribution error. When we judge other peoples behavior we attribute their failures to flaws in their character. We often fail to see that their actions might have been influenced by their environment. Zimbardo is not saying that desert is impossible. He still thinks that we are responsible for our actions, but understanding how situations affect our actions can helps us make systems that promote good behavior, and prevent unwanted actions.

For Zimbardo, the first step in learning how to resist situational forces is to realize ones own weakness in the face of these forces. He writes:
For many, that belief of personal power to resist powerful situations and systemic forces is little more than a reassuring illusion of invulnerability. Paradoxically, maintaining that illusion only serves to make one more vulnerable to manipulation by failing to be sufficiently vigilant against attempts of undesired influence subtly practiced on themselves (Zimbardo 2007:180)

People who believe that they are immune to cognitive biases and situational forces, are the ones who are the most affected by these factors. If you deny that these factors affect you, you become blind to their influence. If you on the other hand accept that they influence your actions, and start looking for biases and situations that affect you, you will enable your self to identify and resist them.

It is important for Zimbardo that situations and their forces must be seen in relation to the systems that create them. In fact, he calls this the most important lesson from the SPE (Zimbardo 2007:226). A system: “... provides the “higher authority” that gives validation to playing new roles, following new rules, and taking actions that would normally be constrained be preexisting laws, norms, morals, and ethics” (Zimbardo 2007:226). Zimbardo cites ideology as an example of a type of systems that allows or makes people act against norms or ethics. In the field of business ethics, business itself can work as such a system. Joel Bakan’s work the Corporation – The Pathological Pursuit of Profit and Power gives a good account of the corrupting power of business as a system.

Bakan opens his book by stating that every time a corporate executive gets arrested, politicians and business leaders are “... quick to assure us that greedy and corrupt individuals, not the system as a whole, are to blame for Wall Street's woes” (Bakan 2004:1). This is a good example of the fundamental attribution error. Bakan believes that the modern corporation is designed in a way that removes peoples responsibility, and this promotes bad and corrupt behavior. The corporation has become a externalizing machine (Bakan 2004:60), a system that moves costs from the corporations over to the general public. It produces situations that puts a substantial pressure on the people within business to act corruptly, unethically and without concern for public interests. For Bakan the solution is to change the system with governmental regulations and democratic processes, not to help people master the difficult situations created by the system.
Changing the system is also an alternative for Zimbardo. An important point for him is the fact that the same factors that make us do bad things, can be used to promote good behavior. Like the philosopher Hannah Arendt, he believes that evil can be banal, because it is often conducted by perfectly normal individuals in bad situations. Zimbardo builds on the concept of the banality of evil, and claims that heroism is just as banal as evil. He writes: “The banality of evil shares much with the banality of heroism” (Zimbardo 2007:485) and: “Both conditions emerge in particular situations at particular times when situational forces play a compelling role in moving particular individuals across a decisional line from inaction to action” (Zimbardo 2007:485). If we want to promote the right behavior, we can create systems that put people in situations where they feel pressured to do the right thing. We can for example create situations where taking a bribe is hard to get away with, by making the situation transparent and increase the risk of getting caught and getting one's reputation ruined. If we understand business as a system in this sense, we see that it is possible to change so that it produces situations where good behavior is promoted, and bad behavior prevented.

7.4 Bridging the gap between moral psychology and virtue ethics

As we have seen so far in this chapter, biases and situational pressure often makes doing the right thing difficult. Here I want to present virtue ethics as a possible solution to this problem. This connection between virtue ethics and psychology has been argued for explicitly by several scholars, and these perspectives have been applied directly to the field of business ethics. I will here present some of these connections. Sadler-Smith writes the following about dual-process theory:

Dual-process theories offer a broad conceptual architecture into which innate and instinctive moral responses may be placed, and may be considered analogous to an Aristotelian dialectic of deliberations (bouleusis) and desire (epithumia). There are other parallels: the centrality in Aristotle's moral philosophy of acquiring intellectual virtues by instruction and learning, and moral virtues by practicing and habituation is commensurable with two other aspects of dual-processing, namely that intellectual virtues may be formed relatively quickly, (...) whereas moral virtues are formed relatively slowly (Sadler-Smith 2012:362)

Here he connects dual-process theory directly to Aristotelian virtue ethics. For Aristotle
becoming virtuous is a lifelong project, and it takes practice. This is a parallel with dual-process theory, because the same thing applies to the cultivation of System 1. The content of our System 2 capacities is fairly flexible, we can think analytically about anything at a moments notice. But our intuitions, habits and spontaneous reactions to situations, or our System 1 capacities in other words, takes a long time to change and develop. Since we often use our System 1 capacities when we find ourselves in difficult situations, we need to cultivate this capacity if we want to handle such situations in a good way. And as we have seen with Haidt, our rationality often serves our intuitions, so we have to cultivate the right intuitions if we want our rationality to work for the right cause. Sadler-Smith explicitly uses the System 1/System 2 understanding of cognition on virtue ethics, and writes:

... becoming virtuous is not automatic; it is the result of practice and habituation through the interplay of the “hot” reflexive operations of System 1 (intuition and affect) and the “cold” reflective operations of System 2 (analysis and reason)
(Sadler-Smith 2012:367)

If you want to make your intuitions and affections respond correctly to ethical situations, that is if you want to become virtuous, or phronimos, you will have to use your System 2 capacities, that is your reasoning skills, to form your System 1 capacities.

Sadler-Smith applies this psychological understanding of virtue ethics on the business sector:

The Aristotelian tradition of virtue ethics, in which intellectual virtues are learned but moral virtues are acquired by habit, is not only an appropriate subject of study for business ethics researchers, it is also an important practical issue for leaders and managers who are concerned with the question of how to be a morally virtuous agent
(Sadler-Smith 2012:353)

If we want to promote good behavior in business, we have to understand that helping employees become good requires cultivating their System 1 capacities, or in other words, by helping them get into the right habits.

As we have seen with Zimbardo, situations matter when we make ethical decisions. This is relevant for a virtue ethical approach to moral decision-making. Sadler-Smith writes:
Without a sufficiency of practice the responses to prototypical triggers are automatic and fast, but may or may not be proper under the circumstances; with a sufficiency of the right kind [sic.] practice, responses to prototypical triggers are not only automatic and fast (i.e. intuitive) but proper also (i.e. virtuous) (Sadler-Smith 2012:360)

New and unfamiliar situations may trigger the wrong responses, but with the right practice comes the right responses to situational pressure. This view is controversial. According to Crossan et. al., some have argued that social psychological experiments like the one Zimbardo conducted prove that character strengths and virtues are irrelevant for promoting good behavior. They write6:

... many researchers have suggested that “character doesn't matter” in questions of EDM. Because otherwise “good” individuals are willing to commit “bad” acts under particular circumstances, critics argue that character strengths can not be understood as stable and consistent but rather that they will bend to the particular demands of the situations (Crossan et al. 2013:575)

As a response to this Crossan et. al. points to the fact that people who have been in situations that are similar to the experimental situations described earlier, before they find themselves in the experiment, tend to behave well.

For example:

Joseph Dimow, a participant in the original Milgram studies, reflected on why he declined to obey the “teacher's” orders to administer greater shocks to the “learner”, attributing his dissent to a suspicion of authority born out of early experiences in political and military organizations (Crossan et. al. 2013:575)

What we can learn from this is that it is possible to resist situational pressure. Knowledge about virtues alone are not enough to build such resistance. We also need practical wisdom, and practical wisdom comes from experience, or a well cultivated System 1.

In addition to showing the importance of experience, or phronesis, when faced with ethical situations, Crossan et. al. points to studies from the field of positive psychology when they try

6 EDM stands for ethical decision-making
to show that virtue ethics is relevant, even in light of the type of psychological experiments included in this thesis. Positive psychology has show that a focus on character traits and excellence actually can prevent dysfunctional behavior. They write: “... striving for the highest in human potential can enable individuals and the organizations they work for to withstand detrimental individual, group and organizational outcomes” (Crossan et. al. 2013:575). This is an interesting overlap with virtue ethics. In virtue ethics, moral judgment (phronesis) and excellence (arête), together with happiness (eudaimonia), are intimately connected. Helping people realize their potential also makes them behave better.

In order to realize one's potential in this way, one should be part of a community. Moral learning is rarely done in isolation, as Haidt has shown us, and this is relevant for understanding the influence of systems and situations. In order to develop virtues we have to learn from others who already master the context. Sadler-Smith writes the following: “The actions which virtues require in a given context are learned from others; hence employees need “teachers” such as bosses, co-workers, trainers, coaches, and mentors “who are themselves virtuous” (Sadler-Smith 2012:360). In order to successfully use your virtues in new situations and contexts it helps to to learn from those who already know and understand the context, and these people must themselves be virtuous. If we apply this to Zimbardo's SPE, the prison guards would probably have behaved better if they entered a situation and a system with virtuous guards already in place, who helped the new guards use their moral capacities in the new and unfamiliar setting. We care about our reputation, as we saw with Haidt, and we can use this mechanism to promote good behavior.

In this chapter we have explored our moral psychology, and we have seen that rationality often fail us in ethical situations. Biases and situational pressures are strong forces, and this needs to be recognized. I have tried to show that a form of virtue ethics is a good way of handling the psychological challenges posed in the beginning of the chapter. I will present further arguments for this view in the last part of the thesis. Virtue ethics is practical, and by presenting how virtue ethics should be implemented, I will also be presenting a deeper understanding of it. We shall now turn to a more philosophical perspective on virtue ethics.
8. A philosophical case for virtue ethics

In this chapter I will attempt to explain some of the psychological mechanisms described in the previous chapter using a more philosophical approach. This approach will be used in support of virtue ethics as an efficient way of promoting good behavior. I will base this chapter mainly on the works of the philosopher John McDowell. There are other possible approaches to building a modern philosophical foundation for virtue ethics, but using McDowell will be sufficient for putting virtue ethics on philosophical grounding. Including McDowell's approach in this thesis allows us, as we shall see, to find a place for rationality in ethical decision-making, something the theorists from the previous chapter are skeptical of. It also allows for a more humane approach to the topic. As we shall see, psychology is by its nature objectifying, and objectification of this kind can actually promote bad behavior. McDowell's philosophical approach is complex, but I will try to focus on the ethically relevant parts of his theories. Making an adequate presentation of the entirety of McDowell's theories would warrant a thesis in itself.

According to McDowell, most of our actions are a form of absorbed coping (McDowell 2013:45). Most of the time when we navigate the world, we do so without explicitly using our conceptual capacities7. We act in a sort of flow, without actively using concepts. In other words, we do not have to think about what we are doing. We are for example fully able to sit down in a chair, without doing a conscious conceptual deliberation of this action beforehand. We just do it. This does not mean, however, that our experiences are non-conceptual. According to McDowell concepts are a part of all our experiences, even though we are unaware of them most of the time. As McDowell writes: “... conceptual capacities, capacities that belong to spontaneity, are already at work in experiences themselves, not just in judgments made about them” (McDowell 1996:24). McDowell shows this by pointing to the fact that when a person in flow is asked what he or she are doing, the person will use concepts to explain their actions.

The flow is broken when this happens, and the concepts that were already present in the experience, are made explicit. We are immediately able to explain our actions by using concepts, and this has to mean that the concepts were already present in the experience. When

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7 This is comparable to System 1 as described in the chapter about psychology. Active use of conceptual capacities belong to System 2.
we are asked to explain what we did in flow, we are not doing a distanced evaluation and
evaluation of our own past action, but we are stating something that we already know.

If this description of experience is correct, McDowell has discovered some of the same
challenges to applying theoretical approaches in ethical situations that I described in the
chapter about moral psychology. Theoretical ethics is explicitly conceptual, and in order to
apply these concepts actively you have to be outside flow, and you have to be able to do a
distanced and conscious decision or judgment. If most of our activities are absorbed coping,
we should rarely be in a position to conduct moral judgments in the situations we face.
Obviously, it is actually possible to act ethically in flow. A person who is confronted with a
difficult and time-constrained choice can respond to the situation, even if he or she is in flow,
and the action will not be completely arbitrary. The action may be more or less ethical,
depending on how prepared the person is for the situation, but what is important for the point
here is that an ethical action is conducted. Since we actually are able to act ethically in flow
then, there must be other mechanisms in play than active usage of theoretical knowledge
alone. For McDowell a good explanation of this mechanism can be found in virtue ethics,
specifically in phronesis.

