

**“Common Grace Social Capital” Investments for Sustaining Ethical Conduct in  
New and Emerging Economies”**

replaces original title below:

Synergistic Development of Sustainable Ethical Processes when Pursuing Opportunities  
with Unpredictable Emerging Economies

Preston D. Probasco  
Organization & Management Department  
College of Business  
San Jose State University

Abstract

Ten “common grace” social capital investments are developed as normative propositions for sustaining ethical conduct with a variety of new economy and emerging economy challenges. Drawing primarily upon Clay Christensen and Geoff Moore’s findings regarding adoption risks with “disruptive technologies” authenticity/integrity and competence issues are explored within the larger perspectives of true excellence and goodness derived from Morris’ “If Aristotle Ran G.M.”. The cognitive psychological limits to moral development such as the illusion of ethical superiority and inoculation effects attending legalistic judgmentalism constitute some of the more serious impediments that suggest the need for a combination of trust and gratitude resolutions. When practical applications of trust and gratitude-based mentoring are synthesized with the “social capital” guidelines from Prusak & Cohen we begin to see the desirability of a “common grace” social capital construct worked-out in terms of five trust and five gratitude guidelines for sustainable ethical conduct robust enough to handle extraordinary pressures from “new economy pathologies” and emerging economies.

**INTRODUCTION**

The *context* for this treatment of sustainable ethical conduct will include the “new economy” followed by a brief treatment of “emerging economies” as distinguished by “disruptive technologies.” *Sustainable ethical conduct* amidst these pressures will require a shift away from the present toward an orientation that draws from the goal of human existence. “A growing number of ethicists no longer see the task of ethical discourse as determining the proper response to ethical quandaries the moral agent faces in the here and now. Instead they see their task as drawing from a vision of who we are to become and thereby setting forth an understanding of the moral quest itself. This shift is evident, for example, in the resurgence of interest in the older Aristotelian concept of ethics as the realization of our human *telos* (purpose).”(Grenz, 1997). He shows how there has also been movement (1) from an emphasis on *doing* things ethically to the prerequisite emphasis on *being* ethical, (2) from focusing on the individual to a more relational focus, (3) from duty to love and the role of communities in moral development, both as transmitters of ethical traditions as well as the location of the ethical life itself. With respect to at least #’s 2 and 3, the social science construct of “social capital” will be developed as part of the trust and gratitude aspects necessary for sustaining the ethical relationships that make organizations work.

The more outward focus of Prusak and Cohen's (2001) *social capital* investment guidelines for enabling trust, fostering cooperation and making meaningful communitarian connections will be fused with this author's investment in more inner attitudinal guidelines for sustainable interpersonal relationships that engender *trust and gratitude*. To the extent that both of the above are "grace-based" in the sense that they are for the most part *generously extended* rather than being power-based by way of a narrow deal-making model they will be referred to from now on as *common grace social capital*. Derivative aspects of balancing *justice and mercy, protecting others from unnecessarily harmful uses of one's power*, allowing others to learn from their failures by giving them what might otherwise be seen by judgmental legalists as *undeserved second chances*, and recourse to a heightened sense of one's *conscience* all can find their way into a fuller consideration of common grace as it is launched from the inner life outward. Finally, the typical stages of moral development will be reframed in a way that encourages greater "contributive individuality" (Morris, 1997) for those on their way up as well as for those unusual mentors who facilitate the growth of trust and gratitude as the key inner currency for common grace social capital. This stage-type approach is really an adaptation of Gilligan (1990) and Kohlberg's (1984) cognitive psychological treatments of moral development with an emphasis on how the Level II group-centered ethical reasoning gets distorted by legalistic judgmentalism and contributes to a significant bottleneck replete with illusions of ethical control/superiority, self-entitled inoculation effects, etc. which beg for a trust and gratitude-based intervention by an ethical mentor.

### **NEW ECONOMY ETHICS**

New Economy Ethical Challenges: Competency Concerns. By the New Economy I will take it to mean "new world applications" of internet technologies which encompass the concept of the virtual enterprise. Drawing from Daichendt & Johnson, (2000) we see that "...a virtual enterprise breaks down traditional barriers that inhibit information access through an intra-company hierarchy. It opens up the company, helping it share the critical information and decision-making authority, externally with partners, distributors, customers, and suppliers; and internally with employees and employee groups. Under the auspices of a virtual enterprise, applications are deployed using Internet technologies to significantly improve the bottom line or market share of a company. These applications are called New World Applications." Their baseline survey of over 500 respondents from companies with over 100 employees indicates a rather precarious condition for 80% of the companies who thought they were real players in the new economy but whose network based application lacked positive bottom-line impact or market share increase. These 80% are not just part of the rash of "dot-com" failures, but represent a range of firms whose ignorance and legacy thinking leave them ill-prepared for the increased intensity of competition as they have deluded themselves into thinking they were internet capable. As Cisco's Exec. V.P. of Worldwide Operations, Gary Daichendt stated "If your competitors do not recognize your internet applications as significant, then they most likely are not."

One of the most obvious ethical challenges for the 20% of the internet-ready, virtual enterprises is that both external and internal stakeholders have a much more complete view into the internal operations of the company. Add to that compressed cycle times, heightened customer expectations, and service-level agreements that cannot wait

for protracted legal counsel, and you have placed a huge premium on intra- and inter-company trust and dependability. External stakeholders will want assurances that all components of the operating model are consistent, integrated, and aligned. Internal stakeholders' contributions of, e.g., intellectual capital will also be more transparent as they work inside and outside of defined departmental boundaries.

New Economy Ethical Challenges: Authenticity Concerns. There is the ever-present risk of what Koestenbaum (2000) calls the "*new economy-pathology*" driven by what the average individual may experience as impossible demands—better quality, lower prices, faster innovation—that generates an unprecedented form of stress. Behind this stress and the challenge of the New Economy is the deeper issue of change as the larger behavioral and ethical challenge. The existentialist-oriented philosopher Peter Koestenbaum, who also holds degrees in Physics and Theology, further observes that "Change—true, lasting, deep-seated change—is the business world's biggest and most persistent challenge. But too many people and too many companies approach change by treating it as a technical challenge rather than developing authentic answers to basic questions about business life."

Both authenticity/integrity and competence are necessary for effective leadership, but authenticity is the order of the day when one gets over their head in the demands of the new economy. Reflecting on the uncertainties of the realm of political governance, former senator Alan Simpson comments "If you have integrity, nothing else matters. If you don't have integrity, nothing else matters." Koestenbaum (2000) defines competency as one's specialty, skills, and know-how. By authenticity he includes one's identity, character, and attitude. Progress in furthering what could be considered the "softer," authenticity side of ethics would entail (1) dedicating yourself to understanding yourself better, and (2) changing your habits of thought (Koestenbaum, 2000). Since leadership in the New Economy is going to be exposed to heightened levels of the surveillance mentioned earlier that everyone is vulnerable to with internet enabled operations, such leadership if it is to be capable of sustainable excellence must find a way to reconsider what it also takes to sustain high trust and gratitude levels inside and outside the organization. Re-thinking what is entailed with the **deeper aspects of both trust and gratitude** will hopefully afford a helpful way for what individual leaders can be as mentors to stress-weary members of organizations leading the way in internet operations by way of a collaborative excellence model.

Relevance of Authenticity and Competency. What could the attitudes and attributes of trust and gratitude much less authenticity and competence have to do with not just ethics, but with sustainable excellence in any economy, but particularly in the new economy? Given in the new economy that suppliers will monitor your inventory levels in order to supply you better, this will open the quality of your inventory management practices to their scrutiny (Daichendt & Johnson, 2000). If the competence of your efforts at inventory management is first rate, what else is necessary? Why would one's character be at stake as well unless you're tempted to fake-it and take covert, unwarranted short-cuts. And if such benefit packages as on-site gas stations, dry cleaners, on-campus convenience stores, etc. are available for your overloaded high-tech workers, isn't that proof enough of your character?

The basic answer to these questions appears to be the same for those closest to the New Economy as well as those organizational development consultants and social capital proponents like Robert Putnam (Prusak and Cohen, 2001). They have observed an increasingly artificial distinction between work and the rest of our lives. While the internet economy accentuates this blurring between work and leisure (Jensen, 1999), ancient Aristotelian wisdom reveals the same underlying search for a deeper level of fulfillment and meaning (Morris, 1997) as well as some clues as to the underlying dynamics that often get glossed over by taking a less longitudinal view of life. It is to this ancient exploration of mankind's search for fulfillment as well as this author's synthesis of social capital and common grace that we will eventually turn to in order to surface more robust guidelines for new economy relevant ethical mentoring expertise. This synthesis will revolve about and strengthen the twin pillars of trust and gratitude, as will be developed shortly in the context of some typical distortions of the expected stages of moral development viewed in terms of cognitive psychology.

For now it is instructive to look at the extent of the split between our understanding of what is relevant for business success and what pertains to ideal friendship and family life. In one of his True Success seminars Tom Morris (1998) asked the administrators to first suggest the buzzwords of business success. After this he covered-up the list they had just generated and asked for another list of the attributes we need to have strong families and friendships. When we look at these two lists found in Figure 1 of the appendix we find that there is not one single word found on both sides of the list!

### **ETHICS IN EMERGING ECONOMIES**

Additional Emerging Economies Challenges: Competency Concerns. Before addressing possible solutions for those who are caught-up in the stress and fragmentation of the new economy, there is another issue attending emerging economies that has major implications for being both competent and authentic (again a function of one's character, identity, and attitude). Those familiar with Clay Christensen's ground-breaking work, "The Innovator's Dilemma" (as updated in 2000) will recognize the term "disruptive technologies." This is the kind of technological innovation that the mainstream market initially rejects. Apple Computer's early entry into the hand-held computer, or personal digital assistant (PDA) market was revealed the difficulty large companies encounter in what turns-out to be a small market. Notwithstanding one of the most thoroughly executed market research efforts in corporate history as well as CEO John Sculley personally ensuring the project got the technical and financial resources it needed, Apple's Newton project failed because small markets cannot satisfy the near-term growth requirements of big organizations (Christensen, 2000). "The markets whose emergence is enabled by disruptive technologies all began as small ones." And the companies like Allen-Bradley with electromechanical controls and Johnson & Johnson with endoscopic surgical equipment that cultivated those markets had to develop cost structures enabling them to become profitable at small scale.

Finally, implementing such a strategy requires small organizational divisions that will view the projects as being on their critical path to growth and success, rather than as being distractions from the main business of the company. But what may now seem obvious in retrospect might not be at all obvious in the thick of battle with Apple and to

the competitors of Allen-Bradley and Johnson & Johnson. This is even more likely with performance oversupply and the changing bases of competition, where, e.g., Moore's Law predicts a growth of 60% in the ability to produce transistors while the ability of even the circuit designers to utilize transistors is growing at only 20%. During the rush to compete, those responsible for strategy would admit that it seemed inconceivable at the time that they would overshoot even the actual ability of design engineers (albeit less inconceivable with less customers) to utilize what market research had indicated would be a wind-fall for the early adopter of the technology (Christensen, 2001). Moreover, Drucker (2001) added at the same conference that many of those involved with disruptive technologies only seem to learn from others' failures, not their own.

In terms of the competency aspect of handling the new economy pathologies (Koestenbaum, 2000) and by extension the ethical accountability for stakeholder stewardship, what should be learned by now is that innovation and strategy is not as unpredictable as one might think, provided the decision makers understand that they have to identify the strategic signals, i.e., a "memory of the future" by way of upwards of 8 practical models and an experienced sense for the relevant rules needed for matching the model with the strategic signals before it is too late (Christensen, 2001). Clay Christensen went on to say you can't wait for data-driven decision making, for by the time the data is available the failure is also present. Knowing that even the intersection of the market and the technology occurs at non-standard times in the history of innovation has prompted 3M to realize that they need to implement repeatable processes for horizontally linking the relevant disciplines of R&D, Marketing, et al. This interdisciplinary cultivation, including occupations as far afield as commercial paint producers to fine tune the viscosity of the injection moulding slurries via latex vs. oil-based solutions that did not drip as badly was found to be more important than allocating an additional 25% to a far-out project.

Larger Ethical Concerns. To what does the management of disruptive technologies constitute an ethical issue in emerging economies? It would seem obvious that an ethical lapse has occurred if unwarranted incompetence and deception were involved. If any of the following *warning signs of ethical collapse* developed by Marianne Jennings at the Lincoln Center for Applied Ethics at Arizona State University were present that would dramatically increase one's suspicion (see Figure 2 in the appendix). It is certainly conceivable that it is unethical if one is incompetent in handling the bottom-line interests of such stakeholders as owners, stockholders, and unsuspecting employees who will soon be layoff victims. Unfortunately one of the tendencies in business ethics is for newcomers to assume that the bottom-line is somehow outside the province of business ethics lies mainly with all of the issues of unfairness attending human resource management, sustainable economic-environmental realities, etc., which are important though they are in themselves but need to be balanced with all of the other relevant stakeholders. However, those familiar with the intricacies of emerging economies like Clay Christensen (2000) and Geoff Moore (2001, 1995) are more understanding of the difficulties of surviving the technological and market forces. For instance, Geoff Moore, using a similar technology adoption life cycle model for explaining after the fact when the "tornado" (the desired mass-market payoff mode with hyper growth challenges and rewards) will start... "is like buying a lottery ticket and

expecting to win.” Moore goes on to identify the quite different leadership orientations in each of the 4 quadrants of his model which suggests that executives should be held accountable for knowing what is involved with these shifts from, e.g., internal process-driven systems engineering while in the tornado to external process-driven “convenience engineering” (marketing communications, staff development, etc) when coming out of the tornado onto “main street” as can be seen in Figure 3 in the appendix.

Finally, there is the larger ethical question of authenticity surfaced by Koestenbaum earlier (2000). With respect to ones character, identity, and attitude, first there is the danger of over-identifying oneself with strategic leadership strategies that worked very well in a quadrant that no longer matches the emerging situation. Any of us who get our sense of self worth from our work to any large degree are going to be subject to an unsettling sense of fragmentation of at least our self concept. How useful is that as part of our overall internal guidance system ethically and existentially? Is our character and our attitude toward change and life in general going to suffer some sort of compromise? Are we going to be led to settle for less than what would be truly fulfilling? Would that spawn at least an inner restlessness and resentment that could eventually trigger an ethical lapse in distorting the usual processes for trying to get what we think we deserve? With executives whose personality is characterized by high levels of internal locus of control (i.e., self-motivated) will they be upset enough by a failure to anticipate the “tornado” shift in orientation to feel betrayed by their own capabilities and the “system” in general after such long hours of dedicated service to be tempted to compromise their personal integrity? I think the answer to these questions revolves about the twin issues of appropriate targets for ones sense of gratitude and trust, which we will gradually turn to under the section entitled “Re-introducing Ethical Dimensions in General”. For now, though, it is important existentially and ethically to ask the questions “What or who are we consistently grateful for and what or who can we count on to trust?”

There may still be some lingering suspicion that those in leadership during the hyper-growth era that came to such a rude ending just before and after this last year 2000 should be held accountable ethically if not legally. Our suspicions begin to turn away from the leadership of the companies to the investment banking community for all of those small investors who were harmed by the downturn in the stock market by about 2 trillion dollars. But before we let the company leaders off the hook, one has to wonder about whether their compensation was proportionate to the risk of getting involved with disruptive technologies. Were they courageous enough to resist undue pressures from Wall Street to contribute to unrealistic increases in valuations and the emergence of the “internet bubble” (Perkins, 2001)? Did they needlessly exploit the upward trend in average CEO compensation where their “valuations” have increased to 475 times the blue-collar wage (12.4 million) in 1999 from just 45 times the blue-collar wage (\$1.2 million) in 1989 as reported in the June 28, 2001 Business Ethics Journal’s on-line news service ([BizEthics@lb.bcentral.com](mailto: BizEthics@lb.bcentral.com))?

When re-directing our attention to the probable role played by investment counselors in the trillions of dollars lost by small investors in the dot.com sell-off, Geoff Moore commented that even seasoned investors suffered in these losses. A sort of “consensual hallucination” took over as they privately admitted that the already inflated valuations could not continue to increase, but that did not dissuade them from continuing

to invest (Moore, 2001). Moreover, there was a tendency to invent constructs or some kind of rationale out of thin air to reassure themselves that they were in the middle of a new paradigm shift. The internet bubble story started with interest in the internet as a category for investing (which later became a super category, i.e., a disruptive one) that would have a competitive advantage (e.g., java-based software) more than investigating a specific company. When the investing progressed from the “chasm” (the early market life cycle combination of high paradigm shock and high application breakthrough) to the tornado (the low paradigm shock, high application breakthrough stage), the buying frenzy was frustrated because initially there were not many internet stocks. Consequently stock prices were bid-up dramatically.

With the advent of the second generation of internet companies came the realism of applying comparable valuations by stock market analysts. By then (December, 1999) what should have been sustained corrections for the business-to-consumer stocks were being suppressed, as the fortune 500 companies came off the sidelines to extend the buying frenzy by investing in business-to-business companies. This additional surge in buying in spite of the “comparables” (e.g., which had shot-up from \$20 a share to \$257 a share @ Internet Capital) was just enough of an incentive to hold onto the “consensual hallucination” referred to earlier. This led to even riskier, leveraged buying, where very few changed their behavior even though privately most of them knew it couldn’t last (Moore, 2001). What Geoff Moore just recounted fits in perfectly with the groupthink research results that colleagues of mine and I first reported on 9 years ago (Turner, et. al., 1992). Such an agreement at any cost mentality can take over very quickly as long as there is some commonly shared social identity and at least some degree of threat to that very same social identity, which is interpreted as something that needs to be defended against by maintaining the social identity. The likelihood that both of these conditions are present in a group as small as three people is quite high. The underlying pervasiveness of this phenomenon then calls for due diligence in the process of making decisions under the influence of whatever reference group is salient at the time. The best way of minimizing groupthink tendencies depends on the usual shop-worn precautions such as carefully considering the alternatives, etc, as summarized under the 8 discussion strategies found in (Turner, 1999). The pursuit of truth is like picking raspberries. You miss a lot if you approach it from only one angle. Just because there is a social psychological explanation for a faulty decision does not excuse a manager’s need to learn to be more vigilant next time out.

### **HYBRID NEW & OLD ECONOMY ETHICAL CHALLENGES**

Ethical Concerns Attending Hybrid New-Economy, Old Economy Issues. My concern ethically with the leadership of companies involved in emerging economies is that if they cannot read the strategic signals soon enough to predict the need to shift their orientation that they at least be aware of the need to quickly modify their approach when the shift is underway. If it is unlikely that anyone can be found who has the know-how, then it would be more honest to admit that and continue with old economy, “main street” kinds of ventures until they acquire the expertise needed. Even then, with companies like Valeo, a French car parts manufacturer that was able to benefit from using the internet in the integration of small improvements to established procedures and systems for managing supplier relationships, it remains more vulnerable to two short-term old-economy failings that are more compelling. “First, like other car-component makers, the

company is vulnerable to the fortunes of the big manufacturers that it supplies (The Economist, 6/23/2001).” Fortunately, it has limited its exposure to the economic cycle by having as much as 30% of its operations in America as well as increasing its focus on electronics which most analysts consider to be the highest margin and fastest growing segment of the components business. More troublesome is the late discovery that its main electronics acquisition, ITT Electrical Systems, still has serious operational problems of inefficiency at the Rochester, New York factory. The failure to tackle the problem early and often may have contributed to the dismissal of its chairman and chief executive for the last 10 months. In April the company reported a first quarter loss of \$165m and said that it was going through its worst crisis in 15 years. At least this restores a sense of justice in how key leaders are held accountable for failures along with rewarded handsomely in more successful times as seen before in the survey of increasing compensation levels. Moreover, if Valeo succeeds in addressing these fundamental, old-economy problems soon enough to avoid a takeover, “it could move on to become a textbook example of how new-economy applications of the internet can play a big part in changing the economics of an unglamorous industry (Economist, 6/23/2001).”

Moreover, BizEthics Buzz Volume 2 #2 (2001) as the on-line supplement to the Journal of Business Ethics reports on some old-economy errors of omission by dot-com firms. “As dot-com firms collapse or experience layoffs, many lack the seasoned human-resource managers to handle the delicate task of layoffs effectively, or humanely. Many firms have few or no written human resource policies. And these neglected chickens, as they say, are coming home to roost -- with New Economy firms being sued for old-time labor violations. Among their alleged failings: failure to pay overtime, age and gender discrimination, and failure to notify about leave eligibility under the Family and Medical Leave Act. Just two examples cited by the Wall Street Journal: Jasmine Hakki filed a \$4 million lawsuit against AOL last year, claiming time off to help her terminally ill mother was granted grudgingly, and that she was fired less than a month after her mother died. Priceline.com was sued by Eric Dean, who claims the company owes him \$257,000 in overtime pay.”

As a transition to the next section, the focus of convenience in this paper is more on the ethical than the legal ramifications of the New Economy and emerging economies. Obedience to the unenforceable (ethics) goes beyond obedience to the enforceable (law), where as a general rule laws become necessary when it is evident that individuals and organizations are unwilling to take the initiative in self-regulative efforts. Obviously it is unethical to violate laws, unless the laws themselves defy commonsense and have ceased to be needed or implementable (see Death of Commonsense by Howard, 1994, and Probasco, 1999, as an attempt to treat this subject further. Attention to this distortion of the spirit of the law with group-centered ethical reasoning as a stage in moral development will become the subject for an intense search for a solution with the remainder of this author’s paper starting with the “inner waywardness ethically” section.

Meanwhile, there have been some recent attempts (see Zonghao, 2001, in Business Ethics: A European Review) to set fairly general process guidelines for New Economy ethics. As the Institute of Global Ethics and others have observed, there has been a shift toward value-driven ethics rather than just compliance-driven ethical conduct (Kidder, 1995). Self-regulation carries with it obvious benefits in terms of greater freedom to tailor-make the regulations for one’s unique organizational culture, particular

industry characteristics, etc. Similarly, Zonghao foresees that the “new” ethics will be the result of independent and self-conscious behavior of those involved in the network economy. The uniqueness of network ethics also includes the openness and accountability referred to earlier by Daichendt and Johnson, 2000, as well as what Zonghao calls “multifoldness”. The network economy thereby reflects a plurality of conventions and practices amongst different countries, nations, and regions. “Though these multifold ethics are often in conflict and collision with each other, with increasing communication they may come to unite as a whole because of increasing understanding and sympathy, and they may co-exist for a long time despite the impossibility of unity, and regardless of their gaps, conflicts, and collision.”

As new and old economy ventures get more involved with foreign ventures, a mixture of value-driven and compliance-driven reasons for being ethical surface. According to a new study by the U.S. National Bureau of Economic Research. Corruption may be as important as variations in labor costs and corporate tax rates, the study found. "Host-country corruption ought to play a more significant role in theories of international capital flows than it does," said Beata Smarzynska from the World Bank, see (<http://www.worldbank.org>) as reported in BizEthicsBuzz Volume 2 #1 (2001).

### **GENERAL ETHICAL DIMENSIONS**

Re-Introducing Primary Ethical Dimensions in General. It is noteworthy in general that the two most prevalent ethical lapses in industry today are short-cuts/compromises on quality and cover-ups for those compromises as reported by Baucus, 1997, in the Academy of Management Journal, who went on to report that when these lapses trigger, e.g., product liability suits, companies have reported earnings declines for at least five years. Similarly when we as human beings give-in to settling for less than a deeply fulfilling life (Morris, 1997) there is the tendency to cover-up with the illusion of control and superiority (Messick & Bazerman, 1994) while waxing elephant with rationalizations. While we as educators hope that our students will take these hard-won lessons seriously, more often than not it takes a turning point in everyone’s life to occasion any lasting back-home application. Moreover, countless experts like Josephson (1995) find that these turning points happen interpersonally with a mentor. Accordingly, this paper attempts to synthesize 10 mutually reinforcing processes that appear necessary for the mentor to model and facilitate if there is going to be any hope of sustainable ethical conduct. While it is ideal to gain first-hand perspectives on what to trust and what to be grateful for from someone who takes a special interest in us, it still takes a certain amount of *moral imagination* for the “trainee” to connect with the war stories told by the mentor. Consequently, a process that underlies virtually all of the 10 processes to be described is this unique ability we all possess to actively empathize with those we deal with inside and outside the boundaries of our departments and organizations. From “If Aristotle Ran General Motors” we see this capacity lies at the heart of the implementation of the golden rule.

Inner Waywardness Ethically. Moreover, it is important to clarify the focus of convenience for this paper (and hopefully the focus of primary importance) when it comes to ethics in general and ethics for the new economy. It is asserted that behind most ethical lapses there has been a lifetime of inner waywardness that was not consistently dealt with. Furthermore, these inner reactions seem to center around gratuitous **greed/perceptions of unfairness** and unnecessarily high levels of

**fear/perceived inability** to meet deadlines, etc. (Reitz, 1997). If we are brutally honest with ourselves what ensues during those moments where our hearts are left unguarded is a groundswell of irritability/*lack of contentment* and distrust/*cynicism* that longs for a return to some measure of *gratitude* and *trust*. What eats our lunch ethically and what constitutes the essence of an unguarded heart is progressive desensitization and a covering-up with lower aspirations for oneself and others.

The concluding list of 10 processes re-formulated as 10 normative propositions for New Economy and emerging economy companies and their ethical mentors boils-down to implementing the two categories of trust and gratitude as introduced above. While the processes chosen to be subsumed under each of the two categories are somewhat interchangeable, so too trust and gratitude as disciplines and structures are overlapping. This affords the combination of the two a certain degree of strength that would otherwise be missing if we focused on only one or the other. Finally, while gratitude or thankfulness does not require a special definition, trust is understood to involve decisions to engage in an endeavor with another individual based upon the expectation of ethical behavior on the part of the trustee even though it is risky since there is no direct control over the resulting performance.

### **MORAL DEVELOPMENT**

Prerequisite Stages of Moral Development. One final way of setting the stage for these 10 processes is to begin with the cognitive psychology stages of moral development that many of us were exposed to earlier by Robert Kohlberg (1984). Turning then to Figure 4 below we see the introduction of both distrust and ingratitude as the two bottlenecks retarding the moral development of those in Level II (which in turn may help explain why the majority rarely advance beyond this level to Level III). Trevino & Nelson (1999) help us understand why we still need people in Level III to act as the champions of a more ethical corporate culture. That culture should at least keep the rest accountable and motivated to maintain a Level II commitment to ethical conduct. From an earlier work (Probasco, 1999) we see the ethical development framework referred to in Figure 5A. The list of attributes for distortions of both Levels I and II (i.e., countervailing pressures pulling one down from the level previously attained) along with the positive attributes hoped for in Level III are included in Figure 5A..

The appeal made to our moral imagination found in Figures 4 and 5A is that found in the parable of the prodigal son. Since Mintzberg's descriptive work on the nature of managerial work showed us how as managers we prefer the implicit big picture, a relevant metaphor serves us particularly well when dealing with a reality base as seemingly complex and intangible as ethics. This parable and its approximations in rabbinical and Buddhist literature afford us the kind of super-saturated solution of moral truth that the right kind of metaphor affords. This greatly simplifies the presentation of both the root ethical problem of inward waywardness ethically in the elder brother's resentful irritability (lack again of both trust and gratitude) as well as the solution of the grace-based model of ethical development modeled by the ever-so-patient father inspiring that trust and gratitude. If a picture is worth a thousand words, we don't have far to travel to see Rembrandt's masterful depiction of the return of the prodigal in nearby Amsterdam. If that were not enough, Henri Nouwen spells it out for us in his book by the same title (1992).

While a thorough examination of comparative religions is beyond the scope of this paper, at least we know that both Buddhism and Judaism contain their own version of the Luke 15:11-32 account of the parable of the prodigal son with the Lotus, Ch. 4 account and the rabbinic version found in the Midrash Debarim Rabba on Deuteronomy 4:30, respectively. The common imagery involves father, son/disciple, separation and eventual shame/unworthiness to return along with the desire to return to a more limited role in the household, and reconciliation with the initiative coming from the father. The rabbinic parable and the Mahayana Buddhism parable are just missing for some reason the motif of joy and the extravagance of the father's welcoming home celebration found in the New Testament.

Figure 4: Adaptation of Kohlberg's Stages of Moral Development.

Cognitive Moral Development (Individual Predispositions to think in particular ways about ethical issues...influenced heavily by their world view, mentors, and developmental experiences):

Level I (preconventional):

Stage One: Obey rules to avoid punishment

Stage Two: Interpersonal exchange deals—"you scratch my back, I'll scratch yours"

Countervailing Pressures Pulling one back from achieving stage One or Two:

Ultra-subjective focus ("solipsistic")

Autonomy-bound arrogance

Self-Justified Attitudes especially in rejecting hypocritical role "models" who have distorted either or both levels I and II w/legalistic judgmentalism.

Level II (conventional):

Stage Three: Conformity...social approval of relevant people

Stage Four: Upholding duties and laws...contributing to society, group, etc.

Countervailing Pressures Pulling one back from achieving stages 3 and 4:

Legalistic judgmentalism (letter of the law vs. spirit of the law and inappropriately harsh condemnation of those who don't measure-up to self-serving selection of which rules and which derivative provisions of the law are obeyed)

Conformity-bound arrogance (illusion of superiority where individuals think of themselves as more ethical, fair, and honest than the average person or their peers).

Self-Entitled Attitudes presuming they deserve respect sabotaged by their underlying **envy** and irritable *suspicion* of others as rule breakers who are unfairly getting-away with it. Absence of both **gratitude** and *trust*

Level III (postconventional/principled...and by extension care-based as well):

Stage Five: Justice and rights...possibility of reforming laws. Upholding rules/ethical principles and rights because they are a part of the social contract. Also upholding nonrelative values and rights regardless of the majority opinion.

Stage Six: Universal Ethical Principles

More advanced application of ethical principles of justice and rights. When laws violate underlying principles, act in accord with principles more consistently than those in earlier stages

Countervailing Pressures Pulling one back from appropriating stages 5 and 6:

Both of the preceding pressures applying to levels I & II as well as failure to step-up to the virtues included in the “integrative focus” from the common grace framework...which may be reduced to the absence of both trust and gratitude.

Table 5A

**ETHICAL DEVELOPMENT FRAMEWORK**  
WITH POLARIZED IMMOBILIZATION CHALLENGES

<b>AUTONOMY-BOUND</b>	<b>INTEGRATIVE FOCUS</b>	<b>CONFORMITY-BOUND</b>
<b>Ultra-Subjective Solipsism</b>		<b>Legalistic</b>
(preconventional level) *	(principled level) *	<b>Judgmentalism</b>
lowest	...highest ( <b>ideal Mentor Ethically</b> )	(distortion of conventional level) ...intermediate but deeply flawed
<u>Ego-Centered Ethics Reasoning</u>	<u>Principle-Centered Ethics Reasoning</u>	<u>Group-Centered Ethics Reasoning</u>
<b>EXPERIENTIALLY-ORIENTED</b>	<b>“COMMON SENSE” ORIENTED</b>	<b>RULE-ORIENTED</b>
# Permissive Self-Authority	- <u>Careful Situational Thinking</u>	# Strict Rule-Adherence
\$ Self-Sufficient, Situation-Only Ethics	<u>Informed by Strong Generalizations about Moral Truth</u> (Thoroughly Examined, Interiorized Core Values Often found in corporate ethics codes) ...facilitated by relevant case application and moral reasoning experience w/all of the major resolution principles [utilitarian, justice & rights-based, and golden rule] & ethical analysis using truth vs. loyalty, long-term vs. short-term, community vs. self, and compassion vs. dilemma paradigms a la Inst. for Global Ethics. This “common sense” contributes to “common grace” (integration of the 4 dilemma paradigms & a “regenerative” sense of adventure and relationship w/others)	\$ Settling for Derivative Rules & Weak Generalizations as True Resolution Principles
<u>Suspicious of Rules</u>	<u>Core Values as Guiding Rules</u>	<u>Sufficiency of Rules</u>
Self-Centered	Virtue Centered	Critical Other-Centeredness
Apathetic	Compassionately Discerning	Prejudicial
<i>Self-Justified Attitudes</i>	<i>Service-Giving Attitudes</i>	<i>Self-Entitled Attitudes</i>
<b>Illusion of Self-Interest Control</b>	<b>Ethical Humility Attitudinally</b>	<b>Illusion of Group/Rule Control</b>
<b>Inflated Ethical Self Concept</b>	<b>Realistic Ethical Self Concept</b>	<b>Inflated Ethical Self Concept</b>
<b>Masks Anxious Self Condemnation Beyond Low Self Esteem as a Virtue:</b>	<b>Transcends Self-Authentication</b>	<b>Masks Anxious Self Condemnation</b>
<b>Demands Self-Authentication</b>	<b>Transcends Self-Authentication</b>	<b>Demands Self-Authentication</b>
Hyper-Sensitive to Hypocrisy	Admits Hypocritical Tendencies	Denies Hypocritical Tendencies
<b>AUTONOMOUS ORIENTATION</b>	<b>COMMON GRACE ORIENTATION</b>	<b>CONFORMITY</b>

		<b>ORIENTATION</b>
+Morally Relativistic “Tolerance” w/out Dealing w/Polarities	+ <u>Forbearance &amