2

Obstacles to Ethical Organization Behavior

It is important to be realistic and understand the nature of the difficulties of ethics problems in order to develop effective politics for overcoming and transcending them. In this chapter, different types of problematical individuals and environments are considered.

ARCHETYPES

Max Weber constructed archetypes, evocative representative models, designed to reveal essential features of human behavior. His most well-known archetype was the "Protestant Capitalist," presented in his *Protestant Ethic and the Spirit of Capitalism* (1904, 1930). Weber contrasted aspects of "Protestant" and "Catholic" philosophy that he saw embodied in different types of work-related behavior. While he recognized that there were Catholic Florentines and Venetians who were capitalists long before there were Protestants, he used the archetype of the "Protestant Capitalist," with his "Protestant Ethic," to illumine key aspects of capitalist behavior that had new significance.

Emerson in his *Representative Men* presented the exemplary archetypes of "The Philosopher," "The Mystic," "The Skeptic," "The Poet," "The Man Of The World," and "The Writer" (1850, 1895). Long before Emerson were Plato's "Philosopher-Leader" and "Sophist," and Machiavelli's modernist "Prince."

More recently, and within organization studies broadly construed, have been Mayo's (1933) "Manager-Diagnostic Healer," Barnard's

(1938) "Executive," Camus' (1946) "Outsider," Miller's (1949) "Salesman," Wilson's (1955) "Man in the Gray Flannel Suit," Whyte's (1956) "Organization Man," Marcuse's (1964) "One-Dimensional Man," Maccoby's (1976) "Gamesman–Company Man–Jungle Fighter–Craftsman" typology, Argyris and Schon's (1974) "Action-Scientist," Chandler's (1977) "Visible Hand," Greenleaf's (1977b) "Servant Leader," Schon's (1983) "Reflective Practitioner," and my own "Faust," "Richard III," "Eichmann," and "Institution Citizen" (Nielsen, 1984).

In this chapter I present six archetypes of people who initiate and cooperate with unethical organizational behavior. Archetypes illuminate particularly important and meaningful aspects of a behavior, they are not mutually exclusive categories that all or even any people can be neatly placed into.

THE EICHMANN

Hannah Arendt was a philosopher and political theorist who died in 1975. One of her most noted works was *Eichmann in Jerusalem: A Report On The Banality of Evil* (1964), originally commissioned and published by *The New Yorker* and later expanded into a book. Her analysis of Eichmann and his organizational situation, while an extreme case, is a valuable example of a certain type of cooperation with unethical behavior in organizations.

From Arendt (1964, 1978) we learn that Eichmann was an upper-middle-level manager in a Nazi institution engaged in, as Arendt phrases it, the "administrative massacre" of millions of people. Eichmann never belonged to the higher Nazi Party circles and did not participate in policy decisions. He was a manager in an organization where obeying authority was valued, expected, and required.

According to Arendt, Eichmann believed that he was practicing the virtue of obedience when he did his work. He obeyed orders without thinking about ethical implications. Hitler ordered Goering, Goering ordered Himmler, Himmler ordered Heydrich, Heydrich ordered Eichmann, and Eichmann obeyed. Arendt explains what she thinks Eichmann thought: "His guilt came from his obedience, and obedience is praised as a virtue. His virtue had been abused by the Nazi leaders. But he was not one of the ruling clique, he was a victim, and only the leaders deserved punishment" (1964, p. 247).

Arendt concludes with the judgment that Eichmann was guilty, but that instead of being insane or monstrously evil, Eichmann was, perhaps more horribly, well within the range of sanity and normality. He was a "thoughtless" and "banal" man who did not think about distin-

guishing right from wrong in his role as a manager in an organization that harmed people. His job was not, as he saw it, to think about the ethics of policies or decisions made by higher authority. His thinking was narrowly directed toward efficient implementation.

Arendt explains: "Despite all the efforts of the prosecution, everybody could see that this man was not a monster . . . he certainly would never have murdered his superior in order to inherit his post. He merely, to put the matter colloquially, never realized what he was doing. . . . He was not stupid. It was sheer thoughtlessness—something by no means identical with stupidity . . ." (1964, p. 287).

Eichmann was a good technical manager, but was very narrow, "ignorant of everything that was not directly, technically and bureaucratically connected with his job" (p. 287).

The key characteristic of the Eichmann archetype is a narrow, routinized, "in the box" mentality that does not recognize ethical dimensions—as Arendt phrased it, "the banality of evil." Are there such unthinking managers and employees in modern business, government, and nonprofit organizations? Many examples could be cited; a few will suffice.

Ford Pinto (Gioia, 1992)   The Ford automobile company had a field recall coordinator at the time Ford Pinto gas tanks were exploding and passengers were burning and dying from rear-end collisions at speeds as low as twenty-five miles per hour. The recall coordinator later asked himself the question, "Why didn't I see the gravity of the problem and its ethical overtones?" (Gioia, 1992, p. 383). He answered his own question as follows: "Before I went to Ford I would have argued strongly that Ford had an ethical obligation to recall. After I left Ford I now argue and teach that Ford had an ethical obligation to recall. But while I was there, I perceived no strong obligation to recall and I remember no strong ethical overtones to the case whatsoever" (Gioia, 1992, p. 388).

On a different scale from Eichmann, but in a similar way, the recall coordinator did not think about the ethical dimensions of the decision. Sometimes people use schemata that are too narrow (Bartunek and Moch, 1987; Bartunek, 1993a). In the case of the recall coordinator, he explained:

> Most models of ethical decision making in organizations implicitly assume that people recognize and think about a moral or ethical dilemma when they are confronted with one. I call this seemingly fundamental assumption into question. The unexplored ethical issue for me is the arguably prevalent case where organizational representatives are not aware that they are dealing with a problem that might have ethical overtones. If the case involves a familiar class of problems or issues, it is likely to be handled via existing cognitive structures or scripts—scripts that typically include no ethical com-

> ponent in their cognitive content. . . . Scripts are built out of situations that are normal, not those that are abnormal, ill-structured, or unusual (which often can characterize ethical domains). The ambiguities associated with most ethical dilemmas imply that such situations demand a "custom" decision, which means that the inclusion of an ethical dimension as a component of an evolving script is not easy to accomplish. (Gioia, 1992, p. 388)

The Eichmann phenomenon may be more common than we would like it to be.

C. R. Bard, Inc., and faulty heart catheters (Zuckoff and Kennedy, 1993)   In 1993, C. R. Bard, Inc., one of the largest medical equipment manufacturers in the world, pleaded guilty to 391 counts of conspiracy, mail fraud, lying to government regulators, and selling "adulterated products" for human experimentation. Individuals within the company knew that the heart catheters it was selling for use in balloon angioplassty surgery were faulty. Sometimes the tips of catheters inserted into heart arteries broke off inside the artery. Sometimes the balloon did not deflate, causing heart attacks, emergency bypass surgery, and deaths.

Perhaps as many as fifty Bard managers and technicians, at the upper-middle, middle, and lower levels, knew for about three years that the products being sold were faulty. Apparently, none thought that they had any personal ethical responsibilities. They didn't make the decisions, they were just obeying orders and implementing policy decisions. The ethics issues were not part of their narrowly defined in-the-box thinking.

United Fruit Company (McCann, 1976, 1984)   The United Fruit Company in the early 1950s decided to improve local business conditions by helping to overthrow the government of Guatemala. According to an assistant vice president of United Fruit, who later became a vice-president, "At the time, I identified so closely with the company and my job that I didn't think about it as a moral or ethical issue" (McCann, 1984).

This manager was narrowly focused on improving the market share and profitability positions of United Fruit. It did not occur to him to think about the people who would be disenfranchised or killed in the government overthrow that United Fruit was financing and that he as communications assistant vice president was covering up.

RICHARD III

Arendt recognized that some people do act from directly base motives. She termed this phenomenon "calculated wickedness" and dis-

tinguished it from the banal, unthinking efficiency of an Eichmann. The archetype she used to illustrate "calculated wickedness" was Richard III, who in Shakespeare's play knowingly and intentionally commits unethical acts. Both the Eichmann and the Richard III types are guilty, according to Arendt. The key difference is that the Richard III archetype can tell the difference between good and evil in his specific organizational context. He knows a behavior is unethical, but does it anyway for personal gain. The following cases illustrate this archetype.

French National Health Service (Kramer, 1996) According to the French government prosecutors, the top managers and officials within the French National Health Service, the Pasteur Institute, and the Ministry knew that the Pasteur Institute's AIDS blood testing equipment was faulty. They knew that blood would be contaminated. They knew that people would die. They knew it was unethical to knowingly contaminate people.

Then why did they approve the faulty Pasteur Institute testing equipment? Apparently, they did it, in large part, for financial and technological gain. Approval of the Pasteur Institute equipment would help the Pasteur Institute gain greater sales and financial resources to expand its share of the high-technology medical testing market in Europe and the world. Financial aid to French high-technology organizations was also consistent with France's industrial policy of expanding in this type of industry. Unethical behavior was considered an effective means to these ends.

Bard company (Zuckoff and Kennedy, 1993) Five top managers of the Bard company have been indicted for intentionally and deceptively selling the unsafe heart catheters that caused deaths, suffering, disability, and emergency bypass operations. According to the U.S. government prosecutors, these managers knew both that injuries and deaths would occur and that it was illegal to release such unsafe products.

Why did they do it? According to the prosecutors, they did it in large part for financial gain. They had the largest share of the market and did not want to lose ground to the competition. By maintaining market share with their faulty products, they intended to gain the time they needed to develop and introduce safer products, maintain market share, and increase sales and profitability.

General Electric The Richard III archetype is not a new phenomenon. In 1946, Charles E. Wilson, president of General Electric, noted that several of his predecessors and other top management executives

had intentionally and knowingly violated the Sherman Antitrust Act through price fixing and market allocations with competitors.

Why did they do it? Wilson, in criticizing their behavior, noted that one of the key motivations for such intentionally unethical and illegal behavior was personal, individual career advancement and the accumulation of personal wealth and power. Previous CEOs and top managers had learned that price fixing and market allocation increased profitability, which in turn facilitated their personal career advancements. They were concerned with material benefits to themselves (Herling, 1962, pp. 23–38).

SOCRATES' JAILER

Soon the jailer, who was the servant of the Eleven, entered and stood by him, saying: To you, Socrates, whom I know to be the noblest and gentlest and best of all who ever came to this place, I will not impute the angry feelings of other men, who rage and swear at me, when, in obedience to the authorities, I bid them drink the poison—indeed, I am sure that you will not be angry with me; for others, as you are aware, and not I, are to blame. And so fare you well, and try to bear lightly what must needs be—you know my errand. Then bursting into tears he turned away and went out. (Plato, *Phaedo: The Death of Socrates*; quoted in Jowett, 1903, p. 271)

This may be the most common archetype of all. Socrates' Jailer was under the power and orders of "the Eleven." If he did not obey, he knew he would be punished. He may have had a family, responsibilities, obligations. Plato gives him no name in the dialog. None may be needed, since we have so many already. Many of us have experienced similar pressures. The following cases illustrate this archetype.

Raymond Smith and General Electric Almost all employees who knew about the price fixing and market allocations at General Electric went along with them. Raymond Smith, a G.E. vice president and general manager of the transformer division, told the U.S. Department of Justice and the Kefauver Senate Subcommittee on Antitrust and Monopoly that throughout his career he and all the other managers in the relevant areas went along with the unethical and illegal behavior because it was condoned by higher authority.

And at G.E. one obeyed orders or suffered the consequences. He "readily acknowledged that he had met with competitors," in violation of the antitrust laws and internal organization ethics codes, because, as Smith explained,

to my knowledge . . . during the entire period from 1940 through 1956, it was common practice . . . to discuss prices and other competitive mat-

ters with competitors. . . . I was also aware that similar practices were being followed not only in other areas of the company, but also in other companies in the electrical manufacturing industry . . . although the General Electric Policy . . . regarding antitrust practices had been issued in 1946, it had been constantly disregarded in major areas of the company with . . . the tacit approval and agreement of the managers and the officers of the company at the time responsible for those areas. (Herling, 1962, pp. 30–31)

John Geary and U.S. Steel John Geary was a salesman for U.S. Steel when the company decided to enter a new market with a new product, deep oil well casings. Geary protested to several groups of managers that the casings the company was producing and asking him to sell had what the engineers indicated was too high a failure rate and were therefore unsafe.

According to Geary, even though the managers, engineers, and salesmen believed him and the test results, "the only desire of everyone associated with the project was to satisfy the instructions of Henry Wallace [then sales vice president]. No one was about to buck this man for fear of his job" (Ewing, 1983b, p. 86). Geary was fired, and other employees did the work.

Radiation experiments During the late 1940s and early 1950s the United States Department of Defense conducted radiation experiments on people, both civilians and soldiers. Several hundred experiments were undertaken. According to the *New York Times* "Most experiments involved exposing troops to varying amounts of radiation, usually without informing them of the risks or seeking their consent" (Hilts, 1994, p. A14). A lot of debate and opposition to the practice took place among many of the scientists conducting the experiments. For example, Dr. Shields Warren, the chief medical officer of the Atomic Energy Commission, stated in July 1949 that he was "taking an increasingly dim view of human experimentation" (Hilts, 1994, p. A14).

In a 1947 document the Atomic Energy Commission stated, "It is desired that no document be released which refers to experiments with humans and might have an adverse effect on public opinion or result in legal suits. Documents covering such work in this field should be classified 'secret'" (Hilts, 1994, p. A14). Both the ethical debates about the experiments and the experiments were classified secret by the Department of Defense.

Despite their ethical opposition, several of the scientists and doctors obeyed orders, cooperated, and did not blow the whistle. They did so largely because of fear of the penalties for violating the military "secret" classification, which in the late 1940s and early 1950s were quite severe. The experiments continued until at least 1953.

PHAEDO

Phaedo is sometimes referred to as the "beloved disciple" of Socrates. He was an intelligent, good person who cared about the ethical, but he was unable to get it right without Socrates' help. Unlike Eichmann, Phaedo did think about the ethical, but, like Eichmann, he would behave unethically.

Phaedo would come to wrong conclusions about the ethical because of faulty reasoning. However, with Socrates' help, he was able to come to the right conclusions. This type is an obstacle to ethical organization behavior because a Socrates is not always around to help.

In addition, when people doing unethical actions apparently are ethical, nice, well-intentioned people, there is sometimes a tendency to let the unethical behavior go. After all, the person doing it is a good person. Sometimes it can be difficult to oppose the problem without opposing the person, whom we may like and respect and don't want to hurt. The following cases illustrate this archetype.

Forensic medicine agency (Bronner, 1995) In Turkey, forensic physicians were asked to be "team players" in the fight against terrorism. In this country the government's security forces sometimes torture suspected terrorists to death (Amnesty International, 1995). The government asked the physicians not to report the physical evidence of torture. Only official government forensic reports are allowed into court records.

The head of the psychiatric department of the country's highest forensic agency was a well-respected, well-educated, intelligent, and caring physician. He thought about the ethical and decided it was ethical to be as good team player with the government and not record evidence of torture. In part, because he was such a well-respected and apparently ethical person, criticism of him, his office, and the issue of a forensic coverup was muted. Apparently, he did not question his reasoning until he attended a seminar on forensic evidence of torture and discussed it with the seminar leader.

Preferential lending at a state bank (State Banker, 1994) On less than life-and-death issues there are many other instances of this archetype. For example, the regional lending officer of a large state bank in a Mediterranean country appeared to be a good man who thought about the ethical and even gave lectures about ethics in banking. He was very helpful to students who graduated from his university. He was very kind to coworkers. After thinking about it, he concluded that it is ethical to help one's friends with loans even when it is unlikely that they will be able to repay them. Bad loans are less of a solvency problem for this state bank than for private commercial

banks, since the state bank's financial resources are partly subsidized by tax revenues.

For many years, this man approved bad loans to friends and relatives. In part because he was considered such a good and kind person, other people who knew about the bad loans did not oppose them. After many years of this practice, another manager did discuss the issue with him, pointing out that some of his friends were hurt by overextending themselves with debt they could not repay. In addition, it was pointed out that other good people who needed loans sometimes could not get them because of his preferential lending decisions.

Since this conversation he has reduced these decisions. There are several other apparently good, caring lending officers who believe that it is ethical to similarly help their friends and relatives, and apparently have not participated in similar conversations about the negative aspects of this behavior.

Conflict of interest on a university board of trustees (Nicklin, 1995)   The president of Ashland University was concerned about the ethics of hiring a trustee's company to manage the construction of a seven-million-dollar student center without considering bids from other companies. The trustee involved told the other board members that they were getting a very good deal.

The president thought about the ethical issue and concluded "It's all above board. . . . But I'd like to have done it open bid" (Nicklin, 1995, p. 39). His rethinking of the conflict of interest issue and the university's policy came in response to and with the help of criticism from others. He was reluctant to push the issue too hard. "If we challenge" the awarding of contracts to trustees without open bid, he said, "then in a sense, we're questioning their integrity" (Nicklin, 1995, p. 40). Nonetheless, he said he hoped that eventually the board members would adopt a policy of requiring trustees' companies to go through an open bid process before being hired.

Like Phaedo, the president cared about and thought about the ethical. However, without the continuing help and support of critical discussion, it is not clear that he will be able on his own initiative to adopt a strong conflict of interest policy.

FAUST

In Goethe's *Faust* the hero exchanges his soul for what he considers other goods:

FAUST: I am too old to treat it as a jest,
Too young to have given up the game

What satisfaction can this world bestow? . . .
Poor devil. What hath thou to give?

MEPHISTOPHELES: One day you'll want to sit
O'er some good thing.

FAUST: If e'er I cry to the passing hour
"Thou are so beautiful; Oh, linger yet" . . .
Then I will go down gladly to the pit.
(Mann, 1948, p. 69)

The goods Mephistopheles offered and Faust accepted were knowledge and love of another person. Faust believed that to make a pact with a devil was wrong, but he considered these goods worth the exchange of his soul. Unlike the Richard III archetype, Faust has ends in mind that are not base. Knowledge and love are good for Faust and for the world. To him, the good ends justified the bad means.

This phenomenon is not uncommon. A manager may identify so closely with the mission of his organization that he is willing to act illegally and unethically to further it. He may decide that it is "worth it" if a few employees die of cancer from working in a factory that produces a drug that can improve the lives of thousands of people. He might allow a product to be sold that he knows will harm people because to recall, redesign, and remarket it might be so expensive as to seriously damage the financial health of the organization.

A related phenomenon is a situation where a policymaker is willing to do a lesser rather than a greater evil. Arendt found three problems with this approach. First, it is morally wrong because the people hurt by the less evil act are not consulted and do not agree to be hurt. Second, those who use the less evil means are slowly or quickly transformed into the "larger evil" they think they are resisting. Third, Arendt lacked confidence in our ability to correctly predict the possibility that we might be exchanging present and certain lesser evils for greater future evils rather than goods. The following cases illustrate this archetype.

Procter and Gamble, the Cincinnati police department, and Cincinnati Bell (Hirsch, 1991; Swasy, 1993)   Alecia Swasy, a staff reporter for the *Wall Street Journal,* reported in 1990 and 1991 that several Procter and Gamble employees from the Cincinnati area, where the corporate headquarters of Procter and Gamble are located, had secretly blown the whistle to her about possible illegal and unethical behavior, as well as upcoming changes in management personnel, at Procter and Gamble.

According to Swasy, "P & G enlisted the police department to comb through millions of business and home phone records to identify

sources of the leaks. Those who dared to call me at *The Wall Street Journal* or at home were being questioned at the police station. . . . A complaint from P & G was enough to prompt the Hamilton County prosecutor's office to open a grand jury investigation. . . . At Cincinnati Bell, there was no delay in turning over the phone records" (1993, p. 291, 295). The chief investigator for the police department was also a part-time security employee of Procter and Gamble, and the police chief had also worked part-time for the company.

When what Procter and Gamble, the prosecutor's office, the police, and Cincinnati Bell were doing became known, there was a general outcry in both the national press, such as the *New York Times*, the *Washington Post*, and the local Cincinnati press (Rawe, 1991). The *Cincinnati Post* editorialized, "After years of working to improve its reputation as a corporate bully and impenetrable fortress, this incident paints that picture all over again" (Swasy, 1991, p. 300). The Cincinnati chapter of the Society of Professional Journalists wrote, "The misguided action Procter and Gamble is taking threatens to trample the First Amendment and obviously reflects more concern in identifying a possible leak within the company rather than protecting any trade secrets" (Swasy, 1991, p. 300).

Why did so many different people, public utility officials, and government officials cooperate with what was generally considered after the fact an inappropriate invasion of privacy and abuse of the First Amendment protection of the press? Part of the explanation has to do with the Faust phenomenon. Procter and Gamble was a very large employer in the Cincinnati area and had made many important contributions to the Cincinnati community. Many people genuinely liked, respected, and were grateful to Procter and Gamble. Protecting Procter and Gamble was considered good for the community. Many people in Cincinnati believed that what was good for Procter and Gamble was good for Cincinnati even if it required cooperation with unethical and illegal behavior.

Roche Holding and Stanley Adams (Adams, 1984)   In 1972 Stanley Adams was promoted to the position of world product manager for the Roche Swiss pharmaceutical company. In this new position, he discovered that the company was involved in several illegal and unethical practices. For example, it would make payments to smaller manufacturers, who in turn would agree to stop production, buy its products at discounted prices, then resell them at regular prices under their own names. The company also colluded with other major manufacturers to set prices and production levels, producing less than esti-

mated demand, so that prices would stay high. Artificial shortages in times of heightened need were also used.

In December 1972 Switzerland signed a free-trade agreement with the then European Economic Community. This meant that Swiss companies trading in the EEC would be bound by the EEC rules of competition, spelled out in the Treaty of Rome and restated in this new agreement. Adams noted that Article 86 of this treaty stated that it was illegal for a firm to "abuse a dominant position" in the market. In February 1973 he wrote a letter to Albert Borschette, commissioner for competition at the EEC Commission in Brussels, informing the EEC about Roche's violations of Article 86 in the sale of bulk vitamins and chemicals in Europe.

The following year Adams left Roche and moved to Italy, where he started a business in pig farming. Meanwhile the EEC Commission conducted raids at several of the company's facilities and found further evidence of their violations. The EEC began to take legal action against the company and to prepare their formal case for presentation before the commission and the European parliament.

On December 31, 1974, Adams went with his family to Switzerland to celebrate New Year's Eve with his wife's sister. He was stopped at the border and asked if he had given any information to the EEC. He admitted that he had. He was arrested for giving trade secrets to a foreign power. Roche had initiated the arrest.

Adams was put in prison and was not allowed to speak with a lawyer. Later, he was put in solitary confinement in a Basel prison. Before being put in solitary confinement, he asked his cellmates, who were young men arrested for minor offenses, for help. He asked that whoever got out first contact the EEC. Adams gave them the address, phone number, and a short message to pass on, which they all wrote on the inside of their shoes.

The EEC received the message and contacted the Swiss government. Adams was permitted to talk with a lawyer, but the lawyer was not permitted to be present when the police continued their company-directed questioning of Adams. Adams was held in prison for three and a half months.

Roche's violation of the free-trade agreement became a major issue among the EEC Commission, the European Parliament, and the Swiss government. The agreement stated that any involved party must report any violations, yet Mr. Adams had been arrested for doing so. In June 1976 the EEC found the company guilty of violating Article 86 of the Treaty of Rome. They were fined and ordered to stop all illegal activities.

On July 1, 1976, a Swiss court in closed session found Adams guilty

of "persistent economic espionage." In May 1978 the Swiss federal supreme court upheld Adams' conviction, stating, "National legal provisions continue to apply, even if the principles of competition of the Free Trade Agreement are infringed. . . . Business secrets count as a factor of economic life and maintenance of their secrecy, in the Swiss view, is a legitimate interest and they therefore are to be protected vis-a-vis other countries. . . . Their disclosure violates not only private, but indirectly also national economic, i.e. State interests" (Adams, 1994, pp. 106–7). Even when "business secrets" were illegal and violated the treaty, they were still protected under Swiss law. Anyone who attacked Swiss business was deemed to be attacking the Swiss state. The economic end, the good of the company and the country, justified illegal and unethical means.

In 1980 the European Parliament took its first unanimous vote in supporting Adams against the Swiss court's decision.

General Electric and Bill Wiggins (Stricharchuk, 1988)   The unit manager in G.E.'s Cincinnati jet engine factory admitted to the FBI that he had told foremen to falsify the time cards of workers on some government contracts. Some contracts were underbilled and some were overbilled.

He said he did it because he did not want the workers to lose their jobs. He was concerned that if it was revealed what the real costs were on some projects, there would be layoffs and the plant might close. He said his motivations were good and, at the time, he thought that helping the workers keep their jobs justified falsifying the time cards.

DR. SUGURO

The Japanese novelist Shusaku Endo, in his book *The Sea and Poison* (1972), describes the true story of Dr. Suguro, who participated in what he believed were unethical medical experiments on American POWs. The experiments were cooperatively performed by the Japanese army, a medical hospital, and a team of doctors. The purpose of one experiment was to determine scientifically how much blood people can lose before they die.

He cooperated with activities he considered unethical in significant part because he believed it was impractical not to cooperate with the Japanese military government that his hospital organization was subordinate to. He believed that his environment was corrupt and that it was impractical for him not to cooperate. Unlike the Nazi doctors who were forced to perform similar experiments on civilians and prisoners

of war, the Japanese doctors were not forced to cooperate (Lifton, 1987). Instead, they believed that it was impractical not to cooperate.

Endo describes the reasoning and feelings of Dr. Suguro as he looked back at his behavior. "At the time nothing could be done. . . . If I were caught in the same way, I might, I might just do the same thing again. . . . We felt that getting on good terms ourselves with the Western Command medical people, with whom Second (section) is so cosy, wouldn't be a bad idea at all. Therefore, we felt there's no need to ill-temperedly refuse their friendly proposal and hurt their feelings. . . . Five doctors from Kando's section most likely will be glad to get the chance" (Endo, 1972, p. 75).

Errol Marshall and Hydraulic Parts and Components, Inc. (Pound, 1985)   On a much less serious issue, but on the basis of similar reasoning, Errol Marshall paid kickbacks. As an employee of Hydraulic Parts and Components he helped negotiate a subcontractor's sale of heavy equipment to the United States Navy while giving seventy thousand dollars in kickbacks to two materials managers of Brown and Root, Inc., the project's prime contractor.

According to Marshall, the prime contractor "demanded the kickbacks. . . . It was cut and dried. We would not get the business otherwise" (Pound, 1985, p. 25). He believed that the kickbacks were unethical, but that was the way the industry worked. It was not practical to not pay the kickbacks. His company needed the business now. A few years later, one of the upper-level Brown and Root managers, William Callan, was convicted of extorting kickbacks, and another manager, Frank DiDomenico, pled guilty to extorting kickbacks from Hydraulic Parts and Components as well as several other firms. None of the people who paid the kickbacks were charged with any illegal behavior, even though it was illegal to pay kickbacks.

Carlo De Benedetti and Olivetti (Cowell, 1993a, 1993b)   On a larger scale, Carlo De Benedetti, the CEO of Olivetti, was indicted for paying bribes to Italian government officials.

From at least the 1950s through 1992, almost all businesses that did business with the Italian government were required to pay bribes to Italian government officials. In the 1950s the bribes were as little as one or two percent. The contracts were generally given to the bid that best combined quality and price. That is, the bribe did not gain the contract, but had to be paid after the contract was awarded in order to keep it. By the early 1990s things had gotten much worse. Often the contracts went to the contractor paying the highest bribe rather than the best bid. Bribes had grown to as much as 25 percent of the value of

the contract. The money was divided among the leading political parties according to their percentage of the vote.

De Benedetti acknowledged that he and his company paid tens of millions of dollars in such extortions to Italian government officials. However, he argued that while it was illegal and unethical, it was also impractical not to pay the bribes. He claimed that Olivetti would have been forced out of business in Italy if it did not cooperate.

Tax auditors in a Latin American country   It is a common practice in a certain Latin American country for tax auditors to extort bribes from businesses (personal interview, Latin American banker, 1993). For example, if the legitimate tax bill is five million dollars, the tax auditor tells the business that they can either pay a tax bill of seven million, or three million with a payment of one hundred thousand dollars to the tax auditor. The auditor also tells the business that if the business tries to go to court they will lose, since some of the judges, including some supreme court judges, also receive bribes. The auditors and judges receiving money have been from the leading political parties of both the left and the right.

For the most part the businesses pay bribes. They know it is illegal and unethical to require such payments but they pay anyway. It is the shared belief that it is impractical to oppose such payments because political parties and some judges are part of the corruption.

PROBLEMS WITH CORRUPT AND/OR DESTRUCTIVE EXTERNAL ENVIRONMENTS

Were Dr. Suguro, Olivetti CEO De Benedetti, and the Italian businesspeople correct in their judgment that it was impractical not to cooperate with unethical behavior in an unethical environment? Was Marshall correct in his judgment that "it was cut and dried. We would not get the business otherwise" in his industry environment of systematic, pervasive corruption? Some environments can be very difficult for people and organizations concerned with doing ethics.

Arendt has observed that there are mutually reinforcing and self-fulfilling, unethical interaction relationships between ethically thoughtless people such as Eichmann and systematically corrupt environments. That is, such environments reward such people for cooperating with unethical behavior, and in cooperating, such people help perpetuate such environments. Arendt felt that previous Western social and political philosophy did not adequately include these mutually reinforcing phenomena.

The example of Eichmann brings into serious question the assump-

tion that all managers and employers naturally think about what is right or wrong in environments where efficient implementation and obeying orders are at a high premium. Arendt explains:

> The judges did not believe him, because they were . . . perhaps too conscious of the very foundations of their profession to admit that an average, "normal" person neither feeble-minded nor indoctrinated nor cynical, could be perfectly incapable of telling right from wrong. They . . . missed the greatest moral and even legal challenge of the whole case. Their case rested on the assumption that the defendant, like all "normal persons," must have been aware of the criminal nature of his acts. . . . However, under the conditions of the Third Reich only "exceptions" could be expected to react normally. (1964, pp. 26–27)

Arendt thought that we need to learn more about thinking, judging, and acting independently of habitual, routinized, historical-theoretical, or ideological banisters that can unconsciously confine people to overly narrow within-the-box thinking.

We might like to think that with respect to the pressure of organizational versus individual conscience, things are very different in modern institutions. However, there are some similarities. Ledvinka and Scarpello have observed that as far as legal protection of employees from arbitrary institutional power, U.S. federal law states that for the most part employers "may dismiss their employees at will . . . for good cause, for no cause, or even for cause morally wrong, without being hereby guilty of legal wrong" (1991, p. 315). Some states, such as California, do have strong state laws that make unjust discharge more difficult.

There are many cases where managers were severely punished for not doing what was illegal or what they considered morally wrong. Ewing has found such courageous managers to be exceptions. Not thinking about illegal or immoral behavior while working hard and creatively for organizational goals is frequently both encouraged and rewarded.

Italian "Partitocracy" (Cowell, 1993c; Forman and Bannon, 1993)
The recent Italian "Partitocracy" scandal provides an example of an environment of systematic, pervasive corruption. The Italian judge Antonio Di Pietro, the chief prosecutor in the scandal, estimated that about forty billion dollars over the previous ten years had been paid in bribes and kickbacks on business-government contracts. This figure represents five to fifteen percent of almost every government contract; apparently, the percent was somewhat negotiable. The Italian political parties divided the money according to their percentage of the popular vote. Literally thousands of top business executives and government officials have been indicted. The Italian situation is more

the rule than the exception in some industrialized countries, many third-world countries, and some industries in developed countries.

The cost of corrupt environments are not limited to the financial. Many of the deaths in the recent Italian and Mexican earthquakes resulted from substandard construction that was permitted because of bribes to government officials and building inspectors. While southern European and many third-world countries have rigorous laws concerning employee safety, consumer safety, and environmental protection, they are systematically ignored as part of the normal, routine corruption.

Many organizations, even if they have safe products, safe working conditions, and safe environmental protections, are still required to pay such bribes. Many managers ask themselves whether it makes sense to pay additional safety costs when their competitors are not paying such costs and when they are required to pay large bribes anyway. In fact, sometimes new safety laws are passed mainly because illegal exceptions to the laws represent new sources of bribes for government officials.

In addition, decisions to do what is ethical, for example to improve safety conditions and not pay bribes, can result in scandals that are very damaging to personal and organization reputations. For example, if a company pays the safety costs and not the bribes, they become the target of government investigation. The government officials investigate until they find some imperfection in safety measures and then bring charges in publicly spectacular language. In many countries it is not admissible defense evidence that most of one's competitors are paying bribes and have far worse safety conditions.

Cadburys and destructive British labor relations (Gardiner, 1923; Emden, 1939; Child, 1964; Windsor, 1980; Nielsen, 1982; Dellheim, 1987; Smith, Child, and Rowlinson, 1990)   While environments can be both corrupt and destructive, as in the last example, they can also be destructive without necessarily being corrupt.

Cadburys has an almost two-hundred-year tradition of cooperative learning, high productivity, and ethical employee relations. In contrast with the general history of British labor relations, there have been very few strikes or other forms of work disruption at Cadburys.

In the early years of the Thatcher administration in England, 1978–1983, management-labor relations at the national level were destructively adversarial. There was an intense adversarial climate between labor and the Conservative Party government (Krieger, 1987). The labor unions perceived that Thatcher was trying to break the unions. The Thatcher government perceived that the unions were trying to sabotage Conservative Party plans to restructure and reinvigorate the

economy. Management was generally perceived as being allied with the Thatcher government, and the labor unions were perceived as being allied with the Labor Party opposition. There were a great number of organizational-level strikes and work stoppages in Britain. Productivity in many organizations was declining (Smith, Child, and Rowlinson, 1990).

This destructive environment temporarily spilled over into Cadburys. Their long tradition of good relations between management and labor was temporarily disrupted and overwhelmed by the national-level conflict. Some managers and union leaders lied to each other, threatened each other, and sabotaged each other, and there was a strike. (Chapter 7 considers how this destructive environment was eventually successfully resisted within Cadburys.)

INSIDE PROBLEMS WITH BIASES OF A SHARED TRADITION

In addition to problematical external environments, there can be shared organization traditions with embedded biases that discourage ethical and/or encourage unethical behavior. For example, biases against particular groups of employees, such as women and minorities, can exist within different divisions or vertical levels of an organization. There can be biases against behaviors that are important for ethics, such as open and protected dialog about sensitive issues, including ethics issues. There can be strong punishment-based compliance systems that reward and teach unquestioning obedience more than concern for ethics. There can be an organizational history of top management tolerating or encouraging unethical or illegal behavior. The following examples illustrate these types of internal bias.

American Telephone & Telegraph (Nielsen, 1993e)   As at many American organizations, before the late 1960s there were very few women or minority managers at AT&T, with the exception of a few telephone operator supervisors. An important reason for not hiring women and minorities for managerial positions was that there was an institutional bias within the AT&T tradition system that silently, perhaps subconsciously, but nonetheless systematically didn't consider minorities or women for managerial positions. Many of the managers at AT&T had entered AT&T when this tradition was already established; while they maintained it, they did not create it. Such tradition-system biases can be as important as individual and group prejudices.

Many of the managers implicitly framed the issue in terms of the "unsuitability" of women and minorities for management and lead-

ership roles. Some managers observed that since they didn't see any women or minority managers at AT&T, they just didn't think of them as candidates for managerial positions. The informal tradition of not having women and minority managers led them to not consider the possibility. Other managers observed that it didn't appear that many women or minorities had the training or experience required for managerial consideration. Since it was not expected that women and minorities would become managers, they were not encouraged to pursue the type of training and experience required. Several other managers observed that most women and minorities did not apply for managerial training and managerial positions and that this might be related to a somewhat fatalistic expectation. That is, there was little point in applying for managerial training and managerial positions, since the implicit tradition did not include many women and minority managers.

General Electric (Herling, 1962; Guyon, 1988; Naj, 1992)   Chester Walsh blew the whistle outside the organization on several upper-level managers of G.E. who were defrauding the United States Defense Department (Naj, 1992). William Lytton, general counsel of G.E. Aerospace, suggests that Walsh should have used the G.E. internal ethics compliance system, since the defrauding behavior was a violation of the G.E. ethics code and would have been corrected by G.E.

Walsh responded that it was his perception that it was also part of the tradition within G.E. to selectively ignore the ethics code when convenient for senior management. He explained, "I did a lot of research to see what happened to people who went up the chain of command and reported wrongdoings. All I found was they lost their jobs, their security; they lost everything" (Naj, 1992, p. 1).

General Electric is known for having a strong top-down, bottom-line oriented authoritarian culture. Obeying orders is required, including orders to obey the organization's ethics code. So why did Mr. Walsh feel that he had to go outside rather than inside the organization? His perception of the tradition within G.E. was that senior managers usually looked the other way when rules were disobeyed if it was convenient for them. And internal whistle blowers were in fact often punished. For example, Mr. Salvatore Cimorelli, a G.E. employee for 29 years, who worked in the parts department of G.E.'s Lynn, Massachusetts engine factory, believes that he lost his job because he blew the whistle internally as the G.E. compliance system requires. He concludes, "What it tells me is that Chester Walsh did the right thing" (Naj, 1992, p. 6).

General Electric had an ethics code as early as 1946. Policy Directive 2.35 (later 20.5) declared that it was the policy of G.E. for all em-

ployees to act in strict conformance to the antitrust laws. Penalties listed included firing and even criminal prosecution.

This policy was instituted in part because as far back as 1900, G.E. had participated in antitrust violations. In 1956, the year that the ethics code provision was rewritten and updated, "General Electric was involved in three separate large-scale antitrust violations, two of which involved price fixing and market allocations in conspiracy with other electrical manufacturing companies" (Herling, 1962, p. 24). The policy directive requiring antitrust compliance has been regularly reissued since 1900. Nonetheless, during the 1940s and 1950s, G.E., Westinghouse, Allis-Chalmers, the Federal Pacific Electric Company, I-T-E Circuit Breaker, the national Electrical Manufacturers Association, and other companies engaged in illegal and unethical price fixing and market allocation behaviors.

In 1962, shortly after several G.E. managers were convicted and jailed for price fixing in the United States, the director of marketing in the consumer products division for a Latin American division of G.E. received (along with all other domestic and international G.E. personnel) a letter from the chairman of the board specifically instructing all G.E. personnel not to participate in price fixing or collusion "of any kind, direct or implied." His boss in this Latin American country first suggested and then ordered him to continue to participate in collusive biweekly meetings concerning prices, terms, production schedules, and so forth with competitors (Westinghouse, Phillips, Sylvania). He reasoned with his boss that since they both had received direct personal letters from the CEO not to collude, they should not collude and he chose to stop attending the price-fixing meeting. Another manager was sent instead, and business continued as usual. He thinks that his decision to obey the paper order from New York and not the verbal order of his direct line manager essentially ended his opportunities for advancement in G.E. He said, "My future with GE was irrevocably damaged by my refusal to participate in the competitive collusion and, within ten months of the confrontation with my then boss, I was terminated" (personal interview, marketing director, 1986).

Internal bias and Japanese consensus building (Endo, 1972)   Just as authoritarian top-down organizational cultures can support unethical behaviors, so can participative, consensus-building cultures. For example, Japanese doctors were not forced to help perform medical experiments on prisoners. They collaborated because they participated in a tradition that encouraged conformity with the larger consensus even if one individually disagreed. Dr. Sugoro said, "For me the pangs of conscience . . . were from childhood equivalent to the fear of disapproval in the eyes of others. . . . To put it quite bluntly,

I am able to remain quite undisturbed in the face of someone else's terrible suffering and death. . . . I am not writing about these experiences as one driven to do so by his conscience . . . all these memories are distasteful to me. But looking upon them as distasteful and suffering because of them are two different matters. Then why do I bother writing? Because I'm strangely ill at ease. I, who fear only the eyes of others. . . . I have no conscience, I suppose. Not just me, though. None of them feel anything at all about what they did here" (Endo, 1972, pp. 118, 123, 157).

CROSS-TRADITION BIASES

In the previous cases people more or less believed that they belonged to the same internal tradition. Where the key participants believe that they belong to very different and even antagonistic traditions, it can be very difficult to address an ethics problem.

For example, a buyer for an American retailer found himself in a situation in an Asian country where there were important cross-tradition differences and biases. The ethics issue involved brain and lung injuries to child workers in an acid-washed clothing factory and the top management of the American company who believed that it was "inappropriate to get involved in the internal affairs of a foreign supplier" (personal interview, Buyer, 1985).

Individuals from several different cultural traditions were involved in the case. The Asian factory manager was a middle-class Muslim from a lower-class family. The American buyer was a middle-class Caucasian Christian. The owners of the factory were wealthy "overseas" Chinese. In addition, the Chinese owners had to give a piece of the ownership in their company to a wealthy Muslim general as part of the cost of doing business in this country, which also allowed the factory to operate independently of many employment and other laws. The American retailer was a publicly owned company with relatively large shared held by a mixed group of top managers and institutional investors.

The buyer knew almost nothing about modern Chinese neo-Confucian ethics, Muslim ethics, the country's public and private life ethics, or ethics within the country's military framework. His previous ethics experiences were important with respect to how he thought about ethics and how he talked about ethics with people who shared similar experiences. However, he thought that the ways he had previously talked about ethics issues might be inappropriate for a very different cross-cultural setting with important cultural differences

among the key players. He felt that there was no or very little center that all the different groups shared.

Local businesspeople told him that one reason poor families in that country had large numbers of children was because they realistically expected that not all would survive through childhood. He was also told that these families considered themselves better off with the little money the children earned even if it meant serious injuries and deaths. If a family member could be helped to stay in school through the factory work of other children, the family would be better off. A poor family could not afford to protect or help all its children.

It was part of the implicit ethics tradition of the buyer's company to address working conditions within its own U.S. facilities, but to "not interfere in the internal affairs" of foreign suppliers. With foreign suppliers it would negotiate the design of products, quality of products, reliability of supply, size of shipments, and pricing, but not internal human resources conditions or ethics.

While a foreign noninterference policy has its merits from an international imperialism perspective, such a policy can conflict with other ethics issues, in this case, injuries to the child workers (Donaldson, 1989, 1992).

The American buyer discussed the issue with the Asian factory manager. Both recognized that it was likely that there was no mutual center amidst all the parties' different cultural, social, political, and economic backgrounds and the different pressures that were impacting each party. Each recognized biases in the other's tradition that contributed to the problem. The American buyer was able to see and talk about the negative impacts of the corruption in that society, where it was common for generals to extort shared ownership; overseas Chinese owners who appeared to have more concern for profitability than child workers; and a political system that did not permit full citizenship participation for either the Chinese minority or the majority lower- and middle-class Muslims.

The Asian factory manager was able to see and talk about the history of his country's exploitation by European and Japanese colonizers, as well as American multinationals, and the irony of children from his country suffering injury and death while producing acid-washed jeans for American children. The buyer and the factory manager recognized that there was very likely no ethical center among these entangled tradition-system factors. Further, these macro-level factors were not controllable by them or perhaps anyone else.

Buyer colleagues from the buyer's own company and other American and European companies knew about the injuries and deaths but didn't try to address the issue. Their common perception was that

when "we" (the buyers) were in this country, we were in a "different" world that was not "our" world. While the unhealthy working conditions were unfortunate, they were not particularly unusual and were "none of our business."

The international buyers were able to see biases within this Asian country's tradition. The Asian managers were able to see biases within what they considered European, American, and Japanese neocolonial practices and attitudes. Each party blamed the other, and each only partially understood the other's tradition and biases. The actual biases in the different traditions, as well as misunderstandings of each other's traditions, can greatly reduce the common space needed to address shared problems jointly.

CONCLUSION

As the preceding cases illustrate, the obstacles to doing ethics in organizations can be quite formidable and intimidating. Individuals initiating and cooperating with unethical behavior can be very intelligent, strong, relentless, and even courageous, as well as sometimes unthinking, weak, timid, and conforming.

An understanding of the severity of the obstacles can lead one to the conclusion of Socrates' Jailer or Dr. Suguro that it is only practical to "go along and get along." However, as the following chapters illustrate, there are many cases where different types of people in various types of organizations and environments using a wide range of methods have been able to act and learn and make positive, ethical differences.

It can be practical to do ethics in organizations if the organization citizen can be like Proteus, able to change shapes and methods as the situation requires. We may need to be competent with a wide variety of politics and methods in order to realize our responsibilities and opportunities as ethical citizens of organizations.

3

A Politics of Ethics Framework Based on Action-Learning

In this chapter I develop a behavioral science-based action-learning theoretical framework for considering the methods of doing ethics in organizations. This theoretical framework helps to understand how various methods are interrelated, their relative strengths and limitations, and their civic appropriateness.

Hirschman (1970) in his classic book *Exit, Voice, and Loyalty* framed organizational ethics action theory in terms of three individual strategies for resisting organizational and bureaucratic abuses: exit, voice, or loyalty. This analysis has become a foundation for behavioral science-based ethics action theory. Argyris and Schon implicitly recognize the foundational nature of Hirschman's framework, but in their critical deconstruction of it they point out that Hirschman "shares with much of the contemporary literature a particular way of framing relations between individuals and their organizations. He treats exit and voice as measures by which individuals may resist organizational tyranny" (1988, p. 199). That is, he implicitly frames problems in win-lose, adversarial terms.

RECIPROCAL INTERACTIONS

Within a generalized individual-to-individual interaction frame, but without specific reference to ethics phenomena, Bateson (1972) ob-

served that well-intentioned individual actions, including "voice," can be escalatingly negative, destructive, self-defeating, and ineffective. In a generalized framework without specific reference to organization ethics, Weick (1979) also observed such escalating processes, but found that individuals' interactions can also be escalatingly positive and effective. He further observed (1979) that we can sometimes choose whether to work with positively escalating processes or negative ones.

Weick (1979) found that organizing processes contain individual behaviors that are reciprocal. That is, the behaviors of one person are contingent on the behaviors of another person(s). Individuals understand that their ability to achieve their own organizational objectives depends on others performing instrumental acts. He refers to these contingencies as "interacts." In turn, others will perform instrumental acts in exchange for instrumental acts from others. There is an implicit social contract. Weick calls these intraorganization exchanges "double interacts" and suggests that they are the foundation of organizing and organizations: As sets of interlocking behaviors are continued, a collective structure is developed. Weick further suggests that we can cocreate organization change by identifying and working with these positive, productive reciprocal relationships.

SINGLE- AND DOUBLE-LOOP POLITICS

Weick's (1979) reciprocal double interacts and Argyris and Schon's (1974, 1988) reciprocal double-loop action-learning are similar concepts. Argyris, Putnam, and Smith (1985) offer the following example of single-loop action-learning. An agent has a governing value of short-run conflict suppression. He uses an action strategy of not saying anything controversial as a means for realizing this value. However, other people start to say controversial things. In order to realize his value, the agent now has to try a different action strategy. He then talks a lot about issues that the people present are likely to agree on. According to Argyris, Putnam, and Smith, in such a situation, where a new action strategy is used to realize the same governing value, there is single-loop action-learning.

Argyris and Schon do not distinguish between win-lose and win-win single-loop action-learning. Their example, the agent unilaterally talking a lot about issues that the people present are likely to agree on, illustrates win-win, single-loop action-learning. For example, the agent might interrupt the conversation and ask people what they wanted for dessert. He would win in that the conversation on the controversial topic is stopped. The other people win in that they engage in an enjoyable conversation about dessert alternatives. He might

ask if people would mind postponing discussion of the controversial topic until an unspecified later time and instead discuss what he would describe as a more immediate issue they were also interested in, such as new employee benefits.

More win-lose examples would be for him to say he did not want to discuss this subject, or that the topic was inappropriate. He might adjourn the meeting before the controversial topic could be continued or clear the table to stop the conversation. All these win-lose and win-win methods are single-loop, in that the driving value of conflict suppression is not held open to questioning and learning.

These processes are illustrated in the following figure, which is an adaptation of Argyris' (1990, p. 94) diagram.* I have added the following to the single and double-loop Argyris framework: embedded social tradition-system, win-lose single-loop, win-win single-loop, and triple-loop action-learning politics.

In double-loop action-learning, both governing values and action strategies are held open to questioning and learning. Continuing with the example, instead of trying to suppress conflict in the short term, the agent instead would choose both to hold open to inquiry the governing value of conflict suppression and to discuss the conflicts.

Argyris and Schon (1988) suggest that single-loop methods can be ineffective as an expression of ethical integrity, because it encourages the type of escalating, noncooperative interactions that Bateson focused on. A double-loop dialog can be more effective because it encourages the type of positive, escalating behavior that Weick values.

While Bateson and Weick do not specifically refer to organization ethics, Argyris and Schon do. They suggest that action methods are
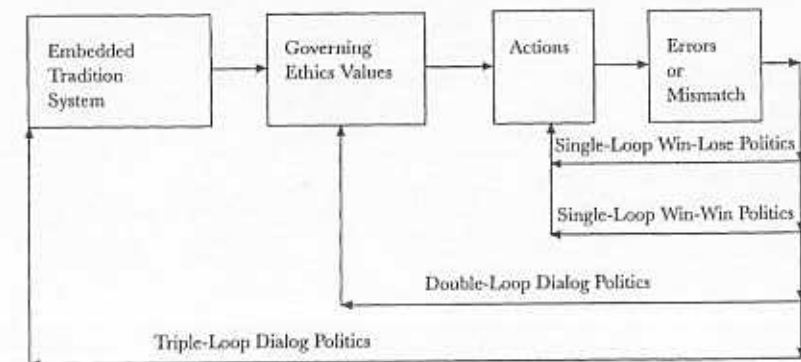
*This figure is adapted from C. Argyris, *Overcoming Organizational Defenses: Facilitating Organizational Learning*, 1990, p. 94, adapted by permission of Prentice-Hall, Upper Saddle River, New Jersey. I have added the following to the single- and double-loop Argyris framework: embedded social tradition-system, win-lose single-loop, win-win single-loop, and the triple-loop.

often ineffective as expressions of ethical concern because they assume "an adversarial relationship between the organization and individual ethical integrity where more cooperative and mutually reinforcing relationships are also possible and may be operating simultaneously" (1988, p. 205).

For example, in their deconstruction of Hirschman's (1970) *Exit, Voice, and Loyalty*, they point out that in Hirschman's terms, integrity can be redescribed as a social virtue whereby a person dissents from a behavior he considers unethical by means of voice or exit. Ethical relations between individuals and organizations are framed in an adversarial manner. Building upon Bateson's (1972) observation that there can be escalating, destructive interactions within organizations, Argyris and Schon point out that there can be similarly destructive and self-defeating conversational methods for expressing ethical concern (1988, p. 205).

When individuals express integrity in a win-lose sense, they voice and frame their expression as the ethical individual against unethical individuals or the unethical organization. If the targets respond with defensive confrontation, they are also acting in a single-loop, win-lose fashion. In turn, their win-lose response is not acceptable to the originators because it limits the expression of their integrity. Negative, adversarial escalation results that is not effective in exploring the ethical dimensions of the driving values.

Win-lose action-learning can be effective, however, in a narrow political sense, even with little or no learning about driving values. In narrow, top-down, win-lose politics, powerful people can suppress conversation and force cooperation with either ethical or unethical behavior. Less powerful people may submit because of fear rather than any learning about the ethical. This issue is explored in the chapter 4 discussion of the single-loop archetype, of the Ethics General.

Less powerful people also adopt single-loop win-lose politics when they use techniques such as secret whistle blowing to force ethical behavior. In such cases behavior may change toward the ethical not because of any learning but because of fear of getting caught. (This issue is explored in the chapter 4 discussion of the Ethics Guerilla.)

Single-loop win-win methods can also be quite effective in either suppressing or encouraging ethical behavior with little or no learning about driving values. One effective win-win method for both maintaining financial corruption and reducing effective opposition to it is to give potential opponents parts of the corruption. This strategy has been successful for organized crime and is common in the public sectors of many countries.

For example, in Italy the Christian Democratic Party, the Socialist

Party, several other smaller political parties, and literally thousands of business executives have been sharing the corruption for over thirty-five years. Illegal bribes and kickbacks from businesses are allocated among the political parties according to their proportions of the vote. The people who value the financial corruption do not question that value, but can be quite flexible and open to learning with respect to who they need to share the corruption with and how much. Single-loop escalating cooperation, when it supports unethical behavior, can be just as damaging to ethical organization development as escalating conflict.

Of course, single-loop win-win politics can be effective in developing ethical organizations. Many people cooperate with ethical behavior simply because they have learned that they are rewarded for doing so. This issue is explored in the chapter 5 discussion of single-loop win-win negotiators.

Argyris and Schon (1988) observe that Hirschman wrote very little about the concrete methods individuals can use in carrying out the strategy of voice. They ask the important question, "What way of expressing integrity would be likely to achieve its manifest purposes while also reducing its unintended, paradoxical outcomes (i.e., negative escalations)?" (1988, p. 207). They recommend double-loop action-learning, in which the partners in the conversation are open to questioning not only instrumental actions but also their driving values.

Argyris and Schon make two important advances in this area. First, they build upon Hirschman by developing a politically practical way for individuals to enact the voice strategy. Second, they build upon Bateson and Weick by developing their double-loop action-learning method, which is a positively escalating, inquiring, open, less adversarial, and reciprocally interactive.

The key strengths of a politics of double-loop dialog are that it retains much of the cooperative effectiveness of win-win method while encouraging mutual ethical learning, mutual ethical belief conversion, and mutual ethical development among individuals. This can be very important, especially in situations where the ethical problems are located primarily at the level of individuals. However, the double-loop method still frames organization ethics and integrity issues as individual phenomena while generally ignoring, or at least not explicitly considering, embedded social traditions.

TRIPLE-LOOP POLITICS

In triple-loop politics, the embedded tradition system can be both criticized and treated as a partner in mutual action-learning. Continu-

ing with and extending the Argyris, Putnam, and Smith (1985) example, the agent would open for learning and change (a) the effectiveness of the action strategy of not talking about controversial issues (single-loop), (b) the appropriateness of the governing value of short-term conflict suppression (double-loop), and (c) positive and/or negative biases in the embedded social tradition that may be causing individuals inappropriately to accept that governing value (triple-loop). For example, one might inquire about whether there is something about one's family's, department's, or organization's tradition that makes it easier to discuss some topics and difficult to discuss other controversial topics. Or one might refer to past cases where one's organization tradition was able to address and adapt to new problems, and ask whether and how it could help address the present problem, or how it might have to change in order to address a different type of problem or opportunity.

While not recognizing the phenomenon of triple-loop action-learning, Dianne Argyris (1985) has found a few cases where people have been able to call into question dysfunctional aspects of another's social tradition. However, she concludes that there is little record of people being able to reframe an issue as a problem with respect to their own social tradition and then engage in reform-directed action-learning with respect to that social tradition.

This point is key. Double-loop method is still understood, at least in practice, to be substantially interactions that can be described as individual to individual—I–ther, or at best I–Other–Other's dysfunctional social tradition. Within much of conventional organization ethics action-learning theory, including double-loop theory, which has been with us for more than a generation, ethical problems are considered as ones of competing, conflicting moral values, and the solution has appeared to lie—necessarily, but also uneasily—with individuals. The politics of double-loop action-learning for the most part ignores embedded social tradition as a potential partner and/or obstacle.

As societies have become more industrial, bureaucratic, and culturally diverse, our understanding of the importance of embedded social tradition has grown substantially. Historical experiments in dialog have been extended beyond a solely individual focus. Later experiments have carried dialogic action-learning beyond the confining contexts of solely individual dyadic interactions. Examples of this type of triple-loop action-learning are considered in chapters 7, 8, and 9.

4

Single-Loop, Win-Lose Forcing Methods

Ethics Generals, top managers who unilaterally write ethics rules and then use punishments to force complicance, and Ethics Guerillas, who use methods such as secretly blowing the whistle outside the organization, both practice a politics of forcing. Its key strength is its short-run effectiveness, which can be particularly important in emergency situations. An important limitation of forcing is its destructiveness, particularly with respect to internal organization cooperation. The basic function of organization is to enable us to do more through cooperation than we can do atomistically. Therefore, it is important to maintain and encourage cooperation. However, there are times when the only practical alternative is forcing. We may need to at least keep in reserve the methods of single-loop forcing for those circumstances where more peaceful, cooperative, constructive, and sophisticated methods are ineffective.

TOP-DOWN ETHICS GENERALS

Before 1920, before psychology, before Hawthorne, before human relations, before the organizational behavior period of management thought and practice, the boss typically wrote the rules and punished those who didn't obey them. This included the boss's ethics rules. Top management often assumed that most employees were naturally lazy,

mediate, persuade, and advise. To the extent that they do this well and
are supported by upper management, they can be very effective.
However, if the source of the problem is in upper-level management,
much depends upon the character and courage of the individual me-
diator or counselor rather than system characteristics. And among the
procedural fairness factors of grievant representation, rules of evi-
dence, outside arbitrators, and joint choice of arbitrators, mediator-
counselor systems typically only provide grievant representation.

In summary, grievance arbitration systems apply to a narrow range
of issues and a narrow range of unionized and public sector em-
ployees. Mediation-counselor systems are very flexible and informal,
but depend more on the individual characteristics of the mediators
or counselors than on specific system strengths. The worst system,
investigation-punishment, is the most common. The best system, em-
ployee board with outside arbitration, is the least common.

11

Single-, Double-, and Triple-Loop Politics: Overcoming Obstacles to Ethical Organization Behavior

The present chapter circles back and examines how well the different
methods discussed in chapters 4–10 can address the obstacles consid-
ered in chapter 2. The appropriateness and practicality of the politics
of triple-loop dialog, double-loop dialog, win-win deal-making, win-
lose forcing, and internal due-process systems are considered in rela-
tion to the obstacles at the levels of the individual, tradition, and the
environment.

THE POLITICS OF TRIPLE-LOOP DIALOG

Why should we engage in dialog with each other and our traditions?
Different people have different experiences, talents, perspectives,
knowledge, and insights. Through individual-to-individual, double-
loop dialog we can help each other learn about what is ethically appro-
priate. Similarly, different traditions have stored within them differ-
ent experiences, perspectives, knowledge, and insights. Traditions
have memory. Just as we as individuals can help each other learn
about what is ethically appropriate through double-loop dialog, triple-
loop dialog that includes our different traditions can help us remem-
ber and learn about what is ethically appropriate.

Furthermore, sometimes biases embedded within our traditions
support unethical behavior. Sometimes these biases are entangled
with oppressive power relationships. Questioning such biases can also
help us learn more about what is more and less ethical.

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With both double- and triple-loop dialog we are also helping each other and our traditions learn, change, and develop. While there is often conflict within dialog, dialog facilitates peaceful conflict. We are talking with and helping each other learn. The emphasis is on mutual learning and caring rather than force and violence.

And as Arendt as observed, in addition to helping us learn from each other and our traditions, dialog also helps us build the political space, solidarity, tolerance, and mutual courage necessary for effective, peaceful, and ethical action, change, and transformation. Dialog can help us peacefully build and sustain ethical organizational culture.

How well can the politics of triple-loop dialog address and overcome the obstacles to ethical organization behavior?

Cross-tradition Biases

As the cross-cultural child worker safety case illustrated, triple-loop dialog can be effective when there are important cross-tradition differences and biases. The deconstructive moment made explicit the biases of the different traditions that were supporting the unethical behavior in different ways, without blaming the individuals. The traditions and their biases preceded the individuals. In the reconstructive moment, the individuals were able to establish a common ground for addressing the problem. In the experimental moment, a solution was found.

The solution was an experiment and did not require a commitment in advance that people from different traditions might have been reluctant to agree to. When there are so many differences, it is hard to trust one another and agree; experimentation reduced the risks of misplaced trust. While the method was triple-loop dialog, the outcome was win-win. It might not have been possible to solve the cross-tradition ethics problem if a win-win outcome had not been possible.

Outside Problems with Destructive Environments

As the Cadburys case illustrated, through upbuilding dialog Cadburys was able to resist the destructive British labor relations environment. Management and labor were able to build upon the cooperative and ethical tradition of Cadburys to address and solve the ethics and technological change issues. The cooperative tradition of Cadburys was so strong that the shop stewards were even able to recommend a loss for labor in the sense that they recommended that a factory be closed, a very unusual step for a labor union to take at that time in that environment.

However, the upbuilding dialog did consider and include win-win

outcomes, for example the displacement benefits for workers. If management had been unwilling to provide these, the triple-loop dialog might have broken down. And for organizations too new to have an ethical tradition to build upon, or for older organizations without an ethical tradition, upbuilding method would probably not be practical.

Not all destructive environments can be resisted through dialog. As the Nazi environment illustrated, an environment can deteriorate so badly that dialog is not permitted. If the punishments are severe enough, many and perhaps most of us can be intimidated away from doing dialog. When that happens, triple-loop dialog that tries to address the destructiveness of the environment is not very practically effective. While there were some notable and even heroic instances where dialogic method saved some lives and win-win method saved some lives, it was not until the massive application of the win-lose war effort of the Allies that the destructive Nazi environment was changed.

Less violent and brutal, but nonetheless similarly, the Italian "Partitocracy" environment of systematic government extortion could not be resisted through dialog. The environment steadily worsened from the late 1940s until the early 1990s. Not until the use of the win-lose methods of whistle-blowing and massive prosecutions was the situation apparently reformed. There was much triple-loop dialog among magistrates, whistle-blowers, reform politicians, business people who did not want to pay the bribes, and ordinary citizens about the nature, effects, and causes of the destructive environment. This type of dialog helped develop solidarity and courage for the later application of win-lose method. Such triple-loop dialog may even have been a necessary step in the change process. However, it was not sufficient without the later application of the win-lose actions.

Inside Problems with Shared Tradition Biases

As the AT&T discrimination and Pakistan cotton industry cases illustrate, Woolman's disentangling dialog method can identify, disentangle, and reform biases in shared traditions. Through disentangling dialog, employment and promotion opportunities were opened up for women and minorities with AT&T long before the Civil Rights Act of 1968. Similarly, problems in the Punjab between the retailers and farmers, the Muslims and Hindus, and the farmers and the yarn manufacturers were disentangled and solved.

However, if Greenleaf and Hussain had not established their places with the AT&T and Punjab communities over a long time period, they might not have been able to build upon the foundations of fellowship and personal trust to address the ethics issues and to critically discuss

the AT&T and Punjab traditions. It is unlikely that this method could be used effectively by people considered to be outsiders.

A different situation appears to exist in the case of G.E. As with AT&T and in the Punjab, there were and are internal biases within the G.E. tradition. These biases appear to consist of top-down authoritarianism combined with a history, perceived at least by the employees quoted, that when it is convenient for upper-level management, unethical behavior is tolerated and on occasion even encouraged by top-level management, as in the price-fixing, market allocation, and contract situations. In addition, as David Ewing observed about at least one G.E. division's internal due-process system, "Panel decisions shall be limited to interpretation of company rules and policies. No panel shall have the authority to change company policy, pay rates, or job evaluations" (1989, p. 248). Particularly with job evaluations, which often form the basis or justification for termination decisions, within such a system there appears to be relatively little protection from punishment for raising sensitive issues such as ethics issues. Arendt was particularly concerned about this type of authoritarian environment because it limits and can eliminate the political space necessary for dialog and critical questioning. Under such circumstances, dialog may not be possible or effective.

Eichmann

In just such authoritarian tradition systems Arendt found the Eichmann archetype who didn't think about the ethical. In such authoritarian environments it is generally much safer to not think about the ethics of one's bosses, to keep one's head down, and to go along. Nonetheless, it is just such people that triple-loop dialog methods can work with.

The focus of triple-loop dialog is to consider the biases in tradition systems. While the Eichmann archetype may still cooperate with the unethical behavior, if we persist in trying to discuss tradition-system biases, the Eichmann becomes no longer the Eichmann. The potential negative biases are now part of his cognitive schema (Nielsen and Bartunek, 1996).