For McDowell the concept of phronesis is a kind of perceptual capacity or sensibility, and
this “…sensibility turns out to be what virtue is” (McDowell 1998:43). About kindness, for
example, he writes: “A kind person has a reliable sensitivity to a certain sort of requirement
that situations impose on behavior” (McDowell 1998:51). When a kind person is faced with a
situation, the situation as such requires a certain behavior of that person. The kind person has
the same perception of a situation as a non-kind person, but different features are salient for
the two. They focus on and are pulled towards different aspects in their perception. For the
kind person the opportunity for a kind action is salient, the person is pulled towards this
action, and the person reliably copes with the situation in an absorbed way, or in flow. Being
virtuous then, is seeing a situation in a particular way and being pulled towards the right kinds
of actions. According to this understanding, phronesis is something that is developed over
time, and it is what allows us to act ethically without explicitly applying ethical theories.

8 It is worth noting that Haidt too considers ethics a perceptual capacity. He writes, taking his inspiration from
Hume, that: “Moral judgment is a kind of perception, and moral science should begin with a careful study of the
moral taste receptors” (Haidt 2012:135), our taste receptors being our dispositions towards caring about things
like “… care, fairness, loyalty, authority and sanctity” (Haidt 2012:149). When we condemn somebody for being
disloyal for example, we see that they are disloyal, we do not have to make a explicit System 2 judgment, or in
other words, a judgment outside flow.
Like Socrates and Plato, but unlike Aristotle, McDowell believes that virtues are a kind of knowledge. We find support for this view in psychology. According to organization psychologist Linda Lai, our intuitions are essentially a form of knowledge⁹: “...intuition is nothing else than automatic and unconscious usage of the vast amount of knowledge we all possess” (Lai 1999:21). But virtue is not the kind of knowledge that can be made into rules. McDowell writes:

Presented with an identification of virtue with knowledge, it is natural to ask for a formulation of the knowledge that virtue is. We tend to assume that the knowledge must have a stateable propositional content (...) it should seem quite implausible that any reasonably adult moral outlook admits of any such codification. As Aristotle consistently says, the best generalizations about how one should behave hold only for the most part” (McDowell 1998:57)

The virtuous person knows what a situation requires, but this does not mean that he or she is able to formulate absolute rules of conduct, because such rules only work most of the time at best. There will always be exceptions, because ethical life is immensely complex. Phronesis is what helps us handle such exceptions.

McDowell points to Plato's Form of the Good as a possible answer to the challenge that the uncodifiability of ethics poses. This concept in Plato, promotes the view that perfect knowledge is impossible to attain, at least in this world. McDowell presents the following interpretation of this idea:

The point of the metaphor is the colossal difficulty of attaining a capacity to cope clear-sightedly with the ethical reality that is part of our world. Unlike other philosophical responses to uncodifiability, this one may actually work towards moral improvement; negatively, by inducing humility, and positively, by inspiring an effect akin to that of a religious conversion (McDowell 1998:73)

In this view, ethical truths exist, but acting perfectly virtuous is impossible. All we can hope for is approximation to the ideal, and we can never hope for a so complete understanding of ethics that we can formulate universal principles. Humility is key if one wants to approach

⁹ My translation
this ethical ideal.

McDowell's view is somewhat more humanistic than some of the psychological theories from earlier in this thesis. Instead of a purely descriptive view\textsuperscript{10} on human actions, like the one for example Haidt offers, McDowell can, as a philosopher, offer a view where human well being and flourishing is the main focus. The value of this point is illustrated well by Norwegian philosopher Hans Skjervheim. He writes\textsuperscript{11}: “By objectifying the other one attacks the others freedom. One turns the other into a fact, a thing in ones world” (Skjervheim 1976:56). Psychology reduces people and their traits to facts, and this negates their freedom, since facts of this kind are causally determined. Irregardless of whether we are actually free or not, people do not like to be treated as psychological cases, and psychological objectification is therefore perceived as an attack.

This has practical consequences for anyone who tries to use psychology to promote good behavior. We shall return to this topic in a later section where I analyze the role of accountability in preventing corruption. We shall see that people who are treated as though they are unfree, tend to act less ethically. By using a virtue ethical approach that takes psychological experiments and perspectives seriously, but still maintains an ethical vocabulary at its core, we can promote good behavior using psychology in a humanistic way. In the end our goal is flourishing and happiness through virtue. We can use psychology to reach this goal, but the goal must be reached by treating people with respect, not by treating them as objects.

In his philosophy, McDowell is not distancing himself from psychology or the natural sciences, but he writes: “If we identify nature with what natural science aims to make comprehensible, we threaten, at least, to empty is of meaning” (McDowell 1996:70), and also: “We travesty Aristotle's picture of habituation into virtue of character if we suppose the products of habituation are motivational propensities that are independent of conceptual

\textsuperscript{10} The psychological field of positive psychology, founded by Seligman in the 1990s (Haidt 2006:91), is a psychological attempt at promoting human flourishing, and it can be argued that this approach is humanistic too. But it is open for discussion whether or not this approach sufficiently enough overcomes its objectifying background to replace the philosophical approach with a purely empirical one. It can also be argued that positive psychology needs to take practical wisdom seriously, in order to achieve its goals. Schwartz and Sharpe writes: “… you cannot have a positive psychology without paying special attention to practical wisdom, and you cannot cultivate practical wisdom without paying special attention to the shaping of positive social institutions” (Schwartz and Sharpe 2006:391)

\textsuperscript{11} My translation
thought, like a trained animal's behavioral dispositions” (McDowell 1998:39). As we see here, McDowell has a view that is similar to Skjervheim's. Philosophy and virtue ethics is needed in this thesis to add meaning and value, to the otherwise instrumental project of preventing corruption. And as we shall see later, a purely instrumental approach to preventing corruption is self-defeating.

When McDowell warns us about identifying nature with the domain of natural sciences, he divides nature in two parts, first and second nature. He describes second nature in the following way: “The concept of second nature applies to any responsive propensities that are not inborn or provided for by ordinary biological maturation but acquired through, for instance, training” (McDowell 2013:53). First nature then, contains what remains, our biological dispositions. We find our practical wisdom and the virtues in our second nature, and this is easy to compare to Aristotle's view. As McDowell writes:

... consider the notion of second nature. The notion is all but explicit in Aristotle's account of how ethical character is formed. Since ethical character includes dispositions of the practical intellect, part of what happens when character is formed is that the practical intellect acquires a determinate shape. So practical wisdom is second nature to its possessor (McDowell 1996:84)

This second nature is in play when we are in flow or absorbed coping, and it is what allows us to act ethically in such situations. It is this second nature that is difficult to comprehend using natural science alone.

An important point about second nature is that it is partly based on reasons and that it is conceptually formed. McDowell writes: “Human beings acquire a second nature in part by being initiated into conceptual capacities, whose interrelations belong in the space of reasons” (McDowell 1996:XX). The space of reasons is a concept introduced by Sellars, and concerns what we are doing when we state that we have knowledge of something (McDowell 1996:5). According to this view, this state of knowing is not about making empirical descriptions, it is about justifying what one says, or being able to give reasons for ones claims. Since our introduction to the space of reasons is part of our second nature, actions that stem from this nature are open for questioning and justification.
Actions that stem from our second nature are not arbitrary, and we are responsible for them and people can ask us to justify them, even if the actions in question are conducted in flow or absorbed coping. This view opens for a positive role for theoretical ethics and rationality. Even though applying ethical theories in ethical situations may be difficult, especially when you have never faced the type of situation in question before, we can use theoretical ethics to shape our second nature before we land in the situation. By for example considering what Kant would do in a specific situation, and doing a rational consideration of what action to take, we can train ourselves to master that situation, and make the theory second nature to ourselves. Our second nature in flow might not allow us to do rational or theoretical considerations there and then in difficult ethical situations with time constraints, but since we can form our second nature using our rationality beforehand, we can be indirectly rational when we are in flow. This line of reasoning is very similar to our ability to form System 1 using our System 2 capacities, as we saw in the previous chapter.

Second nature is not something we get from nowhere. McDowell supports Aristotle's view that a persons upbringing is important, or even essential, when it comes to the persons character. He writes: “... human beings are intelligibly initiated into this stretch of the space of reason by ethical upbringing, which instills the appropriate shape into their lives. The resulting habits of thought and action are second nature” (McDowell 1996:84). As mentioned, ethics is part of the space of reasons, and it is through ones upbringing that one learns to give reasons for ones behavior. A good upbringing results in certain habits and thoughts, that are present in out ethical actions as second nature. Behavior can therefore not be ethical at all if one lacks the proper upbringing, since such behavior would be outside the space of reasons.

It is impossible, in this view, to analyze a persons actions in isolation. In order to understand why a person acted in a certain way, you will have to have some understanding of this person view on how he or she should live his or her life. As McDowell writes: “We do not fully understand a virtuous person's actions – we do not see the consistency in them – unless we can supplement the core explanation with a grasp of his conception of how to live” (McDowell 1998:71). When we find ourselves in a ethical situation, we rarely consider only the situational facts. We also act based on what type of person we perceive ourselves to be, and what kind of a life we want to live. A kind person would for example act kindly, simply because that is what a kind person does, and how a kind person lives his or her life. The facts of the situation, and the acts of kindness as such, are secondary. The stability of ones character
and ones view on life is what matters: “Occasion by occasion, one knows what to do, if one does, not by applying universal principles but by being a certain kind of person: one who sees situations in a certain distinct way” (McDowell 1998:73).

Despite the different approaches to virtue ethics we find in McDowell and the psychology I have included in this thesis, it is worth noting that their perspectives converge around some of the same solution when it comes to preventing unwanted behavior. Zimbardo, for example, believes that the first step towards good behavior is to admit that one is disposed towards making mistakes. This is in line with McDowell's view that humility promotes good behavior. And when McDowell presents the inspiring and quasi-religious side of philosophical ideas as something that might prevent unethical behavior, he converges with the views of Haidt, who claims that only religious communities survived in human evolution because: “… they used their gods to elicit sacrifice and commitment from members” (Haidt 2012:317). Appeals to identity, ideology, ideas or religion can have strong impacts on peoples behavior. The most important convergences for this thesis, are around the value of virtue ethics when it comes to promoting good behavior, and the similarities between the System 1 and 2 distinction and actions conducted inside and outside of flow.
9. Virtue ethical perspectives on anti-corruption measures

9.1 What is corruption?

I opened this thesis with some examples of why corruption is a problem, and why it should be prevented. Here I will sketch what corruption actually is. Søreide's book, *Korrupsjon – Mekanismer og mottiltak*, is one of few Norwegian academic books about corruption at the time of writing, and since I am primarily interested in preventing corruption in the context Norwegian or western business, I will base my understanding of the subject on this book.

According to Søreide, corruption is the *abuse of the entrusted power one receives as part of one's job, for personal gain* (Søreide 2013:30). This abuse refers to a juridical standard. Another way of understanding corruption is as the *buying and selling of decisions* (Søreide 2013:31). Corruption involves some kind of exchange of services or values, where the decision-maker is paid to make a different decision than he or she otherwise would.

This means that corruption most of the time will lead to decisions that are sub-optimal for the organization where the selling part works. In stead of doing his or her job, and working towards achieving the organizations goals, the decision-maker works towards the goals of the person buying the decision. Since there is no reason to pay somebody to make a decision that they would normally make as a part of their job, corruption is almost always sub-optimal when it comes to achieving the organization's stated goals. The exception is when the owners of the company or the leadership is involved in the corruption, in order to promote the interests of the company or themselves. In that case the corrupt action promotes some secret goal, the private interests of the owners or the leadership using illegal means.

Corruption is prohibited in Norway. This is stated in the general civil penal code § 276. The wording in the paragraph refers to the receiving, requesting, giving or offering of an *improper advantage*. In this understanding corruption does not necessarily involve money. It can also involve other material things and it can involve services or favors. The law as such does not specify which advantages are improper, this has been left for the courts to decide, so legal precedence is what one should look at if one is interested in what specific actions are considered corrupt, and how these are punished. In addition to Norwegian legislation, there

https://lovdata.no/dokument/NL/lov/1902-05-22-10/KAPITTEL_2-19#KAPITTEL_2-19 downloaded 23.03.2015
exists international legislation and conventions that prohibit corruption.

So far we have seen how corruption is understood legally and theoretically. Another way of showing what corruption actually is, is to present a couple of examples. Transparency International Norway (TI-N), a NGO that monitors and promotes the prevention of corruption, has compiled a list of convictions in cases of corruption in Norway (Transparency International Norge 2014a), and this list gives us a helpful insight into the kind of actions we want to prevent. In this report we find cases spanning from drunk drivers trying to bribe police officers, to multi-million dollar bribes of foreign officials by top management in large Norwegian companies. These cases are extreme, in their own ways, and both probably fall beyond the scope of this thesis. The cases we are interested in are the ones where employees in business act corruptly.

The Norconsult case is an example here (Transparency International Norge 2014a:39), where two employees from Norconsult got convicted for contributing to corruption in Tanzania. Kickbacks were paid to public officials, in return for a contract for a water and sewage project. Interestingly, the Norconsult employees did not initiate the kickbacks themselves. These were set up by Norconsults partners in the project. But the Norconsult employees got dragged into the corrupt activity when the time came to pay the kickbacks. Another example is what TI-N has coined the DnB NOR case (Transparency International Norge 2014a:27). In this case a caseworker in DnB NOR, Norway's largest financial services group, took a bribe of 50 000 NOK for approving a previously declined loan application. What we want to give advise on in this thesis, is how we can help people do the right thing in cases such as these.

9.2 Anti-corruption measures

Since corruption is considered a risk in business, there exists a significant amount of anti-corruption programs in this sector, and this is a rich source of information for ethicists who are interested in how unethical behavior can be prevented. In this half of the thesis I want to study real world anti-corruption measures and analyze these in light of virtue ethics, with the aim of coming up with applicable advise on how these measures should be implemented in business. While my goal is applicability, my advises will be formulated in somewhat general terms. Companies can be very different from each other, and the measures described in this thesis have to be tailored to the company in question.
I will call on several different sources during my analysis, but I will begin by introducing some of the measures found in TI-N's handbook for the prevention of corruption (Transparency International Norge 2014b). Significantly for my analysis, TI-N presents corruption as something that can be conducted in different states of mind. Corruption may be conducted:

... deliberately for personal or corporate gain, reluctantly in the belief that they are necessary to remain competitive, erroneously [sic.] under the assumption that they are normal business behavior and not criminal offenses, and accidentally through a lack of awareness and understanding (Transparency International Norge 2014b:50)

As we have seen, immoral actions can happen deliberately or as the result of cognitive biases, situational pressure or other factors beyond our direct control. We will therefore need a diversified approach, with measures against all the different types of corruption described in the quote above, since different measures affect different types of corrupt behavior.

I will here make a small summary of the measures suggested by TI-N in their handbook, before I turn my attention to analyzing these measures. TI-N promotes written obligations like codes of conduct and the company's values as the core of any anti-corruption program. These obligations have to be supported by training and reporting regimes that ensures that they put into practice. These measures have to be supplemented by internal auditing systems that makes it risky to be corrupt, and that enables the management to punish those who are corrupt. An open culture where it is acceptable to voice concerns, and even to blow the whistle on corrupt coworkers, should be established. The leadership and management should be responsible for all these measures, since it is they who have the power to introduce them, and the anti-corruption program should be supported by the board of directors.

In this thesis I am interested in how corrupt behavior can be prevented in companies where the owners and leaders are not involved in corruption\(^\text{13}\), and where they want to run the business by legal means. The main focus is promoting good behavior among employees. I have chosen this focus because the measures this ethical approach suggests, require leadership involvement and resources. Without this in place, my suggestions will fall on deaf ears. I

\(^{13}\) According to OECD, company presidents and CEOs were involved in 12 % of foreign bribery cases that were discovered between 1999 and 2014 (OECD 2014:23). This gives us a rough indication of how many companies fall beyond the scope of this thesis
cannot force corporations to take ethics seriously, but I can give advise to those who do.

9.3 Written obligations - Codes of conduct

Defining codes of conduct is one way of managing ethical behavior in an organization\textsuperscript{14}. In such documents the company defines how it expects its employees to behave. TI-N writes:

> The code of ethics is, together with the company values, the foundation in a company’s anti-corruption programme and sets legal compliance and ethical requirements for the board, management, employees and consultants working in the company. A code of ethics usually contains a variety of ethical and legal issues, with anti-corruption as a central element (Transparency International Norge 2014b:55)

For TI-N, codes of conduct, or codes of ethics in their words, form part of the core of anti-corruption programs\textsuperscript{15}. Based on the theories discussed in this thesis, I will try to show that putting codes of conduct at the center of the program can be problematic, especially if the codes of conduct are detailed, something TI-N suggest that they should be. That said, I will also show that this measure can have a positive role in an organization, if it is supplemented by other measures.

Codes of conduct are attempts at codifying ethics, and as we have seen with Aristotle and McDowell, our best generalizations only work most of the time. Writing a complete document where all ethical situations are handled is impossible, and the more detailed the document gets, the more obvious this fact becomes. It is always possible to imagine some example where the codes of conduct should be diverged from. If the codes of conduct, for example, forbids paying bribes, this should not stop you from paying a bribe to save a colleagues life. Codes of conduct therefore need to be designed in a way that leaves room for using ones practical wisdom.

In the theoretical part of this thesis I tried to give an overview of how ethical decisions are

\textsuperscript{14} See Statoils codes of conduct as an example. These explicitly adress the problem of corruption. Note that they are over 40 pages long. [http://www.statoil.com/en/About/EthicsValues/Downloads/Ethics code of conduct.pdf – Downloaded 26.03.2015]

\textsuperscript{15} This 2014 study conducted by TI-N shows that about 70 % of Norwegian companies have ethical guidelines [http://www.transparency.no/wp-content/uploads/sites/10/sakte-men-sikkert...-bedriftsundersokelsen-2014.pdf – Downloaded 06.05.2015]
made, and if this view is accurate, we can conclude that codes of conduct do not harmonize well with the way ethical situations are actually handled by people. Codes of conduct are a form of codified knowledge, and as we have seen with several of the theories from the theoretical chapter, attempts at explicit application of knowledge of this type is not reliable in ethical situations. Such applications require that people step outside of flow and engage their System 2 capacities. Unless you have totally embodied the codes of conduct through training and made them second nature, something that gets harder and harder to do the more detailed the document gets, you will have to actively recall and apply the knowledge from the document, or take a step back and actually read from the document in order to apply it. In all opportunities for corruption where a decision has to be made in a relatively short time span, for example if a person is offered a bribe face to face with the briber, there will be a risk for corruption if the employee's only tool is knowledge of the codes of conduct. There is no time to step outside flow in such situations, and accidental corruption may occur.

Codes of conduct are, as mentioned, not exclusively problematic. They can have positive effects too. For a company it is a tool that can be used to hold people accountable for unethical actions that are not necessarily illegal. It easy to hold somebody accountable for something they have declared by signature that they will not do. Knowledge of what the company expects from you, and what actions are considered acceptable is also beneficial, even if it does not give you much help in difficult situations. Anti-corruption can be a somewhat technical affair at times, and codes of conduct can therefore help prevent erroneous corruption. TI-N believes that codes of conduct should be supplement by detailed guidelines and standards, about which they write: “They should cover all necessary corruption form [sic.] and situations, and all types of business relationships, ownerships and transactions that are relevant for the company, based on risk mapping and evaluation” (Transparency International Norge 2014b:55). Corruption is a difficult field legally, and documents like codes of conducts and supporting standards and guidelines can be helpful in an environment where the employees have enough room to engage their System 2 capacities.

From a virtue ethical perspective codes of conduct can be helpful as a way of habituating an employee into the ethical sides of a business. Rules can be a first step of developing virtue. Hartman writes: “Rules too, including ethics codes, may enforce good habits, particularly if people understand their rationale” (Hartman 2013:129). By following good rules we are in a way emulating good behavior. This is of course insufficient as virtue ethics goes, since the
employee will not conduct him or herself appropriately for the right reasons. In the beginning he or she will instead act appropriately because of a fear of punishment. But eventually a habit will form, and the person will understand the reasoning behind the rules, and will be able to participate in discussions about further development of the rules. The person will also be able to apply the principles behind the rules in new and difficult situations. Rules then can be the first step towards practical wisdom and good habits, but they are not enough by themselves. As Hartman writes: “... ethical maturity is a matter of getting beyond attentively following rules” (Hartman 2013:140). Sometimes the rules have to be broken, and a deeper understanding of ethics than one finds in codes of conduct is needed if one wants to master such situations.

### 9.3.1 Codes of conduct as an ethical benchmark

Ethical codes can be helpful in a more indirect way, a way that is independent of their content. The psychologist Dan Ariely has conducted some interesting studies, where he and his team gave Harvard students the opportunity to cheat on a test where they would get money for each correct answer. The test was anonymous, and it was rigged in such a way that it was impossible to get caught for cheating, something the test subjects understood. Ariely knew how many cheated by comparing the results to control groups who did not get an opportunity to cheat.

This study had two findings that are relevant for this thesis. First:

> ... when given the opportunity, many honest people will cheat. In fact, rather than finding that a few bad apples weighted the averages, we discovered that the majority of people cheated, and that they cheated just a little bit” (Ariely 2009:277).

Most people are dishonest according to Ariely, but only a little. Ariely explains this mechanism in the following way:

> We care about honesty and we want to be honest. The problem is that our internal honesty monitor is active only when we contemplate big transgressions, like grabbing an entire box of pens from the conference hall. For the little transgressions, like taking a single pen or two pens, we don't even consider how these actions would reflect on
Ariely perceives honesty as a virtue that we acquire through our upbringing.

The problem about this virtue is that it only comes into play when we contemplate larger transgressions. When it comes to smaller transgressions all that is active, according to Ariely, is our ability to do cost-benefit analysis. Further on, Ariely writes\textsuperscript{16}: “As we saw in the experiment at Harvard, the cost-benefit analysis, and the probability of getting caught in particular, does not seem to have much influence on dishonesty” (Ariely 2009:280). This is an important lesson, and another piece of evidence that shows us that immoral and corrupt actions are not conducted by a few bad apples, but by ordinary people. It also supports Haidt and Glaucons theory that claims that people will cheat, at least a little, as long as their reputations are safe.

The other interesting finding, which is more relevant for the case of codes of conduct, comes from a variation of Ariely's experiment. Before the students that had the opportunity to cheat were allowed to take the test, Ariely made them recall the Ten Commandments. The results of the test was surprising. None of the students who recalled the Commandments cheated. According to Ariely it was probably not the fear of God that made these students honest, some of them could only recall one or two of the Commandments, and these students were probably not very god-fearing people. Ariely writes: “This indicates that it was not the Commandments themselves that encouraged honesty, but the mere contemplation of a moral benchmark of some kind” (Ariely 2009:285), and further on: “… when we are removed from any benchmark of ethical thought, we tend to stray into dishonesty. But if we are reminded of morality at the moment we are tempted, then we are much more likely to be honest” (Ariely 2009:289). Ethical benchmarks of this kind can be used to promote good behavior.

Ariely uses professional oaths as an example of such a reminder, but codes of conduct can serve the same purpose. If it is possible to remind employees of the codes of conduct when they face difficult ethical situations, they will be more honest, not because of the content of the codes, but because they are reminded that there is such a thing as morality. This mechanism can be understood as a priming effect (Kahneman 2012:52). Being exposed to

\textsuperscript{16} By "... the risk of getting caught" he is here referring to differences in the probability of getting caught, not the risk of getting caught as such.
certain words or objects affect the way we think and act, and in this case codes of conduct can primes us to think and act morally. In order for codes of conduct to work as a primer and an ethical benchmark in situations where corruption is a risk, they have to be visible to the employees in question. These mechanisms only work if the employees are reminded of the codes of conduct right before they get into an ethical situation. It is therefore important that the codes of conduct are visible in the work space, and that the employees are reminded about them often. Other reminders or primers should also be considered.

As we have seen in this section, codes of conduct can have a positive effect in an organization because they can help employees emulate good behavior. They can also promote honesty by functioning as an ethical benchmark and an ethical primer. That being said, one should not have too much faith in codes of conduct as a measure against corruption, since they have a limited use in ethical situations where time is a factor. And their use against deliberate corruption is probably very limited. They must be supplemented by other measures.

The best evidence for this view is perhaps the codes of conduct at the notorious company Enron. Enron is today know as a company that was ethically bankrupt. But before its downfall, Enron had progressive anti-corruption policies and its CEO often spoke at ethics conferences\(^\text{17}\). The anti-corruption programs of Enron were so good on paper that TI presented the company as the future of business\(^\text{18}\). This shows us that codes of conduct and similar documents are of limited use, if the culture and leadership in the company is corrupt. It also shows us that such documents at their worst can be used to cover up bad behavior. As Wayne Visser writes: “At worst, CSR in its most primitive form may be a smokescreen covering up systemic irresponsible behavior” (Visser 2011:17).

\(^{17}\) [http://corpgov.net/education/classes/ethics-class/](http://corpgov.net/education/classes/ethics-class/) - Downloaded 27.04.2015

9.4 Written obligations – Values, visions, identity and corporate missions

9.4.1 Values

A business can have other written obligations in addition to codes of conduct. It can for example define its values, vision, identity or corporate mission19. These obligations are both internally and externally oriented. Internally they signal to the employees what values the company expect them to base their actions on, and they can function as a common platform for conduct among the actors in the company. They can also affect the behavior of the employees, in good ways or bad. As business ethicist Geoff Moore writes20:

> It is clearly the case that, within organisations, individual values and behavior are affected, either directly by influential individuals, or more indirectly by the incorporation and perhaps the distortion of individual values within the organisation's culture (Moore 2005:667b)

Externally values can, among other things, signal that the company takes ethics seriously. TI-N includes values as one of the fundamental tools for preventing corruption, and believes that at least one of the company's values should be aimed towards preventing corrupt behavior. In this section we are going to explore this suggestion in light of virtue ethics, and I will try to say something about what values are the most efficient when it comes to preventing corruption. We will also have a look at the effect of similar measures, like identity, visions and corporate missions.

Business values resonate well with virtue ethics. Virtues are very similar to the values one might find in a corporation. For example, Statoil has embraced the values courageous, open, hands-on and caring21. It can be argued that all of these values resemble the cardinal virtues: courage, justice, temperance and prudence/phronesis found for example in Plato's *the

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19 This 2009 study from Transparency International Norway shows that most of the largest corporations in Norway have clearly defined values, and that these are available on the corporations' websites: [http://www.transparency.no/wp-content/uploads/sites/10/undersoekelse_av_etisk_regelverk_i_norske_selskaper_-_norsk_version.pdf](http://www.transparency.no/wp-content/uploads/sites/10/undersoekelse_av_etisk_regelverk_i_norske_selskaper_-_norsk_version.pdf) – Downloaded 13.04.2015

20 Moore uses Zimbardo in relation to this quote. This is noteworthy, because it means that he considered the challenges that social psychology poses, when he formulated his theories


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Republic (Plato 2007). Courage is explicitly mentioned in both sets. Openness is a form of justice, as justice involves telling the truth. Statoil's understanding of hands-on has aspects of prudence or phronesis, as for Statoil it involves to “... demonstrate commercial awareness and customer orientation” and to “... pay attention to important details” (p. 9). Both these aspects require a cultivating of sensibility, and that is what phronesis or prudence consist of. Caring involves both justice and temperance. Justice because caring about people can be considered giving them their due, and temperance because Statoil's understanding of the value includes to “Reduce the negative impact of our activities and products on the environment” (p. 11).

Even though values in business and virtues share much of the same language and form, they are not identical. Moore describes the difference between the two in the following way: “... valuing is something we do, while virtues are something we have (or not)” (Moore 2005a:244). Possessing a virtue then, is a somewhat stronger bulwark against bad behavior than possessing a value. It is possible to be pragmatic and compromise with ones values and still keep them, while being virtuous is to be disposed towards the right behavior, and acting against ones virtues means that one stops being virtuous. Another difference is that traditionally virtues are personal, and it is not given that an institution can be called virtuous or vicious. Moore handles this difficulty in the following way:

... I wish to argue that it is appropriate to extend these descriptions at the individual level to the institutional level and so to speak, by way of metaphor, of corporate virtues (and vices) and of virtuous, continent, incontinent, and vicious corporations (Moore 2005b:665).

Using virtues in business might not be in line with the virtue ethical tradition, but it is a useful metaphor, and since we are interested in what works when it comes to preventing corruption, this should be an acceptable move.

Since virtues and business values are so similar, it might be tempting to claim that promoting virtue ethics in business is simply a matter of increasing the focus on values. Unfortunately this is easier said than done. If we want to promote values as a means to preventing corruption, from a virtue ethical perspective, we shall have to overcome Alasdair MacIntyre's view that values can only decay in business. MacIntyre is a virtue ethicist, and he opens his book After Virtue with trying to prove that morality today is something completely different
from what it used to be in ancient times. He writes: “... I am not merely contending that morality is not what it once was, but also and more importantly that what once was morality has to some large degree disappeared – and that this marks a degeneration, a grave cultural loss” (MacIntyre 2007:25). One of the main problems, according to MacIntyre, is that people today are without goals, or telos. MacIntyre writes:

The self is now thought of as lacking any necessary social identity, because the kind of social identity that it once enjoyed is no longer available; the self is now thought of as criterionless, because the kind of telos in terms of which it once judged and acted is no longer thought to be credible (MacIntyre 2007:39)

MacIntyre is not suggesting that people should be born into static and unfree positions, but he believes that there is little room for ethics where there are no goals for what we should become.

This view has implications for how the virtues work. He writes: “The precepts which enjoin the various virtues and prohibit the vices which are their counterparts instruct us how to move from potentiality to act, how to realize our true nature and to reach our true end” (MacIntyre 2007:63). Without a telos to realize the virtues have no content. Their role is to help us with our self-realization, and if there is no such end, there is nothing for the virtues to help us achieve. Business is for MacIntyre an important reason for the disappearance of telos in the modern man. In order to understand this we need to introduce MacIntyre's theory of the practice-institution distinction, which is central to his theory about virtue in business, or rather, the impossibility of it.

He defines a practice as:

... any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to, and partially definitive of, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended (MacIntyre 2007:218)
This is a long and complex definition, but the essence is that a practice entails productive activity where the process is good in and of itself. The activity helps us realize not only our own potential, or a telos, but the potential of humanity as such.

MacIntyre operates with two different conceptions of goods: internal and external. Internal goods are the ones that help us excel, as in the definition of practice above. External goods on the other hand, are material goods that can result from our activities. Both these goods can motivate us, but the different motivations have different effects. MacIntyre uses a chess playing child as an example of this (MacIntyre 2007:219). If you want a child to learn how to play chess you can motivate it by offering candy as a reward if it wins. If the child is motivated by this incentive, or external good, the child might study hard and try to win the game that way, but it might also try to cheat. Since the child is motivated by external goods, it does not matter how victory is achieved, and there is little stopping the child from cheating given the opportunity to do so.

If the child is motivated by internal goods however, cheating becomes self-defeating. People motivated by the internal goods of chess wants to master the game by improving themselves and acquiring the skills one needs to win the game. If one cheats in such a situation, one does not achieve the internal good, and if one is motivated by this good one defeats oneself by cheating. For MacIntyre using external goods as a initial motivation is a way to introduce somebody to a practice. External motivation can in such situations keep us motivated long enough to become motivated by the activity as such. Over time we should shift our focus over to internal goods. It is important to note here, that external goods are goods. There is nothing inherently wrong with them, and they are needed for the sustenance of life. Also, external and internal goods are not necessarily mutually exclusively. But the problem is that being motivated by external goods alone can have bad effects.

For adults in business, external goods are things like money, fame and status. If MacIntyre is right about the effects of being motivated by external goods, a person who is motivated by these types of goods alone, will have plenty of incentives and motivation to be corrupt if he or she can get away with it. On the other side, a person who is only motivated by the internal goods of his or her trade, will be hard to corrupt, at least when it comes to deliberate corruption, since such persons only care about honing their skills and excelling at what they do, something that is difficult to offer as a bribe. As mentioned, external and internal goods
are not mutually exclusive, and this makes the picture a bit more complicated. Most of us are probably motivated by a combination of the two, so the question becomes one of balance.

MacIntyre's understanding of practice is inseparable from his understanding of virtue. He defines virtue in the following way: “A virtue is an acquired human quality the possession and exercises of which tends to enable us to achieve those goods which are internal to practices and the lack of which effectively prevents us from achieving any such goods” (MacIntyre 2007:222). In order to partake in a practice one needs to possess virtues like justice, honesty, courage and excellence. A carpenter, for example, that cheats his or her customers, lies about the quality of his or her work, has no courage when it comes to trying new carpeting methods, and has no regard for the standards of excellence in the field of carpentry, can hardly be called a good carpenter. Possessing virtues is essential to achieving the internal goods of a practice, and this is a further reason to believe that people who are motivated by internal goods are hard to corrupt. Can we conclude then, that the role of virtues in business is to get people into the habit of being motivated by internal goods, and that this is a good way to prevent corruption?

I hope so, but unfortunately MacIntyre does not think this is possible, and supporting this conclusion will therefore require some effort. According to MacIntyre, practices must be sustained by institutions. He writes:

Institutions are characteristically and necessarily concerned with what I have called external goods. They are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power and status as rewards (MacIntyre 2007:226)

Practices need institutions to sustain themselves materially, and to distribute external goods among the people who partake in the practice. A doctor, for example, needs a hospital or a clinic, which makes sure that he or she gets patients, and makes sure that whatever income the institution receives is distributed in a appropriate manner among those who work in that institution. In the business sector, companies and corporations function as institutions of this type.

Even though institutions are essential for the existence of practices, they are also a corrupting
influence. MacIntyre writes: “... the ideals and the creativity of the practices are always vulnerable to the acquisitiveness of the institutions, in which the cooperative care for common goods of the practices is always vulnerable to the competitiveness of the institution” (MacIntyre 2007:226). Virtues are, as mentioned, essential to for us to achieve the internal goods in a practice, and they do this by hampering the corrupting influence of institutions. But for MacIntyre business is too oriented towards external goods for people to be able to withstand its corrupting influences. MacIntyre believes that business is a zero sum game, a view he shares with Aristotle. When somebody wins in the marketplace, somebody else must loose, and this forces those who are engaged in a practice, to move their focus over to external goods. When this happens they stop being motivated by internal goods, and without this bulwark against immoral actions, the business is exposed to the risk of corruption.

If we want to show that there is room for virtues and values in business, we have to overcome MacIntyre's skepticism and somehow show that business institutions and practices can coexist, and that virtues and values can be used to make sure that people in business are motivated by internal goods. The alternative to this is to accept MacIntyre's view, and to condemn business as inherently immoral. Moore has spent some effort on such a project. According to him, successful business is not possible without respect for practices. He writes: “... the corporation must continually be aware that it is founded on and has as its most important function, the sustenance of practice. This is simply because, without the practice, the institution dies” (Moore 2002:28). If a business gets to focused on external goods, and stops sustaining the practice, it cannot last. A consulting firm, for example, that gets too caught up in the acquisition of external goods, and stops improving its employee's skills, will lose the competition in the long run. Other firms will deliver better results, and will be preferred over the first company.

