

Preface

We are in the midst of a period of global economic changes, as emerging countries are developing at an accelerated rate, while the developed world is experiencing some staggering economic difficulties, which affect not only business corporations and organizations but also the society as a whole. Those difficulties might be faced and might be solved, but such action urges those involved to exercise greater caution, which needs to have its hallmark as ethical and fair conduct. Such action might assist in avoiding the current economic ruptures and fissures, bringing forth business economic growth.

As the 2008 Global Financial Crisis (GFC) was unfolding, several of the world leaders were engaged in highlighting the deterioration of ethical standards. One of these leaders was the Secretary General of the United Nations who said:

We need to engage at the highest levels.... We need a new understanding on business ethics and governance, with more compassion and less uncritical faith in the “magic” of markets. And we must think about how the world economic system should evolve to more fully reflect the changing realities to our times. (Ki-Moon, 2008)

The goal of guidance nowadays is to nurture the “Noble man” – a concept defined by Confucius, and its meaning is to foster the highest levels of human conduct. This conduct is concerned with searching the correct path to healthy living to the advantage of all. This book seeks to hold a similar vision, to increase grace and healthy business conduct. One of the pillars of the Jewish tradition is presented with the saying of Rabbi Nachman of Braslev – “If you believe it can be broken, believe it can also be repaired.” This is actually the purport of this book – the hope to such repair.

OBJECTIVES

This edited book, *International Business Ethics and Growth Opportunities*, seeks to serve as a way to reach such noble goals. The book aims to assist the reader in better understanding how to develop an “atmosphere of justice,” which is so crucial for a successful working environment, and how to prevent managerial failures. This edited book might play a role as an essential accessory for those individuals who are involved in decision making in such an uncertain contemporary era in the global economy. Certainly, such a resource would be helpful to all those involved, as this “uncertain” and “on-going change” seems to be here to stay. The consequences of change will not be diminished with the presence or absence of consultants, but rather with individuals in all positions who need to be aware of the ethical and moral dimensions of business issues that they might be faced with. Certainly, those individuals need to practice themselves for becoming reflective practitioners developing their practical wisdom, thus

becoming more equipped to face such immense difficulties that might be on the increase rather than on the decrease. Indeed, there is no doubt that today's global arena requires a global outlook regarding economic development, as this edited book aims to provide.

This book might stimulate great interest in any company that aims to nurture effective management and business ethics. It also provides practical tools and suggestions to assist managers in coping with ethical problems they are likely to face on a daily basis. Further, this book is suitable for attorneys and those who are trusted with the internal inspection in organizations. Moreover, this book might serve the general public, who are interested in gaining knowledge in the field of management. In addition, the book will serve as a learning tool for departments that are teaching economics, policy, finance, business administration, management, and ethics as required studies in universities and colleges, such as the following departments: accounting, industry and management, business administration, and economics, in both the undergraduate and postgraduate studies.

The information presented within this book sets a true challenge for businessmen and leaders. It represents the various chapters discussing the different approaches to act in a dignified manner in business, as well as being attentive to ethical approaches in management. Several chapters of this book refer to the emotional conduct of decisions makers, also when dealing with ethical failures.

CONTENTS

This edited book, *International Business Ethics and Growth Opportunities*, commences with the first section titled "Ethics, Managers, and Management," which poses the question: Why do good people do bad things in business? This section also provides an idea about justice and trust in the medical sphere. This section also deals with the provision of lessons from science for the responsible business managers deriving from a German experience.

The second section, titled "Ethical Organisations, Economic Growth, and Culture," commences with a window on corporate ethics discussing the organisation and change. This is followed by ethics in business and human flourishing towards a new economic culture and the ethics portfolio arguing the case of building and promoting ethical culture in an organisation. This section concludes with the moral limitations of the rational monistic model, providing a revision of the concept of rationality and rational action.

The third section of this edited book is titled "The Unique 'Spirit' of Ethical Management," which commences with a chapter on self-awareness, providing pointers for a way to promote ethical management. This section concludes with a chapter on utilizing emotions for ethical decision making in leadership.

The fourth section, titled "Ethical Training, Challenges, and Leadership," commences with a chapter on sowing the seeds for ethical business leadership development, providing a grassroots approach, followed by a chapter on business ethics competencies, controversies, contexts, and implications for business ethics training. This section concludes with a chapter that provides recommendations for case-based ethics training.

The fifth and final section of this book commences with a discussion arguing whether business ethics is socio-political or not at all. This argument is developed through sharing with the readers the case of Rosia Montana in Romania. This section concludes with a chapter on the impact of corruption on entrepreneurship, discussing issues in the developed world in relation to corruption and entrepreneurship.

This edited book is likely to serve as an essential and indispensable source for every manager's guidelines, and is also designated for the general public that is interested in gaining knowledge in the

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field of management. The contents of this edited book might be helpful for managers and leaders in both the private and public sectors, as it examines the dangers of deficient ethical conduct, and provides recommendations to develop proper management and reinforcement of economic strength in countries and organizations, including entrepreneurship. The misgivings and answers in this book are diverse and present a psychological point of view, alongside a vast examination of studies performed in the field of business and management.

Our hope is that this book shall enrich the deliberation of ethics and stimulate the curiosity of leaders and decision makers in the developed and developing countries to acquire practical tools to perform change in business conduct, since these challenges are not only local but international and global.

STRUCTURE

The book is organized into five sections. These five sections contain 13 chapters with a brief description of each chapter.

Section 1: Ethics, Managers, and Management

Chapter 1, “Why Do Good People Do Bad Things in Business? Lessons from Research for Responsible Business Managers,” authored by Dr. Harvey S. James, Jr., of the University of Missouri, USA, argues that promoting ethical behavior in business requires an understanding of why and when seemingly good people do unethical things. In his chapter, Associate Professor Harvey reviews studies conducted over the past 50 years and articulates lessons that can help business managers improve the ethical climate of business and ethical behavior of employees. While it does not break new ground, this discussion is important because it synthesizes scholarship in simple language accessible to both scholars and business professionals. This chapter also identifies directions for future research that can enhance and supplement these lessons.

Chapter 2, “A Matter of Justice: Building Trust among Hospital Managers and Physicians,” by Dr. Andrea Dörries, Centre for Health Care Ethics (Zentrum für Gesundheitsethik, ZfG), Germany, argues that a crucial aspect of a fair allocation of scarce resources in hospital is the close cooperation of hospital executives and physicians. This chapter has three aims. Firstly, it provides an analysis of basic elements of medical and hospital executives’ ethics. Secondly, it discusses the role of concepts of justice in hospital decision-making. Thirdly, it reflects on process criteria and structures that might support coping with allocation conflicts in hospitals. Dr. Dörries concludes her chapter by stating that in order to build trust between the two stakeholders, an effective structure for solving ethical conflicts and a fair decision-making process is paramount.

Section 2: Ethical Organisations, Economic Growth, and Culture

Chapter 3 is “Windows on Corporate Ethics: The Organisation and Change,” by Associate Professor Christian L. van Tonder, Curtin University, Australia and University of Johannesburg, South Africa. Extending on his previous work, Associate Professor van Tonder argues that organisational change practices substantially “fit” ethical frameworks and are therefore amenable to analysis on a range of ethical parameters. In support of this position, the phenomena of change (organisational change) and change

management are presented as context for reviewing the (limited) research available on the ethicality of change. Several change axioms that reify the ethical character and parameters of organisational change practices are then derived from this consideration of change theory and meshed with existing ethics heuristics to produce decision aids that support ethical change management. These heuristics are then employed to reveal how change practices function as “windows” in a case involving an acquisition.

Chapter 4, “Ethics in Business and Human Flourishing: Integrating Economy in Life,” by PD Dr. Dirk Lanzerath, German Reference Centre for Ethics in the Life Sciences (DRZE), Germany, shows that an economic system that is not embedded in the normative structure of social relationship is not reliable in the long term. It rather needs to be based on the idea of promoting interaction between humans who appreciate their own ethical and social natures. PD Dr. Lanzerath’s chapter explains the theoretical aspects of the intrinsically entwined relationship between business practice and business ethics. Successful entrepreneurship and business activities are those that can effectively recognize and cultivate this relationship. This emphasizes not only individual and entrepreneurial moral sense and reliability in economic affairs, but also incorporates an approach to business ethics that encompasses a total concept of a “good life” and its striving towards a just, civil society based on mutual responsibility.

Chapter 5, “The Ethics Portfolio: Building and Promoting Ethical Culture in an Organization,” by Assistant Professor Laxmikant Manroop, Roosevelt University, USA and Assistant Professor Jennifer Harrison, the Chair of the HR Division for the Administrative Sciences Association of Canada and Assistant Professor at NEOMA Business School, Paris, France, examines ways in which organizations can build and promote an ethical culture. Manroop and Harrison conclude the chapter with a discussion on ways that firms can enhance their ethical culture, with guidance on how to manage resistance of such a change that accompany such enhancement, closing with an examination of various methods that might assist in determining if an organization is ethical.

Chapter 6, “The Moral Limitations of the Rational-Monistic Model: A Revision of the Concept of Rationality and Rational Action,” by Adjunct Faculty Dr. Galit Berenstok and Senior Lecturer Dr. Ishak Saporta of Tel Aviv University, Israel, proposes a rational-pluralistic model for decision making in organizations. Their basic assumption of this model is that there is a range of values other than the utility value that are involved in rational decision making. They conclude their chapter by stating that the more extended definition of rationality makes it possible to avoid a situation in which employees are only the means for organization goals, rather than ends in themselves.

Section 3: The Unique “Spirit” of Ethical Management

Chapter 7, “Self-Awareness: A Way to Promote Ethical Management,” by Dr. Ruth Wolf, Bar Ilan University, Ramat-Gan, Israel, presents her theory that is based on the principles of the humanist approach, which maintains that people are endowed with an “ethical sense” and wisdom as well as with the ability to correct their behavior and to choose their own course of action. Her chapter utilizes the foundations and principles of this approach and explains what motivates a person to behave morally.

Chapter 8, “Utilizing Emotions for Ethical Decision Making in Leadership,” by Assistant Professor in Management Jennifer A. Griffith at Alfred University, USA, Thomas A. Zeni, the Chickasaw Nation Professor of Business Administration and Assistant Professor of Business Administration at East Central University in Ada, USA, and Genevieve Johnson, who is a doctoral candidate in Industrial-Organizational Psychology at the University of Oklahoma in Norman, USA, argues that modern organizational leaders must rise to the challenge of making both ethically sound decisions as well as traditional fiscal decisions

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in order to remain competitive in today's marketplace. Their chapter examines several theoretical models of emotion and ethical decision making, applies theoretical and empirical findings to explain how two common emotions—anger and anxiety—impact ethical decision making, and provides recommendations for leaders seeking to improve ethical decision-making outcomes.

Section 4: Ethical Training, Challenges, and Leadership

Chapter 9, “Sowing the Seeds for Ethical Business Leadership through Business Education,” by Associate Professor H el ene de Burgh-Woodman, Head of Accounting, Lecturer Dr. Amitav Saha, Kimera Somasundram, who is a PhD student in the School of Business, and Angela Torrisi, who is a Masters student in the School of Business, all at the University of Notre Dame, Australia, posits that in an era that has seen events involving ethical misconduct by prominent business leaders, there is renewed attention around the issue of how and where business leaders acquire their ethical orientation? de Burgh-Woodman, Saha, Somasundram, and Torrisi argue that business education is an influential foundation upon which an ethical orientation is developed and offers an opportunity to be a primary focus for responding to the pressing need for strong ethical leadership in business. The chapter extends existing research in business ethics to present the novel possibility of situating ethics alongside technical competencies since this will assist in the training of business leaders who are needed equipped or armed with their skills, including those soft skills, to meet contemporary business challenges.

Chapter 10, “Business Ethics Competencies: Controversies, Contexts, and Implications for Business Ethics Training,” by Professor David Cramm, Ethics Emporium, Canada and Professor Ronel Erwee, the University of Southern Queensland, Australia, argues that many business ethics practitioners and academics have identified an apparent disconnect between what academia teaches and what industry needs in terms of instilling the appropriate knowledge, skills, abilities, and other characteristics of business ethics officers. This potential disconnect between academics and practitioners may be very differently perceived by individuals in different cultural, industrial, or organisational contexts. They conclude by proposing a business ethics competency model, as well as a comprehensive content selection model, for business ethics development, designed and recommended for business ethics practitioners and academics.

Chapter 11, “In Case You Didn't Know: Recommendations for Case-Based Ethics Training,” by Assistant Professor of Management Zhanna Bagdasarov, at California State University, Fresno, USA, Alexandra E. MacDougall, who is a doctoral candidate in Industrial/Organizational Psychology University of Oklahoma, USA, James F. Johnson, Air Force Personnel Center Strategic Research and Assessment Branch, USA, and the George Lynn Cross Distinguished Research Professor Michael D. Mumford, University of Oklahoma, USA, posits that the case-based approach to learning and instruction has been employed across multiple disciplines, including ethics education, and advocated for its effectiveness. Despite the widespread use of cases, there remain questions regarding optimal methods for case construction and presentation in order to facilitate knowledge acquisition, Ethical Decision Making (EDM), and the transfer of learned material. Several empirical studies were conducted over the course of three years (2010-2013) in an attempt to shed some light on these topics. This chapter's purpose is three-fold. Firstly, it provides a brief overview of the literature regarding case development. Secondly, it describes the new studies in this arena with respect to ethics case construction. Thirdly, the chapter culminates in specific recommendations for case-based ethics training for young scholars and professionals in light of the new evidence.

Section 5: Ethics and Codes – Developing, Emerging, and Developed Countries

Chapter 12, “Business Ethics is Socio-Political, or Not at All: The Case of Rosia Montana,” by Dr. Ana-Maria Pascal, Regent’s University London, UK, explores the moral aspects of commercial deals that allegedly democratic governments enter into with foreign investors. It is largely empirical, in that it uses case studies to investigate the moral labyrinth of state-corporate complicity. However, a twofold theoretical foundation will be used – namely, the philosophical ideal that public ethics should be based on truth and transparency, together with various business ethics theories that will highlight the risks and responsibilities that such cases might entail. The Kantian ethics of duty proves to be the key link between these, as particularly relevant for cases where the impact on a wide range of stakeholders is considerable. The main case under consideration is the controversial USD \$2 billion Romanian mining project at Roşia Montana, which highlights the need for accountability mentioned above and lends itself well to a multi-fold business ethics analysis. The role of the civil society in effectively stopping the project is a good illustration of the stakeholder theory. The chapter concludes with the thesis that a high degree of socio-political responsibility may be best achieved when trying to combine principle-based and utilitarian thinking.

Chapter 13 is “The Impact of Corruption on Entrepreneurship,” by Dr. Gil Avnimelech and Professor Yaron Zelekha. Dr. Avnimelech, an international expert in entrepreneurship, entrepreneurial finance, innovation and technology policy, and regional innovation clusters development, is a full faculty member, director of the entrepreneurship center, and co-head the strategy and entrepreneurship specialization at Ono Academic College, and Professor Yaron Zelekha is one of the most influential economists in Israel, the Dean of Faculty of Business Administration in Ono Academic College, and the Head of its Accounting school, Israel. In their chapter, they address the impact of corruption on entrepreneurship. There is a consensus that corruption may result in high societal costs. A growing body of research reveals the negative effects of corruption on a variety of economic indicators. This chapter presents a literature review on the impact of corruption on entrepreneurship. This literature review allows us to suggest that one of the transition channels through which corruption has impacted growth is entrepreneurship. The main channels in which corruption impact entrepreneurship are through reduced incentives for entrepreneurial activity and reduced trust within the system.

CONCLUSION

The two editors of this book, *International Business Ethics and Growth Opportunities*, Dr. Ruth Wolf of Bar Ilan University, Israel, and Dr. Theodora Issa of Curtin University, Australia, who come from diverse backgrounds and different parts of the world, used their knowledge and involvement in research and academic teaching and learning in the fields of business, ethics, education, management, and sustainability to collate these chapters for the benefit of readers worldwide.

In her PhD thesis, Issa (2009, p. 19) denoted that despite the increased attention to ethics and ethical standards in organizations accompanied by the increased ethics curricula in the business schools, businesses show little, if any, meaningful reduction in their enterprise-wide risk of unethical behaviour. Various well-known scholars had been strongly critical of business education (e.g., Adler, 2002; Bennis & O’Toole, 2005; S.; Ghoshal, 2003; Ghoshal 2005; Gioia, 2002; Mintzberg, 2004; Mitroff 2004; Pfeffer, 2005; Rynes, Trank, Lawson, & Ilies, 2003). Mele (2008) argues the prevailing assumptions

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of human intentionality such as self-interest and opportunism, derived from economic organizational theories, suggest a rather restrictive form of social exchange. Thus, and through this edited book, we as editors, hope to enhance the influence of ethics and ethical training in organizations in a humble attempt to elevate the influence of unethical behaviour in the contemporary global society. It is believed that this book is suitable for managers in both the private and public sectors, as it examines the dangers of deficient ethical conduct, and provides recommendations to develop proper management and reinforcement of economic strength in countries and organizations.

Through this book, the editors hope to enhance the influence of ethics and ethical training in organizations in a humble attempt to elevate the influence of unethical behaviour in the contemporary global society. It is believed that this book is suitable for managers in both the private and public sectors, as it examines the dangers of deficient ethical conduct and provides recommendations to develop proper management and reinforcement of economic strength in countries and organizations.

The editing journey of this book was enlightening and has enhanced our knowledge and our capabilities; yet, this journey was very demanding. We hope that we were able, through the pages of this book, to provide our readers with some insights and innovative ideas on the issues of ethics and growth from different perspectives.

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