

## **Ethical Behavior in Business**



#### Ethical Behavior in Business

# Psychological Foundations of Moral Judgment and Behavior

## Learning Objectives



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- Understand the psychological foundations of moral judgment and behavior.
- Explore the differences between normative and descriptive views of ethics.
- Analyze the role of intuition and reasoning in moral decision-making.
- Examine the Moral Foundations Theory and its application in business contexts.
- Investigate the impact of cultural and societal differences on moral judgments.

### Two Perspectives on Ethics



#### Normative View

- What is an (un)ethical decision?
- How should people behave?
- What is an ethical business?

What defines goodness?

Now: Descriptive View

## Descriptive Ethics: Moral Judgment vs. Behavioral Ethics



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Moral Judgment	Behavioral Ethics
How do people judge?	How do people act?

- Empirical research field: Identify patterns in how people make moral decisions and judgments
- Theoretical research field: Describe and formalize these patterns in models
- Part of psychology (moral psychology), but also economics (behavioral economics), and philosophy (experimental philosophy)
- Experiments play a crucial role in generating insights

## What are moral judgments?



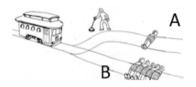
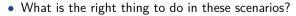


Figure: Trolley Problem



• Which action is more moral?



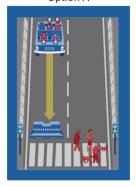
Figure: Bridge Problem

## Application: Self-driving Cars



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Option A



Option B



#### Discussion

What should the car do in this situation?



Judgments in moral dilemma situations are not just thought experiments. Judgments can significantly influence decisions, even modern ones, for example in companies.

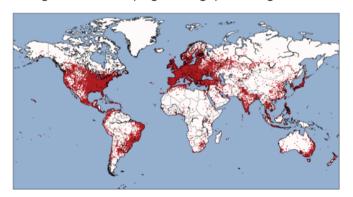
A widely discussed study used judgments in moral dilemma situations to learn more about how self-driving cars should be programmed to "act morally." For this, the study asked people what a self-driving car should do when a fatal accident can no longer be avoided. Here is an example: A car is approaching a crosswalk with people on it and can no longer brake. There are two options: A: The car drives straight into a barrier, killing all the occupants of the vehicle. B: The car swerves and runs over the pedestrians on the crosswalk. What should the car do?

The authors varied the situation in many ways: Whether the car has to swerve for a certain consequence or go straight (moving the barrier from left to right) Who and how many people are in the car Here: adult woman, a baby, an adult man, a child (boy) Who and how many people are on the crosswalk Here: homeless person, a jogger, an old man, a dog, and a cat Whether the traffic light is red or green

### The Moral Machine Experiment

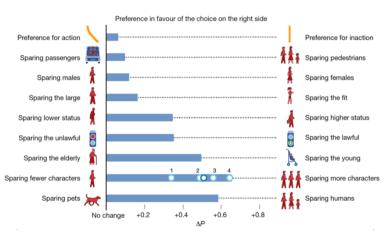


- Over 40 million decisions collected in 233 countries ("mega study")
- Goal: Contribute to the development of globally acceptable principles for machine ethics
- Likely influences: Legislation, actual programming, purchasing decisions



### The Moral Machine Experiment: Results





## Business Ethics Ethical Behavior in Business Psychological Foundations of Moral Judgment and Behavior The Moral Machine Experiment: Results



- Let's dive into the main results of the Moral Machine Experiment and explore the graphic in detail.
- The graphic illustrates the fundamental decision criteria varied in the study and their influence on moral judgments.

#### How to interpret the graphic:

- On the left and right, you see opposing decision criteria (e.g., saving animals vs. saving humans).
- The blue bar represents the additional probability (Delta P; percentage points) that participants would choose the action on the right side.
- Example: At the bottom, saving humans is preferred over saving animals by 60 percentage points.

#### Key findings:

- Strong consensus on utilitarian tendencies:
  - · Saving humans over animals.
  - Saving more people rather than fewer.
  - · Saving young people rather than old people.
- Key findings (continued):

## The Moral Machine Experiment: Key Findings



#### **Important Insights**

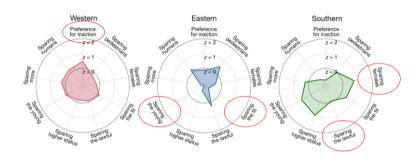
- Utilitarian tendencies: Most people prefer actions that
  - o save humans over animals.
  - o save more rather than fewer.
  - o save the **young** rather than the old.

#### **Controversial Preferences**

- Women preferred over men
- **Fit/slim** over unfit/overweight
- Higher social status (businessperson) over lower (homeless)
- Law-abiding (green light) over law-breaking (red light)

## Regional Differences in the Moral Machine Experiment





- **Key question:** Is it possible to find a global consensus on machine ethics?
- Further question: Do moral judgments translate into actual behavior? (see Bonnefon, Shariff, Rahwan, Science 2016)

## Business Ethics Ethical Behavior in Business Psychological Foundations of Moral Judgment and Behavior Regional Differences in the Moral Machine Experiment



- Western = Western Hemisphere (Europe/North America)
- Eastern = Asia
- Southern = Global South
- Strong regional differences in moral preferences:
  - Western countries: stronger preference for inaction ("Kantianism")
  - Asia: less preference for saving the young/fit over old/unfit; more respect for elders
  - Global South: stronger preference for protecting women; less punishment for rule-breaking
- Raises questions:
  - Is a global consensus on machine ethics possible?
  - Should cars be programmed differently by country? Is that ethical?
- Anecdote: People judge that cars should act utilitarian, but most would not buy a car that could sacrifice its owner.



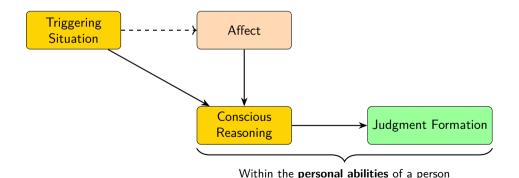
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## **Psychological Foundations**

#### Rationalist Models

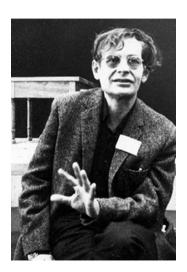


- First models emerged during the "cognitive revolution" in psychology (1950s–1980s)
- Key proponents: Lawrence Kohlberg (1927–1987), James Rest (1941–1999)
- Models emphasize the rational judgment abilities of humans



## Lawrence Kohlberg (1927 – 1987)





- Are moral judgments determined by:
  - Authorities? / Conventions?or
  - Principles of individuals?

## Six Stages of Moral Development (Level 1)



#### I. Pre-conventional level – punishment and rewards, self-interest

#### 1. Orientation on punishment and obedience (infancy)

- o Physical consequences of an action determine its appropriateness.
- No difference between doing the right thing and avoiding punishment or striving for a reward.

#### 2. Instrumental, relativistic orientation (pre-school)

- o Instrumental exchange actions that serve own well-being are good.
- The well-being of others is only relevant in so far as it contributes to one's own well-being (pragmatic fairness).
- No intrinsic loyalty, gratefulness, justice.

## Six Stages of Moral Development (Level 2)



#### II. Conventional level - fulfilment of expectations, conformity, family focus

#### 3. Conformity, interpersonal accord orientation (school-age)

- Actions are good when they lead to social recognition and stabilize social groups (family, state, religious communities).
- Effort is made to maintain friendly relations with other members of in-groups.

#### 4. Authority and law orientation (school-age)

- The individual is oriented on authorities, fixed rules, and social order.
- Behavior is considered good if it is in accordance with duty, respect of authorities, and perseverance of social order as such.
- o Interpersonal accord is expanded to include the entire society.

## Six Stages of Moral Development (Level 3)



#### III. Post-conventional level – autonomy and principles

#### 5. Social contract orientation (teens)

- Behavior is good if it results from critical reflection about the well-being of oneself and others.
- The relativity of individual values is acknowledged as well as the benefits from procedural justice to achieve consent.
- What is morally good goes beyond legal norms and is judged on the basis of social consequences.

#### 6. Universal ethical principles (adulthood)

- What is right is determined by the individual conscience based on self-chosen (abstract, universal) ethical principles, aiming at logical plausibility.
- Universal principles of justice, reciprocity, human dignity, and respect for the dignity of the individual are assumed.
- The individual tries to take an overarching perspective ("veil of ignorance").

## Heinz's Dilemma (Kohlberg 1963)



#### The Scenario

A woman is dying of a rare form of cancer. There exists one drug that could save her, but the druggist is charging ten times its production cost—far more than her husband Heinz can afford, even after seeking help from friends and family. Desperate, Heinz breaks into the store to steal the drug for his wife.

#### Discussion with Your Neighbor

- Should Heinz have stolen the drug? Should he go to prison?
- Would your answer change if Heinz did not love his wife?
- Discuss: Consider how people at each of Kohlberg's stages of moral development might reason about this dilemma.
- Be prepared to share your thoughts with the group.

## "Four-Component" Model by Rest (1983)



#### Background

James Rest (1941–1999) further developed Kohlberg's approach to classify people according to their moral judgment behavior.

**Standardized questionnaire:** Defining Issues Test (DIT)

Rest describes a practical decision-making model whose process can be applied to morally relevant situations.

According to Rest, the four components of the model can be learned and developed throughout life



- Moral Awareness Recognizing moral problems
- Moral Judgment Forming judgments and identifying need for action
- Moral Motivation Willingness to change or to act
- 4. **Moral Character** Developing a moral character

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"Four-Component" Model by Rest (1983)

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"Four-Component" Model by Rest (1983)

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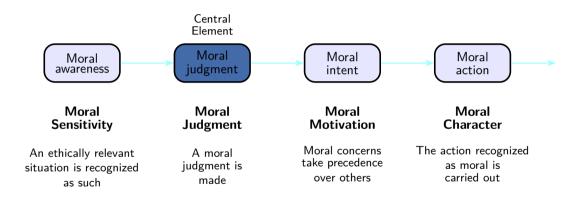
  4. Moral Character Developing a moral

#### Key points (Sprechpunkte):

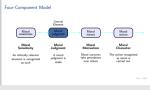
- Each component is conceptually distinct; success in one does not guarantee success in another.
- Example: A person with strong moral judgment (2) may lack motivation to act morally (3).
- Different people can be "experts" in different components:
  - Moral Awareness: Quickly recognize and interpret moral situations.
  - Moral Judgment: Skilled at solving complex moral problems.
  - Moral Motivation: Able to stay focused on ethical goals and take necessary action.
  - Moral Character: Cultivate an ethical identity and prioritize ethical goals.
- All components can be learned and developed.
- Like Kohlberg, Rest suggests possible developmental stages toward higher rational morality.

### Four-Component Model





# Business Ethics —Ethical Behavior in Business —Psychological Foundations —Four-Component Model



Often, the "Four-Component" model is also presented as a flowchart.

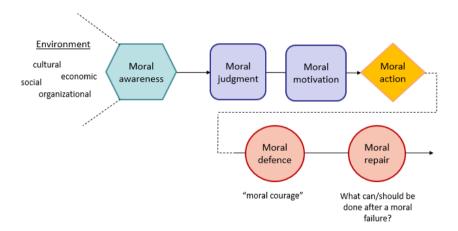
In this representation, the model emphasizes the different steps necessary for moral action.

#### Key points (Sprechpunkte):

- The central element remains moral judgment, as Rest derives action and its steps from this (following the Kohlberg method).
- Most empirical research within this model focuses either on component 2 (moral judgment) or on the relationship between components 2 and 4 (judgment and action).
- The model is rational and character-centered:
  - Each step asks what kind of personality an individual must have in order to rationally make the right judgment and act accordingly.

## Rest's Four-Component Model: Extensions and Environment WHU





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Rest's Four-Component Model: Extensions and Environment



Rest's model is extremely influential and there are many extensions of it, which I will not discuss in detail here.

It is important to emphasize that such flowcharts (whether interpreted rationally or not) can help to:

- Systematize possible moral actions
- Break down moral behavior into different components

This alone can be very valuable, as it helps us understand:

- Where we might intervene to strengthen moral behavior
- How to avoid immoral behavior

Whenever we discuss an ethical failure, scandal, or case study in this course, you should return to this slide and ask yourself:

Where in the process did something go wrong, and why?

## Two Stories: Moral Judgment vs. Moral Action



#### Story 1

A person is very curious about what it feels like to kill another human being. Therefore, they kill someone and are happy because now they know how it feels.

#### Story 2

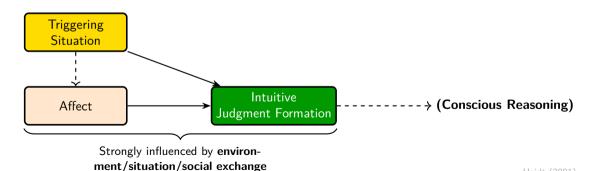
An entrepreneur falsifies the accounts of their company. When the fraud is discovered, many small investors lose all their savings. One of the investors then punches the entrepreneur in the face, breaking their nose.

Did you have to think before making your moral judgment, or was it immediately clear to you what the morally right decision is?

#### Intuitionist Models



- In recent years, there has been an "affective (emotion-focused) revolution" in the psychology of moral judgment (1990s today)
- Key proponents: Joshua Greene (Harvard), Jonathan Haidt (NYU)
- Newer models emphasize the intuitive character of moral judgments



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- A situation (e.g., a moral dilemma) often triggers a direct intuitive reaction and an immediate moral judgment.
- This judgment may later be confirmed or revised through a process of conscious reasoning.
- These models assume that morality is a social construct.
- Therefore, the environment, the situation, and social interaction with others are important parts of moral judgment.
- Personal character traits are less emphasized.
- Moral judgment is thus socially learned and part of societal deliberation, but not necessarily individually learned.

## "Dual-Process Theory" of Moral Judgment



#### Depending on the situation, moral judgments are guided by two different psychological systems:

- System I (intuitive/emotional system):
  - Judgments are uncontrolled, non-calculating, emotional.
  - Reactions occur spontaneously, immediately, and intuitively.
  - These reactions seem to dominate conscious moral reasoning and judgment.
- System II (rational system):
  - Judgments are controlled, calculating, deliberate, unemotional.
  - o Problems are considered from a utilitarian perspective.



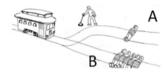
Joshua Greene (Harvard University)

Greene (2007). Trends in Cognitive Sciences, 11(10), 517-523.

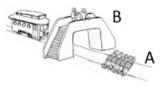
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## Dual-Process-Theory of moral judgements





Impersonal: Trolley Problem



Personal: Bridge Problem

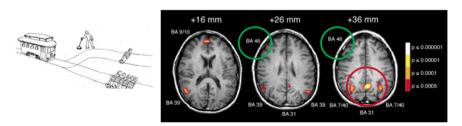


(Greene et al., 2001)

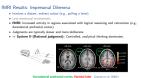
## fMRI Results: Impersonal Dilemma



- Involves a distant, indirect action (e.g., pulling a lever).
- Less emotional involvement
- **fMRI:** Increased activity in regions associated with logical reasoning and calculation (e.g., dorsolateral prefrontal cortex).
- Judgments are typically slower and more deliberate.
- **System II (Rational judgment):** Controlled, analytical thinking dominates.



Dorsolateral prefrontal cortex, Parietal lobe Greene et. al. (2001)

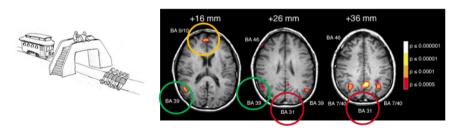


Was Sie herausfanden, ist, dass Das Trambahn-Problem hauptsächlich Regionen im Gehirn aktiviert, die bei rationalem Denkem verwendet werden. Die Urteile waren auch typischerweise langsamer und utiltaristischer.

#### fMRI Results: Personal Dilemma



- Involves a direct, personal action (e.g., pushing a person).
- Much stronger emotional involvement.
- fMRI: Increased activity in brain regions associated with emotion processing.
- Judgments are typically fast, automatic, and driven by gut feeling.
- **System I (Intuitive-emotional judgment):** Emotional, instinctive reactions dominate.



Superior temporal sulcus, Inferior parietal lobe, Medial frontal gyrus, Posterior cingulate gyrus Greene et al. (2001)

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—Psychological Foundations
—fMRI Results: Personal Dilemma

MRI Results: Personal Diference

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Während im Brücken-Problem hauptsächlich Regionen im Gehirn aktiviert werden, die für Emotionen zuständig sind. Die Urteile waren auch typischerweise schneller und weniger utiltaristisch (weniger rechnerisch).

Was die Autoren damit zeigen konnten, ist das tatsächlich unterschiedliche Situationen unterschiedliche Systeme im Gehirn aktivieren und dass es sowohl rationale und intuitive oder emotionale Urteile geben kann. "persönliche" Dilemma lösen Emotionen und damit intuitive Urteile aus (System I) "unpersönliche" Dilemma lösen rechnerische, rationale Urteile aus (System II)

## Moral Heuristics: Fast Intuitive Rules



#### What are Moral Heuristics?

- **Moral heuristics** are simple rules or principles—learned evolutionarily or socially—that guide quick, intuitive moral judgments.
- They provide immediate answers to ethical questions without deliberate reasoning.

#### **Examples:**

- Cold-heart heuristic: "Never knowingly cause a death."
- Action heuristic: "Do not harm anyone."
- Betrayal heuristic: "Punish abused trust."

- Nature heuristic: "Do not tamper with nature."
- Fee heuristic: "Do not let yourself be bought for unethical behavior."

#### Examples:

- Cold-heart heuristic: "Never knowingly cause a death."

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Moral Heuristics: East Intuitive Rules

- Fee heuristic: "Do not let yourself be bought for unethical behavior."
- Heuristics offer quick and simple solutions to ethical problems, but can sometimes fail in complex situations.
- People with different ethical theories (e.g., utilitarianism, deontology) may still use similar heuristics in practice.

## Intuitive Judgments Can Be Revised



- Moral judgments often arise first from intuitive and socially learned reactions.
- These initial judgments can subsequently be:
  - Reflected upon
  - Rationalized
  - Shared
  - Changed
- Thus, intuitive judgments are not irreversible.



Jonathan Haidt (NYU)

2025-06-27

- · Moral indements often seize first from intuitive and socially learned coactions





- Intuitive judgments or heuristics are often good starting points, but should be reflected upon and rationalized afterward.
- This is the basis for Jonathan Haidt's "Social Intuitionist Model" of moral judgment.
- Key ideas of the model:
  - Humans are emotional and social beings.
  - Initial reactions are intuitive and socially learned.
  - Judgments can be confirmed or revised through social interaction and dialogue.
  - The model combines intuitionist and rational components.
- Haidt uses metaphors to illustrate the model:
  - "Emotional Dog and Its Rational Tail": Emotional reactions come first, rationalization follows.
  - The "elephant and rider" metaphor: Intuition (elephant) leads, reasoning (rider) follows and tries to justify or steer.

## The "Social Intuitionist Model"





### **Key Points**

- The dual-process model allows a person to **feel** that something is wrong without knowing why.
- Social Intuitionist Model:
  - Fast, intuitive reactions (System I) trigger initial moral judgments.
  - Slow, ex-post reasoning (System II) provides rational explanations.
  - o Social reflection: Judgments are further shaped by discussion and reflection with others.

Haidt (2001)

## Triggering Situation: Example



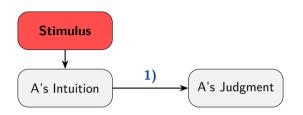
Stimulus

**Example:** A pharmaceutical company conducts a cost-benefit analysis. The result is that the cancer risk caused by a pesticide is assessed as extremely low. Developing an alternative product would cost 500 million euros. In contrast, 100 people worldwide are statistically expected to die as a result of using the pesticide.

The company decides to continue selling the existing pesticide and not to develop a healthier alternative.

## 1 Intuitive Judgment

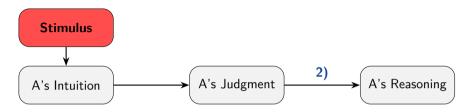




1) People use moral heuristics. Moral judgments arise automatically and effortlessly as the result of a moral intuition. A's judgment: "The company did something unethical!"

## 2) Post-Hoc Reasoning

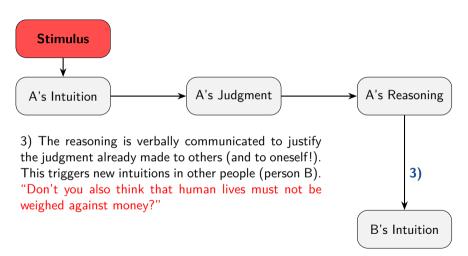




2) After a moral judgment has been made, moral reasoning is carried out through reflection. This is an effortful process in which a person searches for arguments to support the judgment already made. Post-hoc explanation for the judgment (why did I judge this way?): Human lives must not be weighed against money!

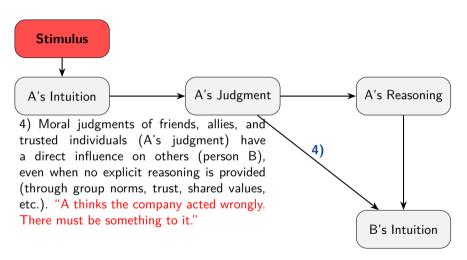
## 3) Reasoned Persuasion of Others





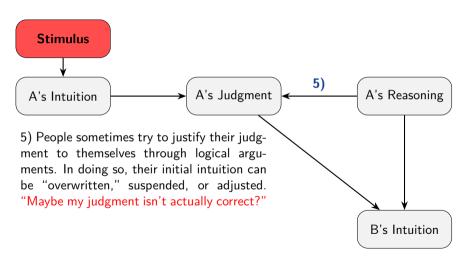
## 4) Social Persuasion of Others





## 5) Feedback from Reasoning to Judgment

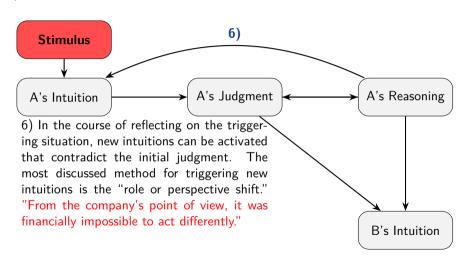




## 6) Private Reflection



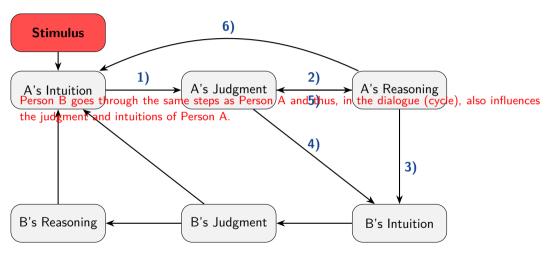
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## Overview of the Process



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## Key Takeaways: Social Intuitionist Model



- Rational deliberation (System II) is not the initial source of moral judgments.
- Moral judgments are not a single act in the mind of an individual, but an ongoing, time-spanning process that includes other people.
- Dialogue partners can help trigger multiple, potentially conflicting intuitions.
- When conflicting intuitions are triggered, the final moral judgment is likely to be more nuanced and ultimately more ethical.



## **Moral Foundations Theory**



## Moral Foundations Theory

# Is there morality beyond harm and fairness?

## What are Moral Dimensions?



#### Story 1

A woman is cleaning out her storage room and finds an old flag of her home country. She no longer needs the flag, so she cuts it up and uses it to clean her toilet. No one observes her doing this.

### Story 2

A family's dog was run over and killed by a car in front of their house. The family has heard that dog meat is very tasty, so they butcher the dog's body, cook the meat, and eat it for dinner. No one observes them doing this.

Are these even morally relevant categories? Which moral dimensions are affected here?

## Business Ethics Moral Foundations Theory Is there morality beyond harm and fairness? What are Moral Dimensions?



- Notice that neither story involves direct harm to another person—yet many people still react strongly.
- Ask: Why do these actions feel wrong to some, even if no one is hurt or offended?
- These cases challenge the idea that morality is only about harm or fairness—what other values might be at play?
- Consider: Are we dealing with issues of purity, respect for symbols, or cultural taboos?
- Invite the audience to reflect: Would your reaction change if these acts happened in a different country or culture?
- These examples set the stage for discussing broader moral foundations beyond harm and justice.

## W.E.I.R.D. - What Counts as a Moral Question?



- What kinds of guestions are actually moral guestions?
- Is killing a person a moral question?
- Is stealing a moral question?
- Is insulting someone a moral question?
- Is respect for elders a moral question?
- Is worshipping a god a moral question?
- Is patriotism a moral question?
- Is taking care of one's own health a moral question?
- . . .

Are all of these considered moral issues in every culture?

## W.E.I.R.D. Morality: A Narrow Focus?



- W.E.I.R.D. = Western, Educated, Industrialized, Rich, Democratic
- Moral systems of W.E.I.R.D. individuals focus on consequences and the protection of individuals from harm and exploitation.
- Examples: Utilitarianism, Kantian ethics

#### **But:**

The moral domain in most societies is broader:

- Group protection
- Respect for authority
- Traditions
- Purity and sanctity
- . . .

Morality is not just about harm and fairness—it can include loyalty, respect, and purity.

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Is there morality beyond harm and fairness?

W.E.I.R.D. Morality: A Narrow Focus?

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- W.E.I.R.D. stands for Western, Educated, Industrialized, Rich, Democratic—remind the audience this is a small slice of humanity.
- In these societies, moral debates often center on harm and fairness—think of debates about rights, justice, or equality.
- Utilitarianism and Kantian ethics are classic examples—focus on outcomes or universal rules.
- But: Is this the whole story? In many cultures, morality is much broader.
- Group protection—think of loyalty to family, tribe, or nation. Is betraying your group always just a personal choice?
- Respect for authority—why do some societies place such value on elders, leaders, or religious figures?
- Traditions—consider rituals, holidays, or customs that carry moral weight, even if no one is harmed.
- Purity and sanctity—taboos around food, sex, or cleanliness. Why do some acts feel "wrong" even if they don't hurt anyone?
- Emphasize: Morality is not universal—what counts as "moral" can vary dramatically across

## Moral Foundations Theory (MFT)



### Moral Foundations Theory

... proposes that human moral judgment is built upon a set of universal psychological systems—much like the basic tastes of sweet, sour, salty, bitter, and umami in our sense of taste. These foundational systems are shaped and elaborated differently across cultures, giving rise to diverse moral codes and values.

- MFT identifies five core moral foundations (Haidt & Joseph, 2004):
  - o Care/Harm: Sensitivity to the suffering of others and the motivation to care for them.
  - o Fairness/Cheating: Concerns about justice, and rights; aversion to cheating or exploitation.
  - Loyalty/Betrayal: Valuing allegiance to one's group, family, or nation, and sensitivity to betrayal.

Haidt & Joseph (2004)

## Business Ethics Moral Foundations Theory Is there morality beyond harm and fairness? Moral Foundations Theory (MFT)

Moral Foundations Thousy

... proposes that human moral judgment is built upon a set of universal psychological
systems—much like the buint tastes of words, ware, sales, bitter, and unsare in our sense
of tasts. These foundational systems are shaped and elaborated differently across cultures,
going rise to downer moral codes and values.

Moral Foundations Theory (MFT)

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- Start with the analogy: Compare moral foundations to basic tastes—this helps the audience visualize the idea of universal building blocks.
- Care/Harm: Use examples like helping a child in distress or protecting vulnerable individuals. Ask:
   Why do we feel compelled to help strangers?
- Fairness/Cheating: Mention fairness in sports or workplace ethics. Ask: Why does cheating evoke such strong reactions?
- Loyalty/Betrayal: Highlight examples like patriotism or loyalty to family. Ask: Why do betrayals feel so personal?
- Emphasize that these foundations are universal but expressed differently across cultures—e.g., loyalty might mean allegiance to a nation in one culture, but to a tribe in another.

## Moral Foundations Theory (MFT) Continued



- Additional core moral foundations:
  - Authority/Subversion: Respect for tradition, hierarchy, and legitimate authority; aversion to subversion or disrespect.
  - Sanctity/Degradation: Feelings about sanctity, and the avoidance of contamination or degradation.
- Additional foundations, such as Liberty/Oppression, have been proposed (Haidt, 2012), and the list may not be exhaustive.

#### Key Insight

These moral foundations serve as a universal template, but their relative importance and expression can vary widely across societies, shaping the moral landscapes of different cultures.

Haidt & Joseph (2004); Haidt (2012)

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- Authority/Subversion: Use examples like respect for elders or military hierarchy. Ask: Why do some cultures value authority more than others?
- Sanctity/Degradation: Mention taboos around food or cleanliness. Ask: Why do certain acts feel "impure" even if they don't harm anyone?
- Liberty/Oppression: Highlight debates around freedom of speech or resistance to tyranny. Ask: Why is liberty such a strong motivator for action?
- Stress that these foundations are not fixed—cultures prioritize them differently. For example, sanctity might be central in religious societies but less so in secular ones.
- Conclude with the idea that understanding these foundations helps explain moral disagreements across cultures and political ideologies.

## Moral Foundations Beyond Care and Fairness



Foundation	1 Care/ Harm	2 Fairness/ Cheating	3 Loyalty/ Betrayal	4 Authority/ Subversion	5 Sanctity/ Degradation
Evolutionary Justification	Protect and nurture chil- dren/partners	Utilize benefits of reciprocal partnerships	Build functioning coalitions	Establish useful relationships with hierarchies	Avoid transmissible diseases
Original Triggers	Suffering, distress, or neediness	Cheating, cooperation, deception	Threats to the group	Disobedience, disrespect	Waste products, sick individuals
Modern Triggers	Baby seals, baby schema	Marital fidelity, broken vending machines	Sports teams, nations, companies	Bosses, respected individuals	Immigration, sexual norm deviations
Characteristic Emotion	Compassion	Anger, gratitude, guilt	Group pride, anger at traitors	Respect, fear	Disgust
Relevant Virtues	Care, kindness	Sense of justice, trustworthiness	Loyalty, patriotism	Obedience, reverence	Temperance, chastity, piety

Note: 1 and 2 are core foundations of W.E.I.R.D. societies

Haidt (2012)

## Business Ethics Moral Foundations Theory Is there morality beyond harm and fairness? Moral Foundations Beyond Care and Fairness



• Evolutionary Basis: Emphasize the evolutionary origins of these foundations—how they help societies function and maintain order.

#### Care/Harm:

- Example: Baby seals or baby schema illustrate our innate response to vulnerability.

#### Fairness/Cheating:

 Example: Everyday situations like broken vending machines or marital fidelity highlight the universal appeal of fairness.

#### Loyalty/Betrayal:

 Example: Favorite sports teams or national pride demonstrate why betrayal feels deeply personal.

#### Authority/Subversion:

 Example: Workplace hierarchies or respect for elders show why authority is often seen as stabilizing.

### Sanctity/Degradation:

 Example: Disgust at waste products or debates around immigration illustrate why purity matters in some contexts.

## Moral Foundations in Business Contexts



#### Care/Harm and Fairness/Cheating

- These are the "classic" and widely accepted domains of morality in organizations.
- Care/Harm: Explains why businesses prioritize employee well-being, safety, and corporate social responsibility.
- Fairness/Cheating: Highlights the importance of equitable treatment, transparency, and trustworthiness in workplace relationships.

#### Loyalty/Betrayal

- Loyalty can explain why employees remain committed to their organization despite external incentives to leave.
- **Example:** Whistleblowing—individuals with strong loyalty may be less inclined to report unethical behavior within their own group to external authorities.

Haidt (2012)

## Moral Foundations in Business Contexts Continued



### Authority/Subversion

- Authority explains why employees may hesitate to challenge their superiors, even in the face of unethical practices.
- **Example:** Speaking up—cases like the Volkswagen Diesel scandal illustrate how authority can suppress dissent and ethical concerns.

#### Sanctity/Degradation

- Sanctity explains resistance to changes that challenge long-standing norms and traditions within organizations.
- **Example:** Employees may reject innovative practices or policies that seem to undermine established values or cultural norms

Haidt (2012)