It follows from this that respect for the practice that an institution houses is not only a necessity for the survival of a company, but also that it can be a competitive advantage. Hartman writes: “Contrary to what MacIntyre seems to believe, internal virtue in his sense can be a success factor for an organization, and it is no less virtuous for that” (Hartman 2013:168). A company that focuses on internal goods will not only see less corruption, it will also offer better products and services than companies that are focused on external goods. This is empirically grounded. Moore cites a study by Collins and Porras that claims that: “... over the period 1926 - 1990 the return on visionary companies was over fifteen times that of
the general market” (Moore 2005a:240). Visionary companies here, are companies that focus not only on making profits for its shareholders, but also has a well defined mission and social purpose. If Moore is right then, there is room for virtue in business, and MacIntyre is overestimating the dangers of avarice.

Hartman builds on Moore's theories, and writes:

... given what Moore says about the importance of the organization's purpose (i.e., mission), he can argue that profit is a means to accomplishing the purpose, and not an end in itself. That should satisfy MacIntyre, and Aristotle as well (Hartman 2013:172)

The point then, is to make profits benefit the practice, not the other way around. Shareholders might revolt against this approach, but this would be irrational if Moore is right. Paradoxically, moving the focus away from profits will increase profits, and since virtues supports practices, virtues should according to this view indirectly increase profits. It is important here that one does not perceive virtues as an instrumental tool. Solomon writes the following about such an approach, using trust as an example of a virtue: “To think of trust as a business tool, as a mere means, as a lubricant to make an operation more efficient, is to not understand trust at all” (Solomon 2004:1038). Trying to use virtues purely instrumentally, for example by using them to make money, is impossible, since such an approach would be grounded on a fundamental misunderstanding of the thing one is trying to apply.

The fact that MacIntyre's view on business is too extreme, does not mean that working with values in business is easy. MacIntyre is partially right. Focusing too much on external goods opens for corruption. And it is easy to loose sight of the practice when short term profits are involved. Culham has identified three factors that militate against virtue based ethics education in business. I believe these factors also apply when we try to make companies virtuous by promoting values. The factors are: “(1) traditional management practices that are based on the assumption that employees are an instrument; (2) our culture that values external goods over internal goods; (3) and the institutions that can only seek external goods” (Culham

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22 Whether or not Moore is right that focusing on internal goods is good for the bottom line, and whether or not his theory applies to all cases, is a discussion that would require a considerable analysis. I present some evidence in this thesis that support the conclusion that promoting internal goods is good for the bottom line, but since companies often show greater concern for short term profits than for internal goods, I will not conclude in the matter. Since our interest here is how values can be used to prevent corruption, this discussion can be left for another time.
Virtue can only be introduced in companies where the leadership treats its employees with respect and as ends in themselves, and our culture is working against us here, since we value material goods highly. Another challenge is companies that can only seek external goods. For Hartman, the financial services industry consists of such companies:

Even if we assume that all investment advisers are honest and competent professionals, every successful investment is somebody's opportunity cost. And no sane person would assume that honesty and professionalism prevails among those who create arcane derivatives, as opposed to arcane electronic technologies (Hartman 2013:184)

According to this view, working with virtues in companies that by their nature can only deal with external goods, is a very difficult job.

As we saw in the Culham quote above, keeping virtue alive in the organization is to a large degree a responsibility for the leadership. Moore writes: “An important role of those who represent the corporation, therefore, is to act when they observe excellence not being pursued and to remind those engaged in the practice of their responsibility” (Moore 2002:29). Virtues are kept alive by those who have experience or phronesis, and these people keep virtues alive in a company's tradition. TI-N supports this view: “Creating a transparent and honest company culture that forms the basis for a good ethical practice may be challenging (...) it requires strong ethical leadership by the board of directors and the top management” (Transparency International Norge 2014b:52). Creating the virtuous corporation is a managerial task, and values are not worth much if its leaders do not respect them.

Moore describes the virtuous corporation in the following way:

The virtuous corporation will be one which has a corporate character that acknowledges that it houses a practice, that encourages the pursuit of excellence in the practice, aware that this is an entirely moral pursuit, and one which pursues the external goods in so far as they are necessary to and supports the development of the practice. But it will not be so focused on the external goods that it fails to support the practice on which it is founded (Moore 2002:30)
This might strike us as a model that is very different from the way business is conducted today, but Moore disagrees. The fact that businesses exist at all must mean that companies take care of their practices, since a too large focus on external goods will undermine the company in the long run. Companies are of course more or less virtuous, and it is a challenge to make them more virtuous, but virtues must already be present in business if Moore's model is correct. Solomon makes the same point:

It takes no leap of faith to move from the actual cultures of most corporations to the recognition that these are cooperative communities, not military installations or mere legal fictions, and that mutual respect, caring and compassion are what we all in fact expect and demand in our various jobs and positions (Solomon 2004:1040)

Business is already, at least partly, virtuous which means we have a solid basis for using virtue ethics to promote good behavior in business.

What remains to be done, according to Moore, is to make virtue ethics comprehensible for people in business, so that this view can be promoted for the good of all, money oriented stockholders included. He writes: “... the main task lies in turning these concepts into a common place language” (Moore 2002:31). Since virtue is already present in business, all we need is a language shared by ethicists and business people, that can be used to promote virtue in business. Moore's solution to this challenge is to revitalize the concept of craftsmanship, which we shall return to later. Now we are ready to say something about how virtues as values should be introduced to promote good behavior. If we want to use a value or a virtue to prevent corruption, like TI-N suggests, which one should we choose23?

TI-N suggest that such a value should be an explicit obligation towards preventing corruption, and writes: “In addition to values related to the company business objectives, one of the company values should include a commitment to counter corruption” (Transparency International Norge 2014b:55). The virtues honesty and justice, two of the cardinal virtues, seem like obvious candidates when it comes to explicitly preventing corruption. Honesty demands that we stay away from clandestine activities like corruption, and justice demands that we treat people fairly and follow the law. This is all well and good, and a strong signal

23 Singling out one virtue or value may be a oversimplification of virtue ethics, since one has to posses all the virtues in order to be truly virtuous. We shall handle this question later, in a section about how the virtues can be abused
both internally and externally that one takes the problem of corruption seriously, but if we accept Moore's understanding of the practice-institution distinction, virtues that support the practice in the institution will be the ones that are the most helpful when it comes to preventing corruption.

Diligence, persistence, excellence or resourcefulness are examples of virtues that explicitly supports practices. Honesty and justice are also important for sustaining practices as we have seen, but in a more indirect way. Since values and virtues have to be customized to fit the different characteristics of different companies, it is not possible here to give a more specific answer to the question of which virtue or value in particular a business should chose in order to promote its practice. Such an answer would require knowledge of the particular practice, but the important point is that at least one value in the business should support the practice.

By promoting values that makes the actors in an institution motivated by internal goods, we are both making them harder to corrupt, and making them better at their jobs at the same time. Further more, this approach can make them happier or closer to eudaimonia. We are happier, according to psychologist Mihaly Csikszentmihalyi, when we work towards our own goals, than we are when we work towards the goals of other people: “When we feel that we are investing attention in a task against our will, it is as if our psychic energy is being wasted. Instead of helping us reach our own goals, it is called upon to make someone else's come true” (Csikszentmihalyi 2008:160). Being motivated by internal goods and working towards these, is part of Csikszentmihalyi's concept of flow, which he perceives as an optimal experience.

We shall now have a look at Moore's understanding of craftsmanship, which is a way of working with values and virtues in business. This can help us understand how values that promote practice can be promoted in an organization.
9.4.1 Craftsmanship, professionalism and identity

For Moore, a craft can encapsulate: “... the notions of virtue, practice, narrative quest and telos”24 (Moore 2005a:247), and such a concept could therefore be helpful in dealing with many of MacIntyre's concerns when it comes to the corrupting influence of external goods, since it allows us to talk about several different aspects of virtue by using a single word. Moore describes the requirements for promoting craftsmanship in the following way: “Such reconceptualisation requires, as I have indicated, practical action in pursuing the excellence of the craft and in building and maintaining a community of craftsmen. This, in turn, requires the exercise of virtue” (Moore 2005a:252). First then, we need a pursuit of the excellence of the craft, and individuals need to focus on the intrinsic values or internal goods of the organization. Without the craft as such, and standards of excellence within the craft, there can be no practice to maintain and strive towards improving, and the corrupting force of external goods will be all that is left.

Next we need a community that can maintain the traditions, virtues and standards of the craft. Without having peers to cooperate with, or to engage in constructive competition with, the craft will stagnate or even decay. Thirdly, as we also have seen with MacIntyre, the virtues are required for maintaining a practice, and they are therefore also necessary for maintaining a craft. When we introduce virtues to maintain a craft, we are indirectly guarding it against the corrupting forces of external goods.

The requirements for promoting Moore's understanding of craftsmanship are symbiotic to each other. Virtue cannot exist without tradition, tradition cannot exist without community, there are no grounds for a community without the craft, and so on, so it is important that all the requirements are promoted simultaneously. Moore describes craft-oriented persons in business in the following way:

If they then endeavor to maintain an integrity of character by exercising the virtues, gaining such internal goods as are available, thereby helping them in their narrative quest towards their own telos, then not only would the individuals benefit but they would, in the very act of doing all of this, play a necessary part in the humanizing of

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24 A narrative quest is a concept found in MacIntyre. We understand ourselves and our lives as a narrative towards goal, our telos. MacIntyre writes: “Unpredictability and teleology therefore coexists as part of our lives; like characters in a fictional narrative we do not know what will happen next, but nonetheless our lives have a certain form which projects itself towards our future” (MacIntyre 2007:250). Our narrative quest can also be described as our identity
Again we see a possible win-win situation. Not only is focusing on craftsmanship good for the individual, it is also a way of making business more humane.

If Moore is correct, and we can unify all of MacIntyre's concerns in one overarching concept, craftsmanship, we have a good tool for guarding against the corrupting influence of external goods, and indirectly for making employees harder to corrupt. Craftsmanship might also be a way of changing business as a system, a measure Bakan promotes. A business sector where craftsmanship flourishes should produce situations that promote the right behavior, since it would be inherently virtuous. So far we have mostly studied this approach from a philosophical and theoretical perspective. I will now try to support it using some perspectives from Ariely, and by using a real world case. Together they should imply that Moore's approach can have real world value. Here Ariely will provide psychological grounding and the case will provide empirical grounding.

Ariely writes the following about the decline of professionalism, a process he believes started in the 1960s: “Strict professionalism was replaced by flexibility, individual judgment, the laws of commerce, and the urge for wealth, and with it disappeared the bedrock of ethics and values on which the professions had been built” (Ariely 2009:285). Professionalism bears strong resemblance to Moore's concept of craftsmanship, since they both incorporate productive activity, and things like standards, ethics, values and community. Ariely is not a reactionary, he believes that a lot of good things might have resulted from the fall of the professions. But the problem is that they had values and ethics internalized in them. When they declined, no new mechanism for promoting these values and ethics took their places. Ariely supports this conclusion using the same experiments quoted in the section about codes of conduct. The fall of professionalism also meant the fall of ethical benchmarks. As we have seen, this should make corruption and other bad behavior more likely, since people are not reminded about, or primed towards, morality as often as before the professions fell.

In addition to his psychological experiments, Ariely uses several anecdotes like cases of lawyers who have no respect for truth or fairness when there is an opportunity for making money, and doctors who conduct redundant surgeries to strengthen the bottom line. He believes the problem even extends to the field of ethics. He writes:
The decline of professionalism is everywhere. If you need more proof, consider the debate within the field of professional ethicists, who are called more often than ever before to testify at public hearings and trials, where they may be hired by one party or another to consider issues such as treatment rendered to patients and the rights of the unborn. Are they tempted to bend on occasion? Apparently so. “Moral Expertise: A Problem in the Professional Ethics of Professional Ethicists” is the title of one article in an ethics journal. As I said, the signs of erosion are everywhere (Ariely 2009:287).

If even the ethical profession is having trouble with a declining professionalism, and the immoral behavior that follows, the picture is grim indeed. But for Ariely this does not mean that we should not try to remedy the situation. And Moore's approach might be a strong alternative here, since it is essentially a way of revitalizing professionalism.

I will end this section with a more positive case for the potential of craftsmanship. In their work *Switch*, which is partly an attempt at operationalizing some Haidt's points, Chip and Dan Heath explore the importance of identity in decision-making. They describe its role in the following way:

In the identity model of decision-making, we essentially ask ourselves three questions when we have a decision to make: *Who am I? What kind of situation is this? What would someone like me do in this situation?* Notice what is missing: any calculation of costs and benefits” (Heath and Heath 2010:153).

