



BENTLEY UNIVERSITY

Hoffman Center
for Business Ethics



Verizon Visiting Professorship in Business Ethics

Studying Ethics in Organizations: Then and Now

Linda Klebe Treviño

Professor of Organizational Behavior and Ethics in the Smeal College
of Business at Penn State University

Tuesday, October 19, 2021



BENTLEY UNIVERSITY is a leader in business education. Centered on education and research in business and related professions, Bentley blends the breadth and technological strength of a university with the values and student focus of a small college. Our undergraduate curriculum combines business study with a strong foundation in the arts and sciences. A broad array of offerings at the Graduate School of Business emphasize the impact of technology on business practice. They include MBA and Master of Science programs, PhD programs in accountancy and business and selected executive programs. The university is located in Waltham, Mass., minutes west of Boston. It enrolls approximately 4,200 full-time undergraduate students and 1,000 graduate and 24 doctoral students.

THE HOFFMAN CENTER FOR BUSINESS ETHICS at Bentley University is a nonprofit educational and consulting organization whose vision is a world in which all businesses contribute positively to society through their ethically sound and responsible operations. The center's mission is to provide leadership in the creation of organizational cultures that align effective business performance with ethical business conduct. It endeavors to do so by applying expertise, research, and education and taking a collaborative approach to disseminating best practices. With a vast network of practitioners and scholars and an extensive multimedia library, the center offers an international forum for benchmarking and research in business ethics.

Through educational programs such as the Verizon Visiting Professorship in Business Ethics, the center is helping to educate a new generation of business leaders who understand from the start of their careers the importance of ethics in developing strong business and organizational cultures.



Jeffrey Moriarty
Professor of Philosophy
Executive Director
Hoffman Center for Business Ethics

Good afternoon. Welcome to the 23rd Verizon Visiting Professorship in Business Ethics at Bentley University.

My name is Jeff Moriarty, I am a professor of philosophy at Bentley University and the executive director of its Hoffman Center for Business Ethics, which the host organization for this event. We're delighted to have with us today Professor Linda Treviño of Pennsylvania State University, who will deliver a public lecture as part of her role as the Verizon Visiting Professor.

The title of Professor Treviño's lecture is "Studying Ethics in Organizations: Then and Now." Professor Treviño will take us on a tour of her 35-year career studying ethics and organizations. She will address questions such as, what was the social scientific study of organizations like in the mid-1980s? What did we know? What didn't we know? What were people's attitudes towards studying ethics and organizations? We'll learn how this influenced Professor Treviño at the start of her career and how it unfolded over time.

We'll then learn what happened next. What views did we have that we thought were true, but it turned out to be false? What have we learned? What mistakes are we still making? We'll conclude by reflecting on what the future holds.

You might look at this one person's journey through an academic career in business ethics. And it is, but it's not just any one person's journey. Professor Treviño is a leading figure in the field. As you will see, business ethics has taken much more seriously as an academic discipline now

than it was 35 years ago. But that is in part because Professor Treviño made us take it seriously. She demonstrated that ethical failures had predictable causes and organizations could be designed to make scandals less likely to occur. Only careful and thorough research could reveal those causes and remedies. Professor Treviño was doing this careful and thorough work and invited the rest of us to take part.

Before inviting Professor Treviño to begin her talk, I want to acknowledge the sponsor that has made today's lecture possible, Verizon Communications. Verizon Communications was formed on June 30th, 2000, and is celebrating its 21st year as one of the world's leading providers of technology, communications, information, and entertainment products and services. Headquartered in New York City, and with the presence around the world, Verizon has 132,000 employees and generated revenues of \$128 billion in 2020.

Verizon has been a longstanding partner of the Hoffman Center for Business Ethics and we are grateful for its support. We especially want to thank our friends at Verizon, Glenn Sproviero, Tracy Sumner, and Jamie Navarro.

Finally, let me say just a few words of introduction of our speaker. Linda Treviño is Distinguished Professor of Organizational Behavior and Ethics in the Smeal College of Business at Pennsylvania State University. Professor Treviño holds a PhD in management, contributing to her focus on ethics as a management issue. She has published over 90 articles and three books, including *Managing Business Ethics*, a textbook now in its eighth edition. In 2007, she was elected a member of the Academy of Management Fellows in recognition of her significant contributions to the science and practice of management. Her past work has focused on the impact of culture on employee behavior, ethical leadership, reactions to scandal, values at work, and the role of middle managers in supporting ethical conduct. Recent work considers ethical voice in teams and organizations, the role of ethics officers, and how stigmatized groups fare in organizations. Her work has been enormously influential. According to Google Scholar, her research has been cited 67,000 times (and counting) and *Ethicsphere* named her one of the 100 most influential people in business ethics in 2015. Please join me in welcoming Professor Linda Treviño.



Linda Klebe Treviño

Professor of Organizational Behavior and Ethics in the Smeal College of Business at Penn State University

Professor Treviño has published over 90 articles and three books. In 2007, she was elected a member of the Academy of Management Fellows, in recognition of her significant contributions to the science and practice of management. Her research has focused on the impact of individual differences and ethical culture on employee behavior, ethical leadership, reactions to scandal, values work, and the role of middle managers in supporting unethical conduct among other topics. Ethisphere named her one of business ethics' 100 most influential people in 2015. In 2018, her research was ranked in the top 1% by citations in Web of Science.

Professor Treviño will take us on a tour of some highlights from her 35-year career studying ethics in organizations as a social scientist. Following are some of the questions she will address. Where was the social scientific study of ethics in organizations in the mid-1980s? What did we know and not know? Where were attitudes toward the social scientific study of business ethics in business schools? How did all of that influence her early career? And, how have we progressed since then? What have we learned? Have attitudes changed and if so, how, why? Has the research had an impact on organizations? What remains to be done? Should we be optimistic about the future?

The Verizon Visiting Professorship in Business Ethics at Bentley University is made possible through the generous support of Verizon Communications, Inc.

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Studying Ethics in Organizations: Then and Now

Linda Klebe Treviño

Professor of Organizational Behavior and Ethics in the Smeal College of Business at Penn State University

Tuesday, October 19, 2021

Thank you so much. Thank you for inviting me. Thank you to Bentley and Professor Moriarty and to Verizon, I wish I could be there with you and, and see your faces. But we are living in interesting times.

I'm going to just jump right in. I think you've gotten a good introduction to what I'm going to be doing here. First, I wanted to make it clear that this is the social scientist's story. I'm not a philosopher, although I'm a big fan of the philosophy classes that I took in college. Because I'm a social scientist, I'm trying to understand human behavior in the organizational context. That's what I do, that's what I've been doing for the last 35 years. So, the agenda for us today is to go back to the early to mid-1980s when I started this journey. That was a time before many of you were born, I realize so it feels like ancient

history. But I think it's interesting to try to think about where business ethics and research got its start and then talk to you about what's happened in the 35 plus years since then. Then we'll reflect on where we are now and where we are going in the future.

This is sort of fun for me to put together because I had to go back and think about what things were like back then. The story starts in 1983. We really didn't know much. In an MBA organizational behavior class, I was assigned to write a paper. I didn't know what I wanted to write about. I looked at the textbook and I thought none of these topics really seem exciting to me. It seems like they've already figured all this stuff out. But I was reading the business press, including the *Wall Street Journal*, *Business Week*, and *Fortune Magazine*. There were a lot of



scandals in that period. And I thought, I wonder if we know anything about why people are behaving this way, what's going on here? What I found out was that we didn't know much.

There were a couple of surveys that said that unethical behavior exists in business. No surprise there. We already knew that from the newspaper. What got a lot of attention was a study published in the *Harvard Business Review*. It revealed that managers felt pressure to compromise their ethics. So, it seems like this was important. There is this behavior occurring, and people are feeling pressured. But from a social science perspective, we didn't know why this was happening. There had been a couple of experiments by Hegarty and Sims. They conducted experiments in a laboratory on the effects of codes of conduct and reward systems on ethical and unethical behavior.

There were also some very famous social psychology experiments that you may have heard of in your Psychology 101 class. There were the Milgram obedience to authority studies that showed that people would harm another human being if told to do so by an authority figure. That certainly had relevance, I thought, for understanding unethical behavior and organizational settings. Similarly, the Zimbardo Prison Study, which again you will have heard of if you took Psychology 101, is really about the power of roles. What Zimbardo did was to assign people to prisoner or guard roles and put them in the basement of the Psychology building and let them go. What happened was basically the guards began to act abusively towards the prisoners and the experiment had to be ended early. What the researchers took away from that was that the power of the role, giving a normal human being,

the role of prison guard made them act very differently. That's about it from what we knew in terms of social scientific research on the subject.

This was interesting to me because one of the attitudes that I ran into when I was starting out was: *business ethics is a fad*. It's not worth the effort. These experiments showed me that it wasn't. Another attitude I ran into was: *business ethics is a normative topic*. It's a topic for philosophers. It's about "shoulds," or what ought to be done, and not appropriate for social science. Obviously, I didn't buy it. The other thing that I ran into, and all my friends and colleagues ran into, was: *business ethics is an oxymoron*. It was the butt of jokes. If you said you study business ethics or if you talk about business ethics, people said that it was essentially a contradiction in terms, and many scoffed at it.