For example, at his interrogation and trial, Eichmann was confronted with the biases of the Nazi system and his role in it, and was able to understand his narrow, in-the-box thoughtlessness. With that understanding he was transformed into the Socrates' Jailer archetype. He said he probably would have cooperated anyway out of fear of the ruthless authority of the Nazi policymakers. Fear can replace thoughtlessness. Triple-loop dialog appears to have been totally ineffective in helping Eichmann understand that he should have somehow acted against the abuses of the Nazi system.

However, in another example, the Ford Pinto case, the former recall manager does appear to have changed for the better as a partial, at least, result of triple-loop dialog. He said, "Why didn't I see the gravity of the problem and its ethical overtones? Before I went to Ford I would have argued strongly that Ford had an ethical obligation to recall. After I left Ford I now argue and teach that Ford had an ethical obligation to recall. But while I was there, I perceived no strong obligation to recall and I remember no strong ethical overtones to the case whatsoever" (Gioia, 1992, p. 386).

At the time, no one talked with him about potential negative biases in the Ford tradition that might have been related to the recall issue. As a result of both personal reflection and triple-loop discussion with colleagues, he was able to see the tradition-system biases within Ford. He explains:

> Most models of ethical decision making in organizations implicitly assume that people recognize and think about a moral or ethical dilemma when they are confronted with one. I call this seemingly fundamental assumption into question. The unexplored ethical issue for me is the arguably prevalent case where organizational representatives are not aware that they are dealing with a problem that might have ethical overtones. If the case involves a familiar class of problems or issues, it is likely to be handled via existing cognitive structures or scripts—scripts that typically include no ethical component in their cognitive content. . . . Scripts are built out of situations that are normal, not those that are abnormal, ill-structured, or unusual [which often can characterize ethical domains]. The ambiguities associated with most ethical dilemmas imply that such situations demand a "custom" decision, which means that the inclusion of an ethical dimension as a component of an evolving script is not easy to accomplish. (Gioia, 1992, p. 388)

Phaedo

The Phaedo archetype is an ideal candidate for the politics of either triple- or double-loop dialog. The Phaedo is intelligent and cares about the ethical, and with some dialogic help can understand what ethically appropriate behavior is. For example, with some help discussing environments of oppressive police states that systematically use torture and the ethical responsibility of doctors, the forensic doctor appears to have changed his understanding of the ethics of torture. This is not to suggest that he will now report forensic evidence of torture, but at least he appears to be questioning the ethics of covering it up.

Similarly, with the help of triple-loop dialog about systematic corruption within his country's state banks and government, the lending officer changed his opinion about the ethics of making unsound pref-

erential loans to friends and relatives; he also changed his subsequent behavior based on this new understanding.

Socrates' Jailer

Socrates' Jailer understands what is ethical but cooperates with and implements unethical behavior because of fear of punishment. He even understands that fear is not an adequate excuse for such cooperation. Occasionally, triple-loop dialog can help with this archetype. However, the dialog does not focus on what is ethical, but on whether it is true that one will be punished for not cooperating.

For example, the dialog can be directed at considering the strengths of the organization's tradition system, such as a strong employee board internal due-process system or union grievance and arbitration mechanism that might protect employees from retaliation. Or the triple-loop dialog can be directed toward an investigation of aspects of the external environment that might protect the employee, such as strong state unjust-discharge laws or regulatory agency protections.

While triple-loop dialog can sometimes be effective with this type, one should not expect a high probability of success. The triple-loop dialog may reveal that there is relatively little protection for him, and he has good reason to be afraid. Or when there are reasonable protections, he may still prefer not to take a chance.

Triple-loop dialog can also reveal biases in the organization's tradition or environment such that those who implement the unethical behavior are more likely to get caught and punished for it than those making the policy decisions. It is true in many traditions and systems that those closest and easiest to trace unethical or illegal behavior to are far from the policymakers who ordered it. Such an understanding and countervailing fear of getting caught can cause the Socrates' Jailer to resist cooperating and implementing unethical behavior. This approach has been successful with some lower-level managers in the hazardous waste area. When in dialog about the problems and the system, they were surprised that they might be personally criminally liable for behavior that higher-level managers ordered and they implemented (personal interview, Environmental Protection Agency investigators, 1988).

Dr. Suguro

Somewhat similarly, the Dr. Suguro archetype cooperates with and implements unethical behavior not because he does not understand that the behavior is unethical or that it is unethical to cooperate, but because he believes it is impractical to resist. If he does not imple-

ment the behavior, someone else will. Not cooperating won't change anything.

Triple-loop dialog can occasionally also help with this archetype. However, the probability for success is not high. The dialog can be directed at exploring whether it is true that others will automatically cooperate. As in the Socrates' Jailer situation, ethical strengths of the organization's tradition system, such as a strong employee board internal-due process system, could, through dialog about the system and the unethical behavior, hold that behavior up to scrutiny that would prevent it.

Similarly, dialog about external ethical strengths in the environment, such as a strong, free domestic or international press and/or honest regulatory agencies, can help this type understand that it is not automatically true that one is powerless to do anything about the unethical behavior. However, the opposite can also be revealed. The participants in the dialog may learn that it is true that someone else will implement the unethical behavior, and that there is relatively little help toward ethical behavior in either the organization's tradition or the external environment. In such a case, the Dr. Suguro is further confirmed in the belief that it is not practical to resist.

Faust

The Faust understands that it is unethical to trade unethical means for good ends, but he wants the good ends and is willing to use the means to get them. In the story of Faust, after he experiences dissatisfaction with achieving good ends through unethical means, he regrets the trade and ceases to make such trades (Mann, 1948).

Sometimes triple-loop dialog can help with this archetype. For example, in conversations with him one could explore whether there are any stories of others who have made such trades either in the organization or the external environment and who have regretted them. Sometimes it is possible for such people to learn from the difficult experiences of others rather than having to experience the same things themselves. For those sympathetic to literary analogies, the story of Faust can even be brought into the conversation.

Traditions are composed partly of stories. With triple-loop dialog one can introduce such stories into the conversation for examination and interpretation. For example, the story of the overreaction of Roche and the Swiss government in the jailing of Stanley Adams for his testimony to the European Economic Community was an embarrassment to both the company and the government. Similarly, the story of Procter and Gamble's overreaction to news leaks and its examination of all telephone calls from Cincinnati to the *Wall Street*

Journal was an embarrassment to both Procter and Gamble, the Cincinnati prosecutor's office, and the Cincinnati telephone company. These stories are retold within the companies and government offices. They can have some moderating influence on Faust-type behavior when people learn that past trades have not always turned out as well as the Faust wanted.

Richard III

The Richard III understands and does the unethical for material gain. The top managers of the Pasteur Institute and the National Health system knew that people would be contaminated and die from AIDS. The top managers of Bard knew that when the catheter tips broke off in people's arteries and when the balloon failed to close in a balloon angioplasty there would be severe problems. The G.E. executives knew that price fixing and market allocation were illegal and unethical.

The politics of triple- and double-loop dialog are generally not effective with this archetype when the dialog is focused on what is or is not ethical. Occasionally a triple-loop dialog that explored aspects of an organization's tradition system or the external environment might reveal that there was a reasonable probability the Richard III would get caught and be punished for the intentional unethical behavior. However, if the dialog revealed that the Richard III was unlikely to get caught or that if he did the unethical behavior in a more clever way he would not get caught, triple-loop dialog is unlikely to stop him.

THE POLITICS OF DOUBLE-LOOP DIALOG

The double-loop dialog methods considered in chapter 6 included iterative Socaratic dialog, action-science dialog, and action-inquiry dialog. As illustrated in the cases, double-loop dialog method can be very effective in helping us learn from each other about the ethical. In addition, double-loop dialog can sometimes help us build and/or sustain ethical organizational culture, both with respect to processes for considering ethical issues and ethical outcomes that can serve as precedents. Furthermore, double-loop dialogic method can sometimes result in belief conversions toward the ethical and not simply behavior change in response to fear of punishment or hope for rewards.

However, there are very important limitations to double-loop dialog, as with triple-loop dialog. The problem may not be one of understanding. People in organizations can already understand what is ethical but nonetheless act unethically for personal or organizational gain

or for fear of punishment. Also, some organization cultures discourage dialog; there may be very little opportunity for it. And dialog can be dangerous; initiating it can expose good people to retaliation just because they raised an ethical issue. How well can the politics of double-loop dialog address and overcome the obstacles to ethical organization behavior?

PROBLEMATICAL ENVIRONMENTS

Double-loop dialog methods focus on the frameworks, beliefs, and positions of individuals, not problematical environments. By definition, this method does not frame issues as inside problems with biases in a shared tradition, outside problems with a destructive environment that threatens to overwhelm internal ethical behavior, or cross-tradition problems with biases in different traditions.

That is, Socratic dialog iteratively considers the strengths and limitations of alternative positions and/or solutions. Action-science and action-inquiry methods frame the discussion around the positions advocated by individuals. The reasons those individuals might use to support their positions, and the reasons others might question those positions, can include aspects of problematical environments; but the focus of the action-learning remains the individual positions and alternatives rather than the inquiry about problematical environments.

For example, in the university financial aid budgeting case where Socratic method was used, several alternatives were iteratively developed and considered. The discussions never focused on potential biases within the university's tradition, differences between, for example, the faculty and staff traditions, or criticism of a potentially destructive government funding environment.

Similarly, in the Cadburys case where action-science method was used, Daniels' solution was advocated, illustrated with directly observable data, and publicly tested. The question of potential biases within the Somerdale tradition was never addressed, and the potential cross-tradition biases among the manufacturing, engineering, and marketing departments, workers, older employees, and recent employees were never discussed. Daniels did use as one of the reasons in support of his solution the deteriorating external competitive position of the company, but this difficult environment was not considered in relation to the company's tradition.

In the Tom's of Maine case, action-inquiry was effective in considering, criticizing, and then adopting the personal ethical vision of the CEO. The discussion was framed, in a sense, as competition between

this vision and standard business practice. What were not addressed in the discussion were potential biases with the Tom's tradition or potential cross-tradition biases among the older environmentally motivated employees and the newer more professionally oriented employees. Potential biases in the external environment that might not be favorable to the Tom's tradition were considered, but in relation to the position the CEO was advocating. This narrowed the inquiry somewhat relative to a more open-ended discussion of biases.

In these cases the double-loop methods were effective in solving the somewhat narrowly framed ethics problems. They were not considered in relation to the wider frames of internal tradition biases, cross-tradition biases, or the potential effects of an environment on the organization's ethical tradition. Sometimes this procedure is appropriate and it is not necessary to broaden the inquiry, or there may not be time to do so.

In the university case, the cross-tradition biases and tensions between academic and staff traditions remained unaddressed. In the Cadburys case, while Daniels was able to solve the ethics problem within his unit, his solution was not transferable to the organization as a whole until the triple-loop tradition biases of the outdated works council and the potentially destructive external environment of management-labor conflict were addressed. In the Tom's case, the tradition issues are still framed for the most part as for or against the founder's vision rather than such potential biases as cross-tradition differences between the different types of professional employees. For example, an internal tradition bias that the organization has had difficulty addressing is the power of the CEO's presence, which sometimes overwhelms discussion of issues that the CEO is personally not involved with.

Problematical Individual Archetypes

As already mentioned, the Phaedo archetype is an ideal candidate for the politics of either triple- or double-loop dialog, because he is intelligent and cares about the ethical, and with some dialogic help can understand what ethically appropriate behavior is.

What the Richard III, Socrates' Jailer, Faust, and Dr. Suguro types have in common is that they already understand what is ethical. Triple-loop dialog, if it reveals that the unethical behavior would either not succeed, be resisted, or punished, can sometimes also be effective. However, double-loop dialog, which focuses on individual perspectives, positions, and insights about what is ethical, is not likely to be effective with these archetypes, since they already understand what is ethical. Double-loop dialog is particularly appropriate with

ethically concerned individuals when the triple-loop tradition or environment is not a major problem.

SINGLE-LOOP WIN-WIN POLITICS

The single-loop win-win methods considered in chapter 5 include mutual gain negotiating, peaceful minimal coexistence, and persuasion. As illustrated in the cases, win-win method can be very effective in both solving the ethics problem and in building organizational co-operation. An important simultaneous strength and limitation of this method is that it can be effective without belief conversion among individuals who hold different driving values. People can agree to the ethical because of some other gain they are being offered, and this process can be particularly useful in cross-cultural situations where there are different or even contradictory values. On the other hand, win-win politics may not even consider or foster very much ethical organizational learning or culture development, since people do the ethical for rewards, not because it is ethical. How well can win-win politics address the obstacles to ethical organization behavior?

Cross-tradition Biases

Win-win method is potentially very strong with solving ethics problems involving cross-tradition biases, because it can bypass this obstacle. For example, in the Polaroid case, Polaroid was able to locate in the Latin American country without the required bribe. Within the Polaroid tradition, paying bribes to government officials is not acceptable behavior. However, within that country's government, especially its ministry of industry, such extortions were not uncommon.

The problem was solved without having to address the cross-cultural differences. Polaroid located outside the capital district, and the government official and his political party received credit for creating jobs in an economically distressed area. However, the extortion bias remained.

Was triple-loop dialog necessary in the child worker safety case, or should win-win politics have been used? The outcome was win-win, but the method was triple-loop dialog. Win-win method might also have solved the problem—or might not. The deconstructive and reconstructive moments both revealed the system-level complexities of the problem, which were beyond the control of the middle-level managers, and established the common ground and trust they needed to risk even addressing the issue, when it was clear that both of their distant American and Chinese bosses were not interested in the prob-

lem. Without such personal trust and understanding of how the biases in the system were causing the problem, it might not have been possible for the two individual managers to address and solve the problem.

Outside Problems with Destructive Environments

Win-win politics can be at least somewhat effective in the midst of destructive environments. In the midst of the very destructive Nazi environment, Schindler was able to save thirteen hundred Jewish prisoner-workers and their families, but it is unlikely that this method would have been effective if used on a large enough scale for the higher Nazi authorities to notice and worry about it.

Similarly, in the Latin American banking industry case, in an environment of political extortion and corruption win-win method was somewhat effective. The chairman of the board wanted the board members to buy a building from himself at an inflated price, which violated that country's banking law, but was also common practice in part of the industry. The one board member persuaded them to purchase the property based on objective outside assessment so as not to be held criminally liable, thus the chairman was able to sell the property at a high price and the board members did not violate the law. There appears to have been less change in concern for the ethical than concern about getting caught; and the chairman did not appear to reform. Deals can be win-win, illegal, and unethical. Similarly, in the G.E. and Roche price fixing and market allocation cases, the deals were win-win for the companies but also violated American and European antitrust laws.

The Middle East win-win, minimal peaceful coexistence deals also appear to be an improvement relative to the even more destructive war situations. While neither of these situations might be called positive, reducing negatives and reducing mutual destructiveness is, in a sense, a win-win improvement. However, there appears to be relatively little belief conversion; the mutual antagonisms, hatreds, and struggle for land in the disputed territories continue.

Inside Problems with Shared Tradition Biases

Win-win method can help solve ethical problems entangled with shared internal tradition biases. For example, in the research company case, the strong bottom-line profitability and high response rate values of the company were entangled with what had become the standard practice of lying to respondents. What had started as a practice of occasionally cutting corners under pressure had become standard practice and part of the organization tradition. Win-win method

was able to change this behavior without addressing the ethics issue. The call-back method produced just about the same results as the lying method. However, since the ethics issue was never addressed, there remains the same potential for similarly unethical behavior if the call-back method should falter in producing comparable response rates.

Similarly, in the sexual harassment case at the California brokerage firm, win-win method appears to have been at least somewhat effective in changing at least a behavioral, if not a belief, bias in the firm's internal tradition (Jacobs, 1994).

The executive vice president admitted that he had left a condom on Helen Walters' desk, had used the terms "streetwalker" and "hooker" in addressing her in "banter," and had held a whip in front of her. In his defense he said that this "atmosphere" was "just the way it is" in trading rooms. It was just a way to "vent the stress" (Jacobs, 1994, pp. 1, 6). He said he was sorry if anyone was offended.

A witness who testified for his defense said that she too was offended by the atmosphere but had "learned to block it out" or leave the room. Another woman witness testifying for his defense said, "Indelicate behavior and indelicate language is really intrinsic to that environment."

The industry arbitrators acquitted him in significant part because the locker room atmosphere, the negative bias, was characteristic of trading rooms. He was later promoted to CEO of the firm.

Subsequent to the arbitration, there appears to have been something of a win-win solution. The organization shortly thereafter instituted a formal procedure for handling sexual harassment complaints. In addition, the locker room atmosphere appears to have reformed and the executive's "bantering" language improved. The negative bias in the trading room tradition with respect to sexually harassing language and behavior appears to have reformed significantly. However, this solution was not completely win-win. Helen Walters left the firm with no compensation for her suffering.

Phaedo

With the Phadedo there is generally no need to engage in win-win politics instead of dialogic politics, because he is reasonably intelligent and cares about the ethical, and through dialog can learn about what is more and less ethical. However, one might use win-win politics with him if there was no opportunity or not enough time to have a dialog.

This is not an uncommon problem. Sometimes it is easier and faster to trade than to have a dialog. Sometimes the issue is pressing and there is only enough time for deal-making. In other situations there can be political space for deal-making, but not dialog.

Eichmann

Win-win politics often work well with the Eichmann, who wants to be efficient; if a deal can be constructed that helps his efficiency, it is attractive to him. If the deal also furthers the ethical, as long as it does not detract from his efficiency, it is acceptable.

For example, in the Elkhorn case, the financial managers from the New York corporate headquarters didn't want to hear about environmental and community life issues. Nonetheless, when the factory manager was able to construct a cost-cutting plan that met the financial criteria, the deal was acceptable. However, the key limitation of win-win politics with an Eichmann is that if a win-win deal can't be constructed that meets the efficiency criteria, the ethical loses.

Richard III

Win-win politics can sometimes also work with the Richard III archetype, who is primarily concerned with personal gain. While "evil be thou my good" is characteristic of this archetype, if one can construct a deal such that "ethical be thou my good," he is not opposed. The Richard III is for the unethical not for its own sake, but simply to the extent that he can gain from it. If he can gain from the ethical, that is okay too.

However, since the Richard III is essentially unethical, one has to be very careful in making deals with such a person. If it is to his gain to break an agreement or not live up to the terms of an agreement, he does what is in his interest. At a minimum, precautions such as performance bonds and other forms of security and verification need to be built into any agreements with this type of person.

For example, on a grand scale Hitler and Stalin made a win-win alliance with each other that for a while worked for both their benefits. However, it was not too long before they both broke their agreements. Similarly, Stalin broke many of the postwar agreements that Churchill and Roosevelt made with him, when it was convenient to do so.

On a more modest but not insubstantial scale, the Japanese trucking company Tokyo Sagawa Kyubin made large payoffs to Japanese politicians to help it get new routes and new areas in the heavily regulated parcel delivery industry (Sterngold, 1992). The company also made what it thought was a win-win deal with the Japanese Mafia. With the help of Japanese gangsters, at least one hundred thirty members of the Japanese parliament received payments of about thirty million dollars.

In exchange for the help of the gangsters, the company was giving them a chance to participate in legitimate business and get out

of organized crime. The company also made win-win deals with them whereby it made low-interest loans to them for their expansion into legitimate business, in exchange for their help. The executives thought they had a win-win deal with the politicians and the gangsters. The politicians did help the company get the routes and areas it wanted. However, the gangsters did not pay back any of the loans, which totalled about one billion dollars. Several executives from the company were eventually arrested and are serving jail terms.

Socrates' Jailer

A characteristic of the Socrates' Jailer is a type of win-win deal. The Jailer, who knows it is unethical to do so, implements the unethical behavior in order to avoid punishment. The unethical policymaker wins in the sense that the Jailer implements the policy. The Jailer wins in the sense that he is not punished. Win-win deal-making can also be used with the Jailer for the ethical and to stop the unethical.

For example, in the Watergate prosecutions, it was common practice for the special prosecutor to offer lower-level implementers of unethical and illegal policies a win-win deal (Woodward and Bernstein, 1975). If they would testify against their policymaking bosses, they would either be punished less severely or not at all. As a result, they told the truth instead of lying and covering up the break-ins, invasion of privacy, obstruction of justice, violation of campaign finance laws, and nonenforcement of antitrust laws. Similarly, in the Italian "Partitocracy," the heads of the Socialist and Christian Democratic parties and well over five hundred CEOs were indicted and convicted through similar win-win deals with lower-level policy implementers.

Faust

The Faust makes what he believes are win-win deals, trading his soul to the devil for what he thinks are good ends. He trades what he believes are unethical means for ethical ends. From the Faust's perspective, he wins in the sense that he gets the worthwhile ends he wants. After experiencing the poisonous fruits of the win-win deal, he learns that what he thought was a win-win deal is really a win-lose deal, because worthwhile ends achieved through unethical means are poisoned.

Sometimes the Faust can be turned around by another type of win-win deal. For example, John Dean, the former White House counsel to President Nixon, describes his Faustlike experience as follows:

The excitement had my mind spinning. . . . I decided, as I had always known I would, that it was too great a chance to be turned down. . . . For a thousand days I would serve as counsel to the President. I soon learned that to make my way upward, into a position of confidence and influence, I had to travel downward through factional power plays, corruption and finally outright crimes. Although I would be rewarded for diligence, true advancement would come from doing those things which build a common bond of trust—or guilt—between me and my superiors. In the Nixon White House, these upward and downward paths diverged, yet joined, like prongs of a tuning fork pitched to a note of expediency. Slowly, steadily, I would climb toward the moral abyss of the President's inner circle until I finally fell into it, thinking I had made it to the top just as I began to realize I had actually touched bottom. (1976, pp. 30–31)

A win-win deal helped turn John Dean around; he made what he considered a win-win deal with the prosecutors and with himself in the Watergate scandals. He would testify against President Nixon. In exchange, he would receive both a reduced sentence and what he considered an opportunity for redemption. He explains, "I was the guy who had given his heart, body, and mind. . . . I had risen so high and fallen so low. If I were believed, I might put myself back together, I would have something to start with. If I were not, if I were rolled over by the power and deceit I had seen in politics, things could get even worse. I would begin to crack up, maybe go crazy" (1976, pp. 303–4).

Dr. Suguro

The Dr. Suguro implements behavior he knows is unethical because he believes that if he does not do it, someone else will. Sometimes win-win deals can be worked out to turn such behavior around. For example, in Bangladesh, two contractors that were making products for Levi Strauss were using child laborers in their factories. For the contractors, everyone in Bangladesh was doing it. It was not practical to be the only contractors not using child workers.

Levi Strauss was able to work out a win-win deal with the contractors and the families of the children. The contractors agreed to pay the children their wages while they went to school instead of working in the factories. After they graduated, at age fourteen, they would be hired by the contractors. Levi Strauss paid the bill for their books, tuition, and uniforms. Walter Hass, the chairman and CEO of Levi Strauss, believes this deal is also a win for Levi Strauss. He explains, "In today's world, a TV expose on working conditions can undo years of effort to build brand loyalty. Why squander your investment when, with commitment, reputational problems can be prevented" (Mitchell and Oneal, 1994, p. 52).

THE SINGLE-LOOP POLITICS OF WIN-LOSE FORCING

The single-loop politics of win-lose forcing may be the most common approach for doing ethics in organizations. In many organizations top managers unilaterally write ethics rules and then use punishments to force compliance. As discussed in chapter 4, the mirror image of the top-down Ethics General is the bottom-up Ethics Guerilla. Both try to force others to do what they believe is ethical or stop doing what they believe is unethical.

The key strength of a politics of forcing is its short-run behavioral effectiveness. This can be very important, particularly in emergency situations. Another key strength of forcing methods such as secret whistle-blowing or secret threats to blow the whistle is that they can be relatively safe for the users. This can be very important as there is an enormous amount of evidence that organizations do retaliate against employees who raise ethical issues that might hinder the attainment of organization objectives or the objectives of powerful people within organizations. A further strength of forcing method is that it focuses on behavior—and lack of understanding is often not the problem.

However, there are also important problems with a politics of forcing. A key problem is the method's destructiveness. The foundational reason for being of organization is that we can do more through voluntary cooperation than we can do separately and atomistically; the politics of forcing can hurt such voluntary cooperation.

Another very important limitation of the politics of single-loop forcing, as of single-loop win-win politics, is that single-loop method does not give us the opportunity to learn with others about what is more and less ethical. Single-loop forcing can teach narrow, routinized, unthinking compliance more than individual or organizational ethical learning. When this happens, as the power changes, behavior changes. Might makes right. Also, if we want other "wrong" people, who might be more powerful now or in the future than we are, to exercise self-restraint with respect to the use of force, then we may need to exercise self-restraint ourselves, even if we are "right."

How well can the politics of single-loop forcing address and overcome the obstacles to ethical organization behavior?

Cross-tradition Biases

It is difficult for the politics of win-lose forcing to overcome the complexity of cross-tradition biases, particularly when the cross-tradition biases are in two different countries. Win-win and dialog methods are often more effective in such situations.

For example, in the Asian child worker safety case, while the middle

managers could have used whistle blowing in the United States and Europe to expose the situation, they would not have been able to use such force as effectively in the Asian country.

Blowing the whistle to the press in the United States might have embarrassed the American retailer into trying to do something about the child workers being hurt by the acid washing process. Potential bad publicity and bad public image appears to have been a motivation for Levi Strauss addressing a similar problem in Bangladesh. In the United States there is more or less a free press, but this is not the case in most of the world. Since the Asian company was partly owned by a general, it is unlikely that the government would have permitted media criticism. It is not so easy to use force in the service of the ethical in foreign countries to overcome the mutual complexities of cross-tradition biases. Using force for the unethical is more common.

However, there are some cases where forcing method can work in a cross-tradition context in reforming biases in two different traditions simultaneously. For example, the Civil Rights Act of 1991 makes it illegal for United States companies to discriminate against women, including international discrimination. When there is an organization tradition against giving women opportunities to work internationally, blowing the whistle to the EEOC can force a company to change its behavior both in the United States and in a foreign country such as Japan or Saudi Arabia where it is common to discriminate against women with respect to managerial opportunities. For example, some Japanese clubs have made accommodations for American women and call them "honorary men."

Outside Problems with Destructive Environments

It is similarly difficult, but not impossible, for organizations to use forcing methods to solve ethical problems caused by destructive external environments. In a confrontational contest of force, destructive environmental forces usually are stronger than individual organizations who are trying to improve the ethical. For example, the U.S. Foreign Corrupt Practices Act is designed to force U.S. companies not to engage in corrupt practices internationally. However, the act is largely ineffective in environments where government extortion is systematic and pervasive. Organizations that believed that they had to pay bribes before the act simply have their local distributors, law firms, or partners pay them instead.

However, there have been some successes. For example, in several Mediterranean and Latin American countries it is common for tax inspectors to offer both domestic and foreign firms a tax deal that goes something like this: If the tax bill is five million dollars, the company

only has to pay three million dollars if it also gives the tax inspector one hundred thousand dollars. If the company refuses, then the tax inspector assesses the company's bill at six million dollars. A few companies have refused to pay the extortion. For a few years the tax inspectors took them to court to force them to pay the higher taxes. However, the companies persisted in fighting in court. Eventually, the tax inspectors found that it was more trouble than it was worth to keep taking them to court to pay the higher than legally required tax bills. However, none of the companies feel secure enough in this success to be willing to allow themselves or the countries involved to be named.

Similarly, William Schwartzkopf had some success in changing an unethical and traditional industry practice with a win-lose method. It was common in the large-scale electrical contracting industry to rig bids. Schwartzkopf, as general counsel of Commonwealth Electric, secretly blew the whistle to the Justice Department. Several companies and managers were convicted and the companies have paid over twenty million dollars in fines. Apparently, the traditional practice of bid rigging in the industry has stopped.

Browning-Ferris Industries, Inc. has had some success using win-lose forcing methods to break into and reform the corrupt New York City commercial trash-hauling business where market allocation, price fixing, and organized crime are important factors (Bailey, 1993). With the invitation and protection of federal and city government officials, the company has entered the market and is gaining market share—not without great difficulty, however.

For example, executives of the company have been the targets of intimidation tactics. One executive had a dog's severed head dumped on the doorstep of his family's home. Trash collectors who would not participate in price fixing have been murdered. The company has had to send armed guards on its trucks. Nonetheless, with the help of prosecutions by the city and federal government as well as extensive police protection, the company is increasing its market share honestly without participating in price fixing or market allocation.

Inside Problems with Shared Tradition Biases

The single-loop politics of win-lose forcing can be very effective in addressing internal organization problems with shared tradition biases. It is also a very common approach. For example, many organizations found that in traditional male occupations there was often something of a locker room atmosphere that women felt was an unfair and even hostile condition of work, both offensive and a hindrance to their work performance. A common top-down, win-lose solution to this type of bias problem was used by a Boston public utility. With the

support of the CEO, the human resources director sent a compliance order to all the supervisors and employees in the repair and maintenance areas. The order included punishment warnings of suspensions and dismissals; it prohibited, for example, the use of offensive language, offensive jokes, offensive photographs, offensive T-shirts, and so forth. Subsequently, a few employees were suspended and one was fired. After that, the locker room atmosphere improved.

Bottom-up, win-lose tactics can be similarly effective in addressing shared tradition biases. For example, in the Boston insurance company case related in chapter 4, it was part of the company's sales tradition to misrepresent the cost of whole life insurance relative to term life insurance. This type of misrepresentation had been going on for at least thirty-five years. There was no one in the office who remembered when it was not done. It was not until one salesman sent the anonymous note to the sales vice president threatening to send incriminating evidence to the Boston *Globe* and the Massachusetts insurance commissioner that the bias was corrected, at least for a while.

Similarly, whistle-blowing helped stop what had become a common practice of workers in a factory that manufactured heart valves—falsely certifying that repair work was done when it was not done (Carley, 1991). Over five hundred defective heart valves were placed in patients' hearts. As of 1993, thirty-two of them have broken and at least twenty people have died. There appear to have been biases in the organization's production system that involved pressures to meet production goals and workers who did not understand what they were supposed to do. Part of the problem was that the company hired several Mexican and Vietnamese immigrants whose English was not good enough to understand the repair instructions. Apparently, it was very difficult to reweld cracks in the valves. Instead workers polished the cracks so that they could not be seen and falsified the records to indicate that the parts were repaired.

Richard III

The politics of win-lose forcing may be the only type of politics that really works with the Richard III. Since he already knows what is ethical and unethical and chooses the unethical for personal unethical gain, there is little point to either double or triple-loop dialog with him. Sometimes he responds positively to win-win politics, but when it is in his interest to do so he breaks the win-win deal. He cannot be trusted to live up to win-win agreements unless there are strong win-lose sanctions attached to violations. However, the politics of win-lose

forcing, directly applies or indirectly applied through win-lose due-process systems, can be effective.

It was win-lose whistle blowing, backed up with prosecution, that stopped the French National Health Service and the Pasteur Institute from distributing AIDS-contaminated blood that the top officials knew was contaminated. It was win-lose whistle blowing backed up by threat of impeachment and conviction that stopped President Nixon from continuing to break laws with respect to obstruction of justice, privacy, campaign finance, and antitrust enforcement. It was win-lose whistle blowing, backed up by the threat of criminal prosecution, that stopped Bard Company from continuing to market heart catheters they knew were defective. It was Federal antitrust prosecution that stopped G.E. from engaging in price fixing and market allocation.

Ultimately, it was win-lose method that stopped Nero, Richard III, Napoleon, Mussolini, Hitler, Mengele, and the many postwar central European and third world dictators. While the Richard III archetype is relatively rare, he can be enormously powerful, intelligent, courageous, relentless, and destructive. Sometimes, there is no effective method other than single-loop, single-minded, win-lose forcing for stopping a Richard III. On the other hand, sometimes there are no effective politics for stopping this type, as was the case with Alexander, Tiberius, Genghis Khan, Elizabeth I, Cromwell, Franco, Stalin, and the many country and organization dictators that prosper and survive to their more or less natural deaths. Success for the ethical is far from inevitable.

Eichmann

The Eichmann responds more to top-down than bottom-up win-lose method. He is interested primarily in efficiently implementing policies received from above and does not think about the ethical dimensions of those policies. He responds relatively easily to changes in orders, because it does not matter to him whether the orders are ethical or unethical, as long as they are coming from authority. If upper management chooses to order the ethical, that is fine with him.

However, from his perspective, bottom-up pressure is illegitimate even if it is for the ethical. For example, according to John McCormick, the former head of the Forest Service's whistle-blower program, "The Forest Service simply does not tolerate freedom of dissent; 'whistle-blower' is a four-letter word. The agency has become comfortable with lying to the public, ignoring long-festering problems and servicing the timber industry as Government agents of environmental destruction rather than environmental protection. . . . As long as

the whistle-blower system at the Forest Service absorbs employee concerns rather than acting on them responsibly, the pattern of lawlessness will continue" (McCormick, 1992, p. 37).

Apparently, whistle-blowers bring to the attention of middle- and lower-level managers many instances of unethical and illegal behavior. Nonetheless, the middle- and lower-level managers do not pay any attention to the whistle blowing unless directed to do so by upper-level management. The middle- and lower-level managers continue to implement the illegal and unethical orders until told to do otherwise by upper-level managers.

Socrates' Jailer

Win-lose method works quite well with the Socrates' Jailer archetype, who implements the unethical because of fear of punishment. If he fears that he will be punished for implementing the unethical, then he will help with the ethical. This is a familiar technique used by investigators and prosecutors in getting lower-level employees to cooperate with investigations against their organizations and upper-level managers.

For example, the EPA has found that some middle managers help cover up hazardous waste dumping by their organizations because they are afraid that if they cooperate with the EPA, their bosses may punish them. EPA investigators sometimes threaten middle-level managers with personal criminal prosecution and a likely jail term if they do not cooperate with the EPA. The EPA investigators have found that sometimes when middle managers are more afraid of the EPA than their companies, they help the EPA locate hazardous waste locations (EPA, 1988).

Italian prosecutors go even further. Lower-level employees and managers who at first refused to cooperate with the "Partitocracy" investigators for fear of being punished by high-level executives and politicians were put in jail by the Italian magistrates. Literally hundreds of these lower- and middle-level managers were not released from jail until they agreed to give the magistrates and investigators the information they needed.

Phaedo

As with win-win politics, with the Phaedo there is generally no need to engage in win-lose politics instead of dialogic politics. With some dialogic help the Phaedo can understand what is ethical and unethical and based on that better understanding will help with the ethical. It is generally not necessary to use force with him. Exceptions might be if

there was no opportunity or not enough time to have a dialog with him.

For example, in the case of the country where the government practices torture, the head of the psychiatric department of the country's highest forensic agency, with the help of the international doctors, was able to question the ethics of not reporting evidence of torture. However, while he was considering the ethical question, and before he had the opportunity to discuss the issue with the international doctors, the torturing and killing of political prisoners continued. Win-lose whistle blowing to the international press might have helped the situation.

Similarly, the university president, with the help of outside criticism of the practice of not having open bidding for contracts performed by board members, was able to rethink and conclude that an open bid process was more appropriate. However, if someone had blown the whistle about the practice years earlier, the closed bidding process for companies the trustees were affiliated with might have been critically examined and stopped much sooner.

Faust

Win-lose politics can also be effective with the Faust. Win-lose politics can increase the costs of obtaining ethical ends through unethical means; if the costs are high enough, the unethical trade may be unattractive, and the Faust may consider the costs too high relative to the benefits.

For example, if someone had anonymously threatened to blow the whistle about the Cincinnati telephone company helping Procter and Gamble obtain the phone records of people from Cincinnati who were making telephone calls to the *Wall Street Journal*, the phone company might not have tried to help Procter and Gamble in this way.

Similarly, in the G.E. Bill Wiggins case, Wiggins falsified workers' time cards in an effort to protect jobs and keep his plant open. If someone had anonymously threatened to blow the whistle about this practice, he probably would not have used this unethical method. The costs of his being exposed for falsifying time cards probably would have outweighed the potential benefits to him of keeping the plant open.

Dr. Suguro

The Dr. Suguro implements what he believes is unethical because he thinks that if he doesn't do it, someone else will. That calculation can be changed by win-lose method. If the win-lose method

can prevent others from also implementing the unethical behavior, then it is not true that someone else will automatically do the unethical.

For example, David Buckley, a representative of small appliance manufacturers, says he paid kickbacks to Jim Locker, a J. C. Penney company buyer who had won several awards from J. C. Penney as their "Buyer of the Year." He says he paid the kickbacks because "If I had not paid him and he pulled the line as he had threatened, I'd have gone out of business." He would have just bought the small appliances from someone else who would pay the kickbacks. He also said that he did not blow the whistle on Locker to J. C. Penney because it would have been "my word against the Buyer of the Year, the shining star" (Gerlin, 1995).

However, other manufacturers' representatives did blow the whistle anonymously to J. C. Penney. J. C. Penney, with the help of federal authorities, did investigate and prosecute Locker, who then confessed to demanding and taking kickbacks. Buckley's estimate that someone else would automatically pay the kickbacks if he didn't was wrong and was stopped by win-lose method.

THE POLITICS OF INTERNAL DUE-PROCESS SYSTEMS

As illustrated and discussed in chapter 10, there are at least four different types of internal due-process systems: investigation-punishment, grievance arbitration, mediator-counselor, and employee board. The investigation-punishment and grievance arbitration systems are forms of single-loop politics in the sense that they for the most part investigate, punish, and control deviations from current ethics policies. Mediator-counselor and employee board systems can be both double- and triple-loop. The mediator-counselor and employee board systems more and less, depending upon the organization, permit discussion, criticism and reform of ethical policies and potential policy biases in organization tradition systems.

For the most part, internal due-process systems have the same strengths and limitations as other forms of single-, double-, and triple-loop politics in dealing with the individual and internal tradition-system obstacles to ethical organization behavior.

While there is hope for and optimism about the potential development of wide-ranging, effective, and fair due-process systems, we are far from that reality. While there is much reason for optimism with respect to the potential growth of employee board with arbitration systems, the reality is that such systems are rare. Effective ethics ma-

chines are neither common nor on any near horizon. Therefore, for most people in most organizations, the range of political alternatives continues to lie with individuals acting and learning with each other in the limited political space available to us. The individual-based single-, double-, and triple-loop methods remain foundational.