This model is similar to MacIntyre's model. MacIntyre emphasizes that people need a telos and a narrative quest, and when we ask questions like the ones we find in the identity model, the answers can be found in what we perceive to be our telos, and the narrative that is our lives. Since telos and narrative quests are part of craftsmanship, identity can be included here too.

We adopt identities through our lives, and professional identity is an example of such an identity. Since Heath and Heath are concerned with changing people's behavior, they perceive identity as something that might be a barrier, something that one needs to work around or manipulate, in order to conduct the changes in question. They write: “Because identities are central to the way people make decisions, any change effort that violates someone's identity is
likely doomed to failure” (Heath and Heath 2010:154). For our purposes it is a good thing that identity counteracts change.

A company where the employees have a strong identity or character, that includes virtues like justice and honesty, should be harder to corrupt than a business where such an identity is lacking, and people base their decision on cost-benefit analysis alone, which is the alternative in Heath and Heaths model. Basing ones actions on an identity that includes honesty means asking questions like: should an honest person like me accept this bribe? A person who asks this question should be more disposed towards declining the bribe than a person who does a cost-benefit analysis, and ask questions like: is it worth the risk for me to accept this bribe? Or: will I benefit from this bribe? The answer to the first question is obviously no, but the last two questions can be answered either yes or no, depending on the circumstances.

Heath and Heath uses the case of the Brazilian firm Brasilata, a company that manufacture steel cans, to show how one can work with professional identity in practice. In 1987 Brasilata started a program that was aimed at promoting innovation in the company. Heath and Heath writes:

A new identity was the core of the program. Employees of Brasilata became known as "inventors”, and when new employees joined the firm, they were asked to sign a “innovation contract” (...) Top management challenged employees to be on the lookout for potential innovations – ideas for how to create better products, improve production processes, and squeeze costs out of the system. Procedures developed within the factory made it easy for inventors to submit their ideas (Heath and Heath 2010:157)

The program was a big success and led to increased productivity, reduced costs and increased work satisfaction. This example shows us that promoting an identity where the practice or craft is in focus, in this case the practice of invention, is at least possible, and that this can have both a positive effect on the bottom line, and a positive effect on the flourishing of the employees25.

The example also shows us that anybody can take part in a craft, even people who work with

25 A possible objection here is that since cutting costs was a part of the innovative process, the employees were in fact externally motivated. A possible answer to this is that this is only an external motivation if the employees are motivated by some type of reward. If they are in stead motivated by making a process or product more efficient or better, which indirectly cuts costs, they are in fact internally motivated.
simple technologies like steel cans. Even the people who facilitated this production, like janitors and administration, took part in the identity, and innovated in their own fields. Lastly, the example shows us that anybody can get into the habit of being motivated by internal goods. This means that we can overcome one of Moore's worries:

The concept of craftsmanship would need to be as true for the blue-collar worker on the shop-floor (though possibly in this case by association with and pride in the larger whole) as for the skilled worker, the marketing executive and the managing director (Moore 2005a:249)

Heath and Heath has shown us that this is at least a possibility.

**9.4.2 Wrapping vices in virtues**

It is worth noting that some of the approaches described above can be twisted and used to promote bad behavior. Vices and bad behavior can be encouraged by leaders who use a twisted understanding of the virtues. Solomon writes: “Employees can usually tell when the “empowerment” they receive like a gift is actually a noose with which to hang themselves, a set-up for blame for situations which they cannot really control” (Solomon 2004:1038), and Hartman writes: “An organization in which reckless people are called decisive may create peer pressure that encourages shortsighted disregard of eventual costs” (Hartman 2013:82). Here we have situations where virtues like empowerment and decisiveness have been misused in order to promote recklessness or to set an employee up as a scapegoat if something goes wrong.

*Teamwork* is another example of a virtue that can be abused. It could make a good virtue when adopted by a good manager, who has the right intentions and understanding of virtue. As we have seen, community is important when it comes to conserving and promoting other virtues, and it helps maintain the practice in a business. Promoting teamwork then, can be one way of strengthening a community, and it can therefore be virtuous. A bad manager on the other hand can use the same word to manipulate employees, or to keep them in line. Sociologist Robert Jackall writes that a team player can be understood in the following way in business:
He is a “role player” who plays his part without complaint. He does not threaten others by appearing brilliant, or with his personality, his ability, or his personal values. He masks his ambitions and his aggressiveness with blandness. He recognizes trouble and stays clear of it. He protects his boss and his associates from blunders (Jackall 1988:60)

Here we have a situation where the notion of teamwork has been abused so as to suppress the employees, and promote the personal interests of the manager in question. This is clearly not virtuous, even though virtuous language has been used. What has happened instead is that vices like cowardice and submissiveness have been disguised as a virtue.

It is important to counteract such abuse of virtues in business. An employee that adopts the fake notion of teamwork described above will be more disposed towards unethical behavior, since he or she has been made to keep his or her mouth shut when it comes to difficult situations like corruption. It is probably difficult to purge a company of this kind of abuse if it is deeply embedded in the culture. Jackall writes that those who resist the pressure of fake teamwork and state their minds anyway can get punished in business:

One might object, for example, to working with chemicals used in nuclear power, or working on weapons systems, and most corporations today would honor such objections. Publicly stating them, however, would end any realistic aspiration for higher posts because one's usefulness to the organization depends on versatility (Jackall 1988:54)

Objecting to certain actions or tasks diminishes your usefulness since it means that you are willing to do a narrower specter of tasks in the organization. It also has a spillover effect. If you have hesitations about one task, you might be disposed towards objecting to other tasks, and this is a risk for the company, and therefore a deterrent to the progress of your career, if Jackall is right. The solution might lay in a culture for dialogue, which we will explore in further detail in the next section. But introducing and maintaining such a culture requires involvement from management, and since management is leading in the abuse of virtues described above, I fear such companies are very hard to save ethically.

In sum, we have seen that defining and promoting values in a business helps when it comes to preventing corruption and other bad behavior. We have also seen that values that promote
practice, excellence and being motivated by internal goods are the values that are the most
effective when it comes to reaching this goal, since cheating or being corrupt means that you
can not achieve the internal goods you are motivated by. These values are best promoted in
the form of craftsmanship, identity or professionalism, since such concepts can encapsulate
other concepts like practice, telos and narrative quest, in addition to virtue. Encapsulating
these factors in one and the same concept allows us to promote all of them simultaneously,
which is important since they are symbiotic to each other. Lastly we have seen that virtues can
be abused to promote the self-interest of managers, and this should be counteracted if
possible.

9.5 Deliberation and dialectics
As we saw with Haidt, we rarely change our minds about moral questions, but when we do, it
is mostly in discussion with our peers. Since discussion can have a positive moral effect, we
should promote deliberation and dialectics in our mission against corruption. Øyvind Kvalnes
and Nigel Iyer suggest that in business one should: “Listen to and take seriously the
experience of moral dissonance” and “Create a climate for everyone to be motivated both to
talk about moral discomfort and to assume moral responsibility” (Kvalnes and Iyer 2011:45),
if one wants to prevent corruption. As we have seen we are a biased creature, but discussing
ethics can correct us.

We have seen that business is a form of community, that is sustained by virtue. Hartman
writes: “If you are a virtuous person, you have a rational basis for what you do. In particular,
you understand not only the importance of (say) honesty, but also something of its purpose, of
how it contributes to our lives together” (Hartman 2013:140). Virtues are not arbitrary, we can
discuss them, develop them and deepen our understanding of them. And as we saw with
McDowell, the virtues are responsible towards reason. Such an understanding is important
when applying virtues in new and unfamiliar situations. Being brave in a familiar situation is
one thing, but you have to have some understanding of the purpose of courage, and how this
virtue can contribute to our lives, in order to apply it in new situations. Talking about bravery
and other virtues can build such an understanding, and this should help prevent accidental or
erroneous corruption.

26 My translation
Discussion can also prevent us from rationalizing our actions. Directly addressing Haidt, Hartman writes:

Dialectic typically involves other people, though you can think dialectically on your own. It is a familiar truth that there is much to be said for having your ideas challenged and for hearing those of others. Another important advantage of having another part to the conversation is that it reduces the probability of rationalization, that great enemy of rationality in ethics (Hartman 2013:151)

As we have seen our character is fragile, and we are strongly affected by cognitive biases and situational forces, but discussing ethical situations with our peers can help us avoid making wrong decisions. Discussion can also be used to help people break with bad habits, or a badly cultivated second nature: “A dialectic conversation can force students to compare their principles with their habituated intuitions and see the need for some adjustment on one side or, more likely, both” (Hartman 2013:202). Cognitive biases are an important cause of unethical behavior, and if discussion can help prevent this, taking ethics seriously in business means cultivating and making room for discussion.

Claiming that a culture for discussing ethics is a good way to prevent corruption should be fairly uncontroversial, but this does not mean that cultivating such a culture is easy. As we saw with Jackall in the section about wrapping vices in virtues, taking ethical stands can be detrimental to a persons career. Jackall also writes:

Those who regularly raise objections to what a boss or a clique leader really desires run the risk of being considered problems themselves and of being labeled “outspoken,” or “nonconstructive,” or “doomsayers,” “naysayers,” or “crepehangers” (Jackall 1988:59)

In this quote the virtues of honesty and courage are being abused by presenting and suppressing them as vices.

TI-N's answer to this is that what we need is: “... strong ethical leadership by the board of directors and the top management” (Transparency International Norge 2014b:52). They are probably right, and since the measures considered in this thesis are aimed at companies that
If a willing management is in place however, we can say something about how they can promote a culture for deliberation in their organization. One way of doing this is to build on Moore's suggestion that we work towards presenting ethics in a language people in business can understand. Hartman writes: “A good business ethics course can give students practice in framing states and events in ethical terms. That ability needs to be exercised and developed, given a rich language, and sharpened by critical analysis” (Hartman 2013:201). Getting some training in ethics can give us the tools we need to realize that a situation demands an ethical discussion, and such training can also give its students the vocabulary they need in order to participate in such a discussion. We shall discuss the topic of training and how this measure can build an ethical vocabulary in a later section.

9.6 Transparency and internal audits
TI-N suggest internal audits as an important part of anti-corruption programs (Transparency International Norge 2014b:62). Such a measure can serve to uncover corrupt activity in an organization, and it can deter deliberate or reluctant corruption by increasing the risk of getting caught, and by increasing the difficulty of being corrupt. Since this is a philosophical thesis, I will say little about how such systems should be structured, that is a job for accountants. But I will try to say something about the effects of such systems.

In order to help prevent corruption, internal audit systems need to maintain a balance between control and trust. On the one side, as we have seen with Haidt and Ariely, people tend to cheat when they think they can get away with it, and introducing a risk of getting caught will therefore deter people from embezzlement and other corrupt behavior. Haidt goes so far as to write that: “... the most important principle for creating an ethical society is to make sure that everyone's reputation is on the line all the time, so that bad behavior will always bring bad consequences” (Haidt 2012:86). This quote can be supplemented with his view that: “You can hire Glaucon as a consultant and ask him how to design institutions in which real human
beings, always concerned about their reputation, will behave more ethically” (Haidt 2012:106). Haidt agrees with Zimbardo here, changing institutions in stead of people is what is needed in order to solve the situationalist challenge. These statements need some moderation in the case of internal auditing. Firstly, a control regime that puts everyone's reputation on the line all the time is costly. A system that has control over the actions of every employee would require a large staff and time-consuming reporting routines.

Secondly, such a system would undermine the trust in the organization, something that actually lead to more corruption. Søreide writes27:

More control will affect the feeling of responsibility among decision-makers. If their integrity is no longer taken for granted, their internal moral costs of breaking rules might drop, and the measures might therefore work against their purpose (Søreide 2013:95)

According to Søreide, making unethical decisions constitute an internal moral cost. Most of us do not want to be immoral, and making immoral decisions can in this way be described as a cost. This cost is reduced if we believe that our leaders do not trust us, or do not see us as persons of integrity, a belief that might occur if the leadership introduces invasive and taxing control-measures. We are more loyal towards those who treat us with respect and trust us, than we are towards people who treat us like we can not be trusted. And as we saw with Skjervheim, people do not like to be treated like objects, a feeling that might result of a person being subjected to a strict control regime.

Control-measures are also something that should be used in moderation because they can reduce the efficiency in an organization. Søreide writes: “Effective organization requires trust in the employees and limited control over the decisions that are made” (Søreide 2013:53). Efficiency requires a certain degree of autonomy. If employees are not allowed to use their own intellectual capacities and their own discretion when making decisions, these decision will be less efficient. Again, our best generalizations only work in most cases, and we need to make room for practical wisdom in decision-making.

27 My translation
9.7 Punishment, responsibility and rationality

A common way of deterring corruption is punishment. Not only is corruption punishable by law, but the organization you work for can also punish you if you are corrupt, or if you get into ethical gray areas covered by the corporation's code of conduct. The theories that this thesis is based on, show us that we are not always the masters of our own actions. We are affected by situational pressures and cognitive biases, and this makes it tempting to conclude that people should not be held accountable for their actions, or that our reactions towards unethical actions should be less severe. If our wills are not free, we cannot deserve to be punished.

The question of whether or not we have free will is complicated, and could form the basis of a whole career in philosophy, so I will not try to settle the matter here. But what I will do is firstly to try to show that we should hold people accountable regardless of whether our wills are free or not, if our goal is to prevent corruption. Secondly, I will try to show that people do not react rationally to the threat of punishment, and that the efficiency of increasing the severity of potential punishment as an anti-corruption measure is somewhat limited. The conclusion will be that we should punish people for corruption, since this has a deterring effect as we saw in the previous section. But increasing the risk and severity of punishment is of limited use.

According to Kvalnes and Iyer (Kvalnes and Iyer 2011:44) it matters for our ethical behavior whether or not we perceive ourselves and our actions as determined or not. They cite a psychological experiment by Vohs and Schooler, where the test subjects were made to read a text about free will as an illusion, before they were made to take a test. The subjects cheated on this test to a larger extent than subjects that were not made to read the text about the illusion of free will. Perceiving yourself as free then, makes you more disposed towards doing the right thing, and if this is true we should build our institutions on an assumption of free will and responsibility, regardless of whether or not we are actually free. It follows from this that corrupt actions should be punished, since punishment is a way of holding people accountable.

Derek Parfit gives us another reason for holding people responsible. He writes:

… if we come to believe that some act of ours was wrong, or irrational, because we ought to have acted differently, this belief may lead us to try to change ourselves, or
our situation, so that we do not act wrongly, or irrationally in this kind of way again (Parfit 2011:261)

Even if a person was not responsible in a strict sense for an immoral action he or she conducted, acting as though he or she was responsible, would make the world a better place. The person would be less likely to repeat the mistake, if he or she accepted that the action was wrong. This can also be good for the person in question to the extent that it promotes virtue and builds character.

Having established the necessity of accountability and punishment of corruption, we shall now turn to the question of the efficiency of such measures. While accountability and punishment may be necessary, our limited rationality is not very good at calculating risk and reward. Simply increasing the risk of punishment, or the severity of the punishment, is not a good way of preventing corruption. Søreide claims that our psychology systematically misjudge risk, and that psychological biases and our emotions are more important when it comes to our decision-making than cold cost-benefit calculations (Søreide 2013:98).

This is in line with the psychological theories we have considered in the theoretical part of this thesis. We simply do not conduct cold calculations when we make ethical decisions. What might have a stronger effect on behavior than the personal risk and economic cost of punishment, according to Søreide, is the social cost. The feelings of shame and guilt are strong forces, and these can\(^{28}\): “... create a strong reluctance towards committing crime” (Søreide 2013:100). As we saw with Haidt in the chapter about psychology, our moral capacity has evolved as a means for self-preservation through maintaining our reputation, and the important part about punishing corruption then, is not an economical disincentive, but a mechanism for putting peoples reputation on the line if they are corrupt. This should be reflected in anti-corruption programs. Another problem with punishment as an anti-corruption measure is that fact that it only works against deliberate and reluctant corruption. People who are unaware of their own corruption, that is people who conduct accidental or erroneous corruption, do not fear the potential punishment, because they are not aware that they are doing something illegal.

\(^{28}\) My translation
9.8 Training and education

TI-N promotes training as an important way of preventing corruption (Transparency International Norge 2014b:58). This type of training can have multiple goals. It can inform the employees about relevant laws and company policies, and it can help them recognize and cope with difficult situations where corruption is a risk. In this section I will attempt to use virtue ethics to show that training is a good measure against corruption in a company, and I will sketch what elements should be included in a training program aimed at preventing corruption. As we have seen, knowledge of what is right and wrong is not enough to guarantee that a person actually does the right thing in ethical situations. Practical wisdom is also needed, and a training program needs to be based on this principle. We have to internalize the right behavior. As Kahneman writes: “... cognition is embodied; you think with your body, not only with your brain” (Kahneman 2012:51). Not all the pedagogy used in this section is aimed explicitly at people in business, but the suggestions I present here are intended for use in training programs internally in companies.

The first barrier we need to overcome if we want to use virtue based ethics training in business, is Aristotle's emphasis on the the role of the upbringing of a person. For Aristotle a persons early years are, decisive when it come to the formation of the person's character and potential for acquiring practical wisdom. Hartman writes: “One of the objections to teaching business ethics, or any sort of ethics, to college age or older students is that their ethical views are set in stone long before the course begins and that it is too late to change them” (Hartman 2013:202). Since people in business are adults, can there be any hope for improving peoples character in this setting? Or are peoples characters so crystallized that all we can hope for is to employ those who had the best upbringing?

According to Nancy Sherman, Aristotle actually believed that peoples character can be affected, even after we have become adults. This conclusion is based on what Aristotle writes about tragedy. She writes: “Attending the tragedies is part of adult training of character, and so it is here that we seem to find Aristotle's recognition of the point that emotions can be cultivated in significant ways even once we are beyond the impressionable years of childhood” (Sherman 1997:91). Even though Aristotle does not write much about the ethical education of adults, we can conclude that he did not believe that such an education is impossible. And even if he did, we are interested here in what actually works, not what Aristotle himself believed. Csikszentmihalyi shares Aristotle's view that the formative years
are important, but he also believes that they can be overcome. He writes:

If a person has reached adulthood only enjoying activities like watching television, partying, gambling, or drugs, chances are that he is not going to be much good at anything else. In this way the pattern of energy investment learned in the early years has momentous consequences for the rest of one's life. Still, new habits can be set at any time – even in old age (Csikszentmihalyi 2004:186)

In other words, a good upbringing helps, but it is possible to build new habits in anyone.

As we see from the quote by Sherman above, she puts an emphasis on emotions when it comes to ethical education. She gives emotions the following role in ethics: “We can think of them as modes of attention enabling us to notice what is morally salient, important, or urgent in ourselves and our surroundings. They help us track the morally relevant ”news”” (Sherman 1997:39). Emotions then, are an important part of our practical wisdom, and a part of what we want to change in ourselves if we want to become better at acting ethically. Realizing that you are one type of person, while wanting to change into another type of person, is to adopt a kind of higher order desire. Hartman writes: "... your rational higher-order desires determine your first-order desire” (Hartman 2013:103). Our emotions are not as dominating as for example Hume believed, as we saw with his famous quote where he presents reason as the slave of the passions, since we can will to change them.

We can use our rationality to gradually make ourselves get different emotional responses to certain situations. An overweight person can, for example, want to become, and work towards becoming a kind of person that does not desire unhealthy food. Sherman shares Hartman's view, and writes:

... with proper training the emotions and appetites proper to that part of the soul can be made to listen to and “obey” the more reasonable and circumspect judgments of the authority of the rational part. They are responsive to reason and can be shaped by it (Sherman 1997:38)

This type of training is time-consuming:

Though individuals cannot typically will to feel certain emotions at a moment's notice,
they can choose to cultivate certain emotions over time as a significant part of developing moral character. More crucially, many actions and activities we care about cannot themselves be willed at a moment's notice either. They take preparation, and the planning and execution of sub-ends (Sherman 1997:34).

If we want to promote good behavior we need a combination of the cultivation of correct emotional responses to the ethical situations we might find ourselves in, in addition to a cultivation of the specific actions and activities mastering such situations require. Having the right emotional response is insufficient if you do not know how to handle the situation in practice. And only knowing how to handle the situation in practice, without reacting emotionally to the situation, leads to inaction. As Sherman writes, and we have seen in the theoretical chapter: “Emotions can move us to action. They are motivational” (Sherman 1997:49). Here we are using Haidt's perspectives as well. Our intuitions and emotional responses determine our actions, so if we cultivate the right emotions we can make ourselves disposed towards acting virtuously. We are using the mechanisms that often lead to bad behavior in order to promote good behavior. We are essentially making ourselves cognitively biased towards doing the right thing.

The fact that emotions are central to ethical training has implications when it comes to how this type of training should be structured:

... character development requires deeper and broader forms of persuasion than those that characterize courtroom oratory. What is required for ethical training are more subtle methods of persuasion that are at work, for example, when children identify with role models, adopt their patterns of seeing and doing, share in activities that support certain objects of attachment and value, learn ways of response through reciprocal interaction in play and in general, through the mutual flow within strong affiliative bonds. Here what is trained are patterns of reaction rather than an accidental or isolated response (Sherman 1997:86).

As we have seen several times already, knowledge or “courtroom oratory” in Sherman's words, does not by itself make good people. Following role models, experiencing and mastering difficult situations, and developing habits on the other hand does. Training based on such principles is what we need.
How can this be achieved then? If experience with corrupt situations is what people need in order to develop the character, habits or reflexes they need in order to resist corruption, is putting these people in difficult situations what we should do? Hartman presents a good alternative: “... a good course in business ethics offers the next best thing to experience: case studies that sharpen students' ethical perception much as experience does, and help them put it into practice” (Hartman 2013:204). By identifying and discussing difficult situations and dilemmas where corruption is a risk, we can prepare ourselves, and make ourselves disposed towards doing the right thing. We can make it second nature, or internalize it in our System 1.

If we find ourselves in a situation where, for example, a bribe is offered us, we will spontaneously decline without having to think about it, if we are trained for that situation. It is important here that the emotional side is well cultivated, so that we achieve Sherman's trained patterns of reaction, instead of isolated responses. Our emotions allows us to react in the same way to similar situations, and this is important since we might find ourselves in new and unexpected situations, that we are not trained specifically in handling.

In the arts we find alternatives to the case based approach. Nussbaum writes the following about the educator and polymath Tagore: “... Tagore used role-playing throughout the school day, as intellectual positions were explored by asking children to take up unfamiliar postures of thought” (Nussbaum 2010:104). Learning through role-playing can have a positive effect on your moral behavior, since it teaches you to take other peoples perspective. This builds empathy and character. Later on Nussbaum writes that:

Above all, though, Tagore used elaborate theatrical productions, mingling drama, music, and dance, to get children to explore different roles with the full participation of their bodies, taking up unfamiliar stances and gestures. Dance was a key part of the school for both boys and girls, since Tagore understood that exploration of the unfamiliar requires the willingness to set aside bodily stiffness and shame in order to inhabit a role (Nussbaum 2010:104)

As we have seen, we need to embody the right actions, if we want to avoid corruption, and lecturing is not enough here.

Case studies and dilemma training is already in use in business, but if Nussbaum is to be
believed there is potential in the arts when it comes to educating good people. Hartman shares this perspective, and writes:

Great literature in particular sharpens our practical wisdom, deepens our moral imagination, and challenges our parochial ways of dividing the world into those to whom we acknowledge obligations and those whom we see as only means rather than ends in themselves (Hartman 2013:210)

Literature, and other sources that gives us insight into human nature and our character, help us realize our weaknesses, and will therefore strengthen our character.

We should not be afraid to promote things like drama and dance then, if we want to empower people to handle difficult situations with more empathy and self-confidence, even though it may be a bit unfamiliar in business. For Nussbaum cultivating empathy and critical thinking skills, using pedagogy of the type Tagore promoted, is essential if we want to preserve democracy. She writes:

Thirsty for national profit, nations, and their systems of education, are heedlessly discarding skills that are needed to keep democracy alive. If this trend continues, nations all over the world will soon be producing generations of useful machines, rather than complete citizens who can think for themselves, criticize tradition, and understand the significance of another person's suffering and achievements. The future of the world's democracies hang in the balance (Nussbaum 2010:2)

We can transfer these principles to business. We need workers who are both critical and emphatic, not useful machines who are exclusively motivated by external goods, if we want to prevent corruption.

Case based ethical training, and the training promoted by Nussbaum, is not only helpful because it prepares us for difficult situations. It also helps those trained develop their business morally and to practice contemplation of ethical questions. As we saw in the section about deliberation, Hartman writes: “A good business ethics course can give students practice in framing states and events in ethical terms. That ability needs to be exercised and developed, given a rich language, and sharpened by critical analysis” (Hartman 2013:201). He also writes
that: “A business ethics course can aid the educational process by helping students become more fluent in the language of character” (Hartman 2013:201). Getting educated in ethics can help business people identify a situation as one that can be framed in an ethical language, and it can give them the vocabulary that is needed for understanding and discussing such a situation. This is in line with what Moore suggested that we focus on in the section about values. We need to turn ethics into a common language. As we have seen, and as we shall see again here, this does not have to be too difficult.

Hartman writes:

... virtue language comes more easily to businesspeople and probably to others than does talk about principles: we all like to think of ourselves as wise, mature, rational, and courageous, though occasionally our doing so requires rationalization. So students gain motivation as well as information from learning that, for example courage is something quite different from acting without restraint in a macho culture (Hartman 2013:198)

Virtues are formulated in a way that anyone with a basic understanding of language is able to understand. Everyone has an idea of what you are referring to when you claim that a certain situation demands courage. By contrast, communicating that a situation demands application of a principle like the categorical imperative, does not trigger the same intuitions in non-philosophers.

Virtue ethics then, is well suited for ethical education, since it uses concepts that people are already familiar with. By helping people better understand and use these concepts in relevant situations, we give them the tools they need to develop their business morally. We also help them develop their character, something that is good for them as individuals, and good in and of itself. After having reviewed research about the effects of contemplative practices, Culham writes29:

29 Culham adds a word of caution here, since this research is fairly new
It appears that contemplative practices are intended to and are capable of regulating emotions and further, they appear to result in a change such that the emotional response of the individual is expressed spontaneously, effortlessly, or unconsciously (Culham 2013:115)

If introducing people in business to an ethical language, through education and training, makes them better at contemplating ethical questions, we give them the tools they need in order to shape their emotions so that they will respond properly to difficult situations. In the theoretical chapter we saw that Haidt believes that people rarely change their opinions through contemplation, but we also saw that he believes philosophers change their opinions more often than others. It should be possible then to make people better at contemplation, and Culham believes this can be done through ethical education.

Culham describes the basis for his own ethics course in the following way:

It is my view that learning ethics is a lifetime process and impossible to teach in six weeks. What I aim to do in this course is to provide a foundation of ethics – this being the ability to be self-aware, to know one's self – that can be observed in relation with other people (Culham 2013:132)

The best one can do as a teacher of ethics may be to give the students the tools they need in order to educate themselves through contemplation. This approach is not only positive since it prevents unethical behavior, it is also good for the students: “The kind of education envisioned in virtue ethics sees personal growth or transformation as one of its primary objectives” (Culham 2013:50). We are not only helping people stay away from unethical decisions, we are helping them grow as people. As Harman writes: “... ethics is about one's interests, if Aristotle is right” (Hartman 2013:189).

With Haidt and Zimbardo, we have seen that character can be a fragile thing, and that external forces can make us do bad decisions. We have already discussed this subject to an extent in this section, and I have argued that ethical education can help us cope with difficult situations and biases. But here I will address this problem more explicitly. We must consider if an education of the type sketched above can help us prevent corruption by protecting us from situational forces and the weakness of our wills in a business context. Can ethical training
really help us make the right decisions, in light of what we have learned about moral psychology? Or are these factors too strong to counteract?

According to Hartman, we can overcome our weaknesses. Calling upon personal experiences, he writes the following about experiments from the field of social psychology: “Former students who have learned about the experiment in a business ethics course testify that they do sometimes think about Milgram when they are in similar situations, and act accordingly” (Hartman 2013:199). Being made aware of the fragility of one's character can strengthen it, and help one to identify situations where it is threatened. Knowing that one is disposed towards obeying authority figures, for example, can help you decline a bribe from an authority figure, or say no if your boss tries to lure you into a corrupt practice.

Hartman addresses the works of Haidt explicitly, and writes:

Using case studies gives students experience that supports the development of their practical wisdom. They learn the warning signs of rationalization and ethical anesthesia, especially if they also learn about it by reading social psychologists like Haidt (Hartman 2013:205).

Weakness of the will is not an unfamiliar concept in virtue ethics, and learning about such weakness develops our practical wisdom and helps us master situations where situational forces and biases threaten our character. Hartman writes:

Most people want to think of themselves as being of strong character, and so may pay insufficient attention to information about the ways in which their character can be overridden or ignored, though many will deny in a particular case that it has happened to them (Hartman 2013:200)

The first step then, in ethical education and education against corruption, should be to make the students accept that they have weak wills, and that they have to learn how to identify the forces that can push them into making unethical and corrupt decisions: “If students understand the fragility of character, they have a better chance to preserve it” (Hartman 2013:207). As we have seen, Haidt and Zimbardo too promote the admitting of ones own weaknesses as the first step towards good behavior.
How efficient an education of the type I have sketched here is, is in the end an empirical question, and to my knowledge no study of the connection between a virtue ethical education and actual behavior in business has been conducted. It is also somewhat doubtful that such a study is even possible, given the clandestine nature of unethical behavior and corruption, and the fact that ethics is not an exact science. But since the kind of education sketched here harmonizes well with what we have learned from the psychological perspectives included in this thesis, there is grounds for being optimistic that virtue based training is efficient when it come to preventing corruption.

In this section I hope that I have been able to show that training and education is a good way of preventing corruption, and especially accidental and erroneous corruption, since training helps us overcome situational pressure and biases. The training program needs to promote practical wisdom, and it must begin with showing the students that their wills are weak, and that they are disposed towards unethical actions. The educator should then identify the difficult situations the employees might find themselves in, and help them cultivate their practical wisdom in such a way that if they find themselves in such a situation they will spontaneously get the right emotional, intuitive and practical reaction to the situation. Such practical wisdom is not built through knowledge. Knowing what the company expects of you, and what the rules are, is helpful. But in order to react in the right way, this knowledge must be embodied, and the right emotions and intuitions must be cultivated.

Dilemma training and contemplation of real life cases is helpful here. So is engaging in role-playing and other forms of the arts. The training program should not only help employees cope with difficult situations, but it should also help them develop a language for discussing ethics in the workplace, and it should make them better at ethical contemplation, something that will help them on their life-long project of becoming good persons. In the classroom, Culham builds contemplation in the following way:

Contemplation activities include doing contemplation every class followed by discussion; encouragement to do contemplation at home, and completion of a weekly journal to record experiences related to contemplation and the emotional intelligence exercises (Culham 2013:134)

Culham spends a chapter (chapter 3) in his book trying to show that building contemplation in
a company is good for the bottom line, and if he is right, spending time training ones employees should be very good investment.
10. Concluding remarks

The primary aim of this thesis has been to give advise on how corruption can be prevented in a business setting. As a basis for these advises I have introduced a view on human nature where our rational capacities often fail us when we have to make ethical decisions. As we have seen, human will is weak, and it is strongly affected by situational forces and cognitive biases. We are not as rational as many of us may like to believe. If we care about ethics, and we want to make the world a better place by preventing unethical actions, we must take our weaknesses seriously. As Lai writes\(^{30}\): “... insight into what biases we are disposed towards, how they affect us, and where they originate, is a first step on the way and it makes it easier to see where we should enact measures” (Lai 1999:14). Starting with ourselves we must accept that we are weak, and we must try to identify and combat the forces that lead us astray.

After having established this view on human nature, I have attempted to show that the ancient wisdom found in virtue ethics, and its revitalization in the previous 50 – 60 years, has potential when it comes to preventing unethical actions among weak willed creatures such as ourselves. Virtue ethics shifts the focus from rational decision-making over to factors like practical wisdom, emotions and strength of character, factors that are better at explaining what actually happens in ethical situations. We can strengthen these factors, and they can work as a bulwarks against unethical actions.

Using virtue ethics I analyzed anti-corruption measures that are used in business today, and I tried to say something about how these work and why. My analysis resulted in specific advise about how such measures should be implemented for the best results. It is important to have a holistic approach when one implements the measures I have studied in this thesis, since they support each other, and they prevent different forms of corruption. I found that codes of conduct, a measure that TI-N presents as a central part of any anti-corruption program, do not harmonize well with the way ethical decisions are actually made. Such codes must therefore be supplemented by other measures like training and value-based leadership. Ethical decisions are conducted by the entire body, not just the brain, and training is the way to go if one wants to embody ethics. Such training needs to be oriented towards the students' emotions, something that can be achieved through measures like dilemma training or case based education, or more radically, through art forms like drama and dance. Training should also

\(^{30}\) My translation
help students enrich their ethical vocabulary, which is a tool they can use in the life-long project that is becoming a good person, and a tool they can use for developing the company they work for morally.

According to my line of reasoning, values should be a central part of an anti-corruption program. Honesty and justice are values that can be explicitly oriented towards corruption, but I found that values that promotes inner motivation in one's work are the ones that are most efficient when it comes to preventing corruption. People who are motivated by the internal goods of their crafts defeat themselves if they are corrupt or cheat in other ways. Being unjust or dishonest also means being bad at whatever craft you are engaged in. People who are motivated by external goods on the other hand, have no reasons to avoid corruption, except to the extent that they fear punishment and social stigma. Values like excellence and diligence can therefore be effective against corrupt behavior. Such values can be embedded in the resurrection of craftsmanship or professionalism, concepts that can include other concepts like community, standards, identity, telos and ethics. Promoting all these concepts simultaneously can have a positive effect against corruption.

Preventing corruption has positive effects both on society and the economy, and this is sufficient by itself to make it worthwhile to use virtue ethics as an anti-corruption measure. But using virtue ethics to combat corruption can have positive consequences beyond reducing the amount of corruption in the world. Using virtue ethics to prevent corruption is also a way of contributing to making business more humane, since it has several positive spillover effects. As we saw with Moore's emphasis on craftsmanship, preventing corruption involves helping employees become motivated by internal goods. If we achieve this they become more productive and happy, in addition to becoming harder to corrupt. Promoting virtue ethics in order to prevent corruption will also give employees the tools they need to master other ethical situations, and it will give them the vocabulary they need in order to discuss and frame situations as ethical, something that empowers them to make the companies they work in more ethical from the bottom up. For an ethicist, anti-corruption is a good opportunity for trying to humanize business as a whole. Corporations are interested in preventing corruption, and they are therefore willing to listen to ethical advice.

I opened this thesis with a word of warning. To much faith in ethics when it comes to promoting good behavior might lead to disappointment and skepticism. I will end it with
another warning. To little focus on ethics can lead to the end of business as we know it. According to Csikszentmihalyi, promoting ethics and social responsibility in business is an uphill struggle, but it is a struggle that has to be won if business is to survive:

In the past, when people began to suspect that the Church was not adding much value to their lives, its legitimacy began to decline and so did its power. When the landed aristocracy in Europe was perceived to be a hindrance to the well-being of the population as a whole, its decline was inevitable. Similarly business will not succeed in retaining its hegemony, if it turns out that the market comes to be widely perceived as just a convenience for the benefit of the few, which does not contribute to the happiness of the many (Csikszentmihalyi 2004:190)

I have tried to show that virtue ethics can contribute to the prevention of corruption, while helping the workers flourish and strengthening the bottom line at the same time. If I am right, there can be few excuses for not introducing virtue ethical perspective in business at a large scale.
11. Bibliography