So, I finished my PhD and I went on the job market looking for a tenure track faculty position. I had an interview at the Academy of Management. A department chair from a very prominent business school took me to breakfast and we had a very nice time and we talked about my research, which he found quite interesting. However, this is what he told me. You'll never get tenure doing that stuff. I didn't get that job. He didn't think I had much of a future. I also didn't accept his advice. It wasn't helpful, but I think that's what he was trying to do, and that's kind of how I started out. So, the attitudes at the time were all negative, and all the advice was that this wasn't worth anyone's time.

Now things are very different, as you can see. Consider this graphic from a 2007 article by Ann Tenbrunsel and Kristin Smith-Crowe. It shows the increase in attention by researchers to issues of business ethics over time. You can see that there's a trend here. A lot of people are doing research in business ethics now compared to before. If I were to get the number of articles on business ethics

today, it would probably be in the thousands. So you could think of me as riding a wave; it was a big one.

Table 13.1 (from Tenbrunsel & Smith-Crowe review, 2007)

Frequencies of Business Ethics Articles by Decade

1960–1969	0
1970–1979	10
1980–1989	54
1990–1999	160
2000–2007	473

So, what did I do? I began my PhD program at Texas A&M University in the spring of 1984. I took a class on research design, one of the first courses in the program. Because I was starting in the middle of the year, I didn't have a lot of content. I didn't really know what the management field was from a social science perspective. I was trying to figure out what to write as a research proposal and I had no idea what to write about. I had written a paper for an MBA class and I thought, well, maybe I can start with that. Along the way, I discovered Lawrence Kohlberg's theory of cognitive development and that really helped me. (I'm going to tell you a little bit more about that theory in a minute in case you don't know anything about it.) But the professor that I had for this research design class really liked my paper. He said you can work on this more and maybe submit it to the *Academy of Management Review*, which is the top conceptual journal in our field. And so, I did that. It wasn't simple. It took a long time. I got a lot of feedback from wonderful people at Texas A&M, one of whom had been a prior editor at the journal. Eventually the paper got published. In fact, it came out before I went on the job market, which was very helpful, and it has since been cited over 4000 times. It kind of set the stage for research on ethical decision-making. And it did start with Kohlberg's theory. I'm going to give you just a brief summary of the theory, with my apologies to Lawrence Kohl-

berg, who was, by the way, at Harvard at the time.

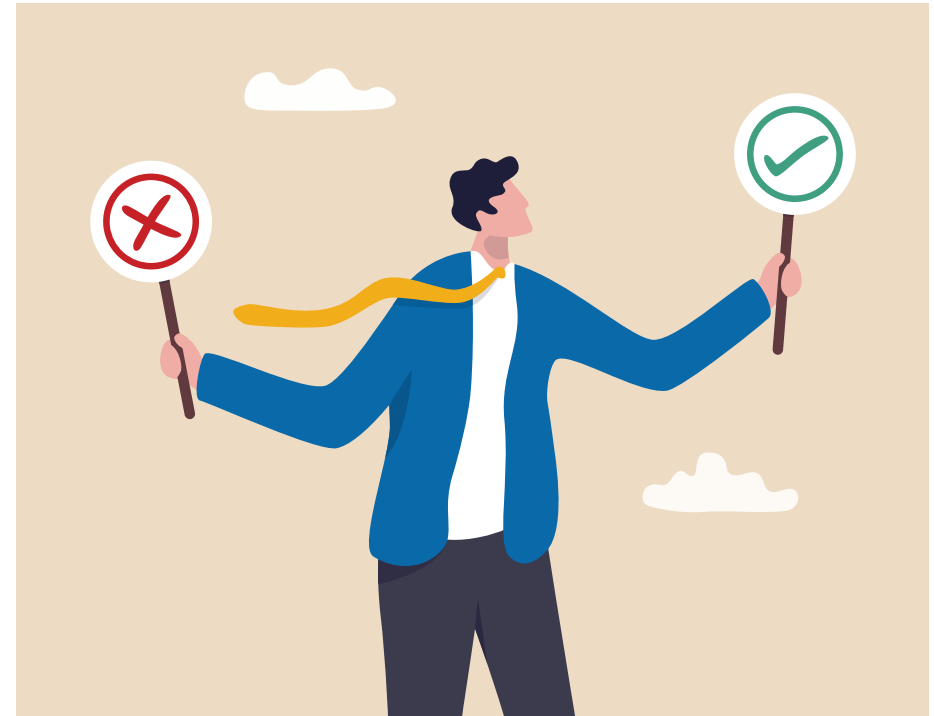
Kohlberg's theory explains how people develop in their ethical decision making from the time they are children through young adulthood. Growth occurs through cognitive development as well as through socialization. Think, for example, about the conversations at the dinner table with parents and children, talking about what's right and wrong, or learning from friends, coaches, and all sorts of people in life. Kohlberg started at the bottom with level one. I like to think of a toddler who's very self-centered, very self-oriented, and they do as they're told to avoid punishment. As they advance a little bit more, they understand this notion of reciprocity. One hand washes the other. If I share my toys with Johnny, he'll share a toy with me tomorrow. Level two, as you advance and begin to understand relationships better. So, you're looking around at what peers are doing and what others are doing and what they're saying and you tend to do what they do. As you advance further, you follow rules and laws because you realize they exist for good reason. So, you stop at the stop sign, not just because there's no police person there, but because we realize that civilization works better if we have a stop sign. And then finally, Level 3 is this autonomous level where we are able on our own, to think like philosophers and make our own decisions. Few of us get to that point. Most of us are at Level 2, at this other-oriented level. That said to me, since most people are looking outside themselves to peers, leaders, rules, laws, that most of them would be influenced by things in the environment, including in their organizational environment. It explained to me from a theory perspective why that would be.

Probably for students, your eyes are going to glaze over a little bit here. But what I wanted to show was that I was using Kohlberg's model to predict ethical behavior. Some of the things that

I was looking at that might influence that relationship were things about the person, like their loss of control, or things about the organizational environment, like what kind of behavior is being reinforced. What is the organizational culture supporting or not supporting? This was my doctoral dissertation research and what I ended up finding was that locus of control did influence ethical behavior. Internal locus of control is an individual difference that has to do with how one sees the relationship between what happens and what one did. Suppose I failed a test. I might say: gosh, I didn't study enough; I should have studied harder. By contrast, an external locus of control thinks more like this: I failed that test. There was something wrong with the test or I had a bad day, it was bad luck. Or that's a lousy teacher. In the latter case you're not taking personal responsibility. There were these direct effects of locus of control and reinforcement from the organizational environment on ethical decisions.

I started at Penn State in 1987. I was on a dual research track doing two kinds of research at the same time. First, I was doing research on ethics and organizations, and second, I was doing research that I had started with a mentor at Texas A&M, on media choice and organizations. One of the reasons I kept doing it was because it was interesting. It wasn't my passion, but it was interesting. But it was a safe choice and I think people would have said then, that it's not a fad. Although interestingly, it sort of was.

Once I got tenure, I stopped doing research on media choice because my passion was studying ethical conduct in organizations. One of the things that I was looking at was academic integrity. Why academic integrity? Well, I developed a relationship with a wonderful man named Don McCabe, who was at Rutgers University. He and I met at a meeting and found that we're really interested in honor codes because both



of us had attended colleges that had honor codes. Both of us felt like we had been profoundly affected by that experience. He managed to get access to a lot of colleges, colleges that had honor codes and colleges that didn't. We were able to do these big surveys. I said, you know, academic integrity is about ethical or unethical behavior in organizations known as universities, and this is part of what I'm trying to do. Getting access to organizations is always challenging and he had managed to do that. We did a lot of research over many years on academic integrity, which is something you might have questions about.

What else was happening? One of the things that was always important to me was connecting with practitioners. Not all my colleagues do this, but I thought that if I really wanted to do this kind of work, I needed to understand what practitioners were dealing with, what

they were talking about. I was trying to learn from practitioners about what they care about. At the time, there was a lot of talk about the U.S. sentencing guidelines for organizations that came out in 1991. They were designed to guide organizations that were concerned about getting into legal trouble. They used a kind of carrot and stick approach, and they said listen, if you get into legal trouble, and you can show that you created and managed an effective compliance program, we're going to go easier on you. Organizations were very interested in that. There were seven guidelines, and they included putting a high-level person in charge of this function, to establish and distribute standards that you would communicate widely within your organization, set up systems to detect problems and have accountability and enforcement of standards. There was a lot of interest in that.



In 2004, the US Sentencing Commission altered the guidelines, to require a larger oversight role for the board. They also said something important, and that was that the program must be integral to the organization's culture. There were a lot of organizations that were doing what people came to refer to as a "check the box" approach. The approach of, we have a code, *check*. Do we have training? *Check*. Do we have a hotline? *Check*. Do we have a person in-charge? *Check*. I would like to think that my research on culture had something to do with this. But the Sentencing Commission changed the guidelines and said, you must show that your program is integral to the organization's culture and ethics. Compliance officers took that kind of hard because they didn't exactly know what to do then. I thought that was a very healthy thing because they had to look at them-

selves and try to figure out, what's going on in our culture? How do we understand it? What do we need to do differently?

Another thing that I was doing was that I decided to write a textbook. This is not something that was encouraged at Penn State. My colleagues don't write textbooks. I'm probably the only one who has one. But I wasn't teaching business ethics at the time. I was teaching Organizational Behavior and I wanted to teach business ethics. I went to the Academy of Management meeting, and I'd look at the books and I'd say, hmmm, much as I love philosophers, this isn't the kind of book that I want to use. I want a book that takes more of a management perspective, and I decided I had to write it myself. I have a coauthor, Kate Nelson, who came from the practitioner world. We wrote a textbook that just came out in its eighth edition. I had an epiphany

when I was writing the preface to the textbook. And, you know, people used to ask me why I'm so passionate about this business ethics stuff. I had that story about writing a paper for the MBA class and how it just kind of morphed, but somehow that didn't really explain it very well. I realized when I was writing the preface to the textbook was that there was a lot about my background that probably influenced this passion I had for understanding why people do good things and why people do bad things. That had to do with the fact that my parents were Holocaust survivors. So sometimes it's your life story that helps to guide you, your life, your career, and I think that's true. Once I had the epiphany, I realized I grew up thinking about these sorts of things.

All right, so this is kind of a whirlwind, but I'm going to share just a little bit about some of the research that I was doing through the early 2000s. I was looking at the influence of rewards and punishments on ethical or unethical conduct and finding some of the things that you might expect. One of the things that was a little bit surprising was that people who were observers of unethical conduct really wanted it to be punished harshly. And that was a paper that I had trouble getting published because people didn't believe the results. But it made sense to me because if you're following the rules and other people are getting away with stuff, you want them to be held accountable. And that's what we found.

We also looked at those who report unethical behavior of their peers, and we found that those people were thought to be highly ethical, but also at the same time, unlikeable. I think this is interesting.

We did 20 years of research on academic dishonesty and found that honor codes did make a positive difference and did reduce academic dishonesty.

Another important influence, and there were many, was peer influence. So,

people looking around and saying, well, if everybody's doing it, I'm going to do it too.

I did work on what works and doesn't in ethics and compliance programs and found that the codes and training didn't matter nearly as much as the employees' perception of why you were doing what you were doing, and the culture, and how people were being treated. This tells me that ethical climate and culture are important; fairness perceptions were important.

Another area of my research goes back to the work on unethical decision-making that started with Kohlberg. That work all started with ethical judgment leading to ethical action. A colleague of mine said, wait a minute, what if people aren't even aware that they're facing an ethical decision. And I went, you know, he's right. So, we started studying something called moral awareness. That turned out to be important too.

Finally, although I had said in my doctoral program that I wouldn't touch leadership with a ten-foot pole because it was too complicated. But practitioners were saying it was important. And because I had a doctoral student who was very interested in leadership, we ended up studying ethical leadership and published a paper in 2005 that has over 5000 citations today.

One of the things I think social scientists aspire to do is to create knowledge, and knowledge in ethical leadership is something that I feel very proud of. Many people besides me have been studying it from all kinds of different angles and realizing how important it is because leaders create cultures, and influence behavior. There are a lot of other people doing research on ethical leadership.

Q&A

Below are highlights from the question-and-answer session with Professor Treviño and Bentley University students, faculty, staff, and guests. It has been lightly edited for clarity.

QUESTION: *One of the things you mentioned was Kohlberg's Level 2 stage of moral development. You said most people are at Level 2. What would it be like if more people were Level 3? In particular, what would it be like if more business leaders were at Level 3?*

ANSWER: Well, I think it would be good if business leaders were at Level 3. Moral development is something that people can be trained to advance in. But I have never come across an organization that uses that as a guide to the kind of training, probably because it is too intense. But yes, I think it would be a good thing. Now, those people do tend to think for themselves. So, it must be the kind of organization that's okay with that. Right? In this organization, people aren't just saying: "Yes, sir, yes ma'am."

QUESTION: *You work in management, which draws from both psychology and sociology. And maybe there's a bit of philosophy mixed in there. To what extent did you need to train yourself in psychology, or is that just part of the degree you earned?*

ANSWER: I think most people in organizational behavior would say that the foundation comes from psychology. And I did have a minor in psychology when I was doing my PhD. But yes, we use theory from psychology. In fact, there's a field called industrial organizational psychology that is very similar to organizational behavior, although more applied. So yes, it's very much a psychology base.

QUESTION: *You spoke of moral awareness. Sometimes people know they are in an ethical dilemma and they choose the wrong thing. But sometimes people don't realize that they're in this ethical dilemma and then they don't even give themselves a chance to think about what the right thing to do is. Is everyone equally capable of moral awareness?*

ANSWER: That's one of the things that I've looked at in my work on ethical voice, which is more recent. That is, can someone in a work group raise an ethical issue and influence the awareness of their peers? And the answer is absolutely yes, they can. So, there are a variety of

factors that can influence one's moral awareness. They are more likely to be morally aware if the issue is morally intense, which means that there's a lot of harm done to other people, or perhaps the environment or something like that. But we can also influence someone's moral awareness. You know, you could do that through training. There are a lot of ways you can heighten someone's moral awareness.

QUESTION: *Why is textbook writing not encouraged in your department, or maybe just in academia in general?*

ANSWER: I think it is encouraged at many schools. It's just that we're very, very research-oriented at Penn State. The idea is to develop new knowledge. Consider my work on ethical leadership. This is a concept that didn't exist in the literature before we introduced it. By contrast, textbook writing is more about translating knowledge for a student audience. And I argued when I went up for tenure, that writing this textbook was a real contribution to knowledge because it was essentially the first one that took this very different perspective and that if it succeeded, then lots of people were going to be learning about business ethics from a whole different perspective. I think they bought it.

I want to talk with you about some of my recent work. A lot of it is qualitative in nature. So, it's often interview-based, observational rather than surveys and experiments. One of the things we did was to study the process of developing and implementing an honor code in our business school at Penn State. It was an interesting process to study, involving all kinds of stakeholders. It started out being all about academic integrity. The Honor Code was focused on that. After a while as the students internalized this notion – integrity is part of our identity – they started saying, well, shouldn't that apply to our professional selves too? Shouldn't it apply to the job search process? So, it was interesting and one

of my takeaways was that a commitment to values can't be constrained, that it kind of has a life of its own.

Another big part of my life was devoted to studying different aspects of the Jerry Sandusky scandal at Penn State, which came out in 2011. Many of you've heard about the Michigan State scandal and the Larry Nasser story. Well, we were unlucky enough to have the distinction of being first in terms of having a big scandal of that sort. I don't think I have time to tell you the whole story. But Sandusky was a former football coach who had started a foundation for children, young boys. The university let him bring these kids to campus to meet the football players and see the workout facilities and let them work out. In 2011, a grand jury report was released that showed that Jerry Sandusky was accused of multiple counts of child sexual abuse with these boys. It was horrifying. We call where we live "Happy Valley," and it didn't seem like we were so happy right then. I was on sabbatical at the time of the scandal, and I had just returned; it was November. Here I was in the middle of this, and it was about everything I cared about. It was about unethical behavior in organizations, and I said there's no way I can't study this.

We did a few studies relating to these events. One had to do with alumni reactions, which were strong. We got access to alumni communications with development officers and alumni affairs people. There were 2500 alumni responses. We analyzed those and came up with this notion of legacy identity, which means that we don't just identify with organizations we're a member of now. Part of our identity can be tied up in an organization that we used to be associated with that was formative in our lives, like our college or university. We found that the reactions were very interesting and profound.

Another thing we studied was the media transformation of Joe Paterno's image

over a five-day period. Now, Joe Paterno had been the head coach at Penn State for forty years. He was known around the world as a moral beacon in the world of college football. And in five days they managed to turn that into a moral disgrace, because one event had been reported to him back in 2001, which he had reported up the chain. But people felt that he didn't do enough. And so, we studied that very intensely, what was going on in the media during those five days and tried to explain what happened. Because of some of this work, my colleagues and I reflected on studying one's own organization. It was interesting.

We also studied ethics and compliance officers and their need for legitimacy, which was sort of surprising. We have a paper currently that looks at something called ethical role identity, which has to do with people who have roles in organizations that have a lot of ethics in them. We examine some of the unique challenges they have and how they navigate them.

Another paper that I'm proud of looks at a phenomenon we call "corruptive routine translation." Basically, we rarely have the opportunity to look across levels in organizations; it's just hard to do. A colleague, Joao Vieira da Cunha, did this with something called an ethnography where you're like an anthropologist for the organization and you stay there and observe what's going on. He was there to study something completely different and just happened upon a whole bunch of unethical behavior. Basically, what we saw was that unachievable goals were set at the top, passed down to middle managers who then were incentivized to meet these goals and put pressure on the lower-level employees to engage in what we call "deceptive performance." Basically, this involves making it look like they were achieving the goals when they were not. Management was clueless about what was going on and this lasted for years.

Currently, I'm working on ethical voice with my former doctoral student, Anjier Chen. We're looking at the consequences of ethical voice. We're not talking about whistleblowing here; we're talking about speaking up within your work group or to your supervisor. The traditional view is quite negative; according to it, you are going to experience retaliation. What we're happily finding is that ethical voice can have positive consequences. It can positively influence decisions. It can produce allies who will support you.

In another paper, with a former doctoral student, Derron Bishop, we studied Market Basket. You probably know about Market Basket. What we found in that situation was that it was more like a social movement. For his dissertation, Derron studied the Facebook page that was created. He studied a lot of other things too, but most of his data came from the Facebook page and all the interactions around the social movement that arose to basically save the Market Basket that they knew. We found that this process, which is called "moral elevation," is where people stand up for what they think is right. Other people observe that; they admire that person and want to be like them, and they will follow.

So how much has changed? I think you could see from everything I've shared with you that knowledge has changed enormously. We've got lots and lots of social science research there, but we have much more to learn. People remain uniquely fascinating. Have attitudes changed? I think so, at least a little bit. You can think about the Business Roundtable. In 2019, 181 CEOs signed on to a policy that overturned a more than 20-year-old policy that defined the principal purpose of a corporation as being to maximize shareholder return. Now they're taking much more of a stakeholder perspective and the good-of-society perspective. There have been a lot of articles about the importance of ethical culture in practitioner outlets and there seems to be a lot of interest, especially in the financial industry, but

in other kinds of organizations as well. Think about all you've read about Wells Fargo, about Amazon's culture, and about Theranos's culture.

Has practice changed? Well, there are lots and lots of ethics and compliance programs. There's a lot of training going on, and a lot of consultants running around. One of the things that concerns me is what I call a turn toward compliance and away from ethics. So, I look at the job titles and the job announcements in that field. They are heavily focused on compliance rather than ethics and that does concern me.

Finally, I want to ask, does the knowledge we've gained really matter? This is something that we beat ourselves up about a lot. I'd like to think that at least some of my work has made its way to the practitioner world.

I know there are practitioners out in the audience, so maybe you'll tell me. Certainly, the work on ethical culture and ethical leadership matters; there actually are organizations that are trying now to do training in ethical leadership. We're hoping that the ethical voice work will get out there as well. And other people's work – for example, work on ethical fading by Ann Tenbrunsel and Max Bazerman – has gotten a lot of attention. Mary Gentile's work on giving voice to values has been taken up, and a lot of organizations are using that as a training approach. But there's a lot we don't know and may never know.

One of the things that I care about is trying to understand whether all this training that organizations are doing is having any positive effect. But I've never been able to get any organization to let me look at that. There are real barriers to conducting research in organizations. Maybe somebody listening would like to open their doors to study something. But it's a real challenge to get inside an organization. We have other ways of getting at the information, but what we want to do most of all is to get inside the organi-

zation and to be able to understand what is going on.

So, I think we're left with some questions after all that. I'm curious whether you're cynical or hopeful and what questions and comments you have for me.

QUESTION: *Let's think back to the 80s and early 90s when you were getting going and making a splash in business ethics as you understood it. In the meantime, there was this community of other people doing business ethics at the Hoffman Center here at Bentley University. They started their work in the mid to late 70's. How did you relate to that organization? Was it a positive, friendly relationship or was it a kind of rivalry?*

ANSWER: That's a great question. I saw us on parallel tracks. With a former doctoral student, Gary Weaver, I wrote a couple of papers. Gary was a philosopher with a PhD who came back to get a PhD in management. He worked with me back in the late 80s or 90s, not that long after I got to Penn State. I had wanted to write a paper about the relationship between these two different approaches to business ethics because there were a lot of people talking about integrating them. I just didn't see how that was going to happen. We obviously have interests in similar problems and concerns. But we approach them from completely different perspectives. We have different training; we use different methods. We evaluate the work differently. We started out writing one paper and the journal said, I think this is two papers. Split it into two. So, it ended up being two different papers published in *Business Ethics Quarterly* about how different these approaches were, how valuable they both were, but how they were different, and not likely to be integrated. I would say 30 years later, they haven't been. We're proceeding on our parallel tracks doing our work that is important. And you know, we've always been friendly. You know, sometimes you go to the same meetings, such as the Society for Business Ethics. Michael Hoffman was a part of the Fellows Program

that I was a part of for many, many years. We brought our different perspectives and I think we honored each other's perspectives.

QUESTION: *What changes do you envision 10 years from now in business ethics? Maybe that's a question about which research questions will become important. Maybe that's a question about business practices that will change.*

ANSWER: "I wish I had a crystal ball," I always tell my students. I see the research as being sort of organic. One thing leads to another. It's like a stream that you're going down. That's kind of how my research story has evolved. I'm hesitant to predict where it's going because for one thing, there are so many people involved in it now. It was lonely in 1987 when I started at Penn State. There were very few people doing what I do. Along the way, the organization behavior division of the Academy of Management added ethics to its domain statement. And people who saw themselves as organizational behavior researchers started doing this work. There are now many good people who are doing this work. To try to predict what they're going to be doing ten years from now, I don't know. I always like to think that we evolve as humans and as a society. I sometimes question that because sometimes it looks like we're going backwards. But I am basically an optimist. I'd like to think that the Business Roundtable CEOs meant what they said just a couple years ago that they were really changing their orientation. I think that can have a huge impact if it holds. But I think we must stay tuned.

QUESTION: *So, the Business Roundtable statement says that all stakeholders matter. How do we tell if they really mean it or if they're just saying it. What sort of tests do we have? How might we understand if things are changing. It's maybe one thing to hear it from a philosophy professor or a professor of ethics working in a management department. Do we need to hear it on Wall Street? Do we need to hear it in departments of finance and accounting?*

ANSWER: Yeah, so I think one of the things that makes me think more posi-

tively is that we have shareholder activism. We've got employee activism happening in ways that it wasn't before. It's almost like, whether they want to or not, organizations are having to attend to multiple primary stakeholders. At least I hope they are. We also have CEOs who are speaking up, the Salesforce CEO, other CEOs who are making the case for what might be called conscious capitalism, or there are other names for the phenomenon. This is more kind of macro than the work that I actually do. In management we divide the world into macro and micro. I'm doing more of the psychology, looking at individual humans rather than looking at what's happening at the organization level. But I do think that we're seeing more muscular stakeholders, and shareholders who care about things other than financial performance. If you look at socially responsible investing, for example, it is huge. I think companies do have to think about these things. Young people: you are our future. You need to let organizations know, whether it's as employees or investors or whatever, what you care about. I think you care about important things. And then we're going to have to listen.

Let me amplify that. So, students who are listening, and there are hundreds of you out there: People care about what you think. It could be as consumers. That's part of the reason corporations need to care about you. But it's also as employees. They want to hire you; they want to be the kind of place that you want to work for.

QUESTION: *So, you work on ethics, and you've made important contributions to the field of behavioral business ethics and students now at Bentley are getting their first very explicit instruction in ethics. Should students have had exposure in a very explicit fashion to ethics previously in a school setting?*

ANSWER: I'm not sure if I understand completely. Are we talking about grade school or high school? There is such a thing as character education in schools. I don't know how much of it is going on.

I think part of the problem we have is that so much has been politicized in our society. So if you're trying to teach basic values that I think we all agree on, like honesty, care, fairness, somebody's going to disagree and say: No, that's not what schools should be doing. That's what parents should be doing. So, I think there might have been a retreat from that sort of education, at least in the public schools that I'm aware of. Maybe you would find it more in parochial schools. But one of the reasons that we focused so much on the Honor Code at Smeal College of Business was that there's only so much we can do in the classroom. My experience at an honor code institution taught me a lot that I didn't learn in any classroom. I learned from experiencing it. I learned it from having it become a part of my identity. I think creating climates and cultures that people feel proud to be associated with is a really important part of one's education as well. I know that there are some high schools that work on that. Again, that's probably more in private schools than in public ones. I think there are some colleges that do as well. But I'd love to see a lot more of that because I think we need to learn by experiencing things and not just reading things and talking about things. I think we can work our brains and advance in how we think and have our ethical awareness raised. But I think there's more that we can do besides just in the classroom.

QUESTION: *Think about all the technological changes that we're swimming in as a society. Businesses are involved in these too and are often pushing them forward. Could you comment on the academy's ability to adapt the study of ethics to more recent business practices around the use of data, algorithmic based decision-making, the manipulation of online user attention. Does your work connect with those with those issues? And if so, how?*

ANSWER: It hasn't so far. That doesn't mean other people aren't doing it. I have a doctoral student who's very interested in privacy and we're going to be talking

about doing something together. I have a colleague who is very much immersed in the whole genomics field, studying that in all kinds of ways. It's fascinating that ethics is a part of that story. What is it ethical to use people's DNA data for? I think people are doing this kind of work. I think it's important, not just from a social science perspective either, but from a normative perspective, trying to really think it through. Some of the ethical problems we have, have to do with new technology. We are wrestling with what do we do about Facebook as a society. It's hard because these are issues that we haven't faced before. The technologies are different and new. That's fascinating. That isn't what I've been doing, but that's just me and other people are. And they're not all in management. They might be in information science, technology, and communications. So, it is happening. I think management scholars are trying to do work that's relevant. For example, there's been a lot of work on our current situation on the question: How work has changed because of COVID? There's been some fascinating work that's been done spurred on by journals that have said, we really want to see this kind of work and people have responded. I think people are trying to be relevant and trying to do work that makes a difference.

This brings us to the end of the public lecture portion of the Verizon Visiting Professorship in Business Ethics at Bentley University. A big thanks to Professor Linda Treviño for sharing her time and expertise, and her personal journey through her academic career with us. So, thank you again, Linda. And because we are in a virtual environment we will simply have to imagine thunderous applause. Thanks again to Verizon for making the resources for this event possible. Thank you also to our audience for sharing your time with us today.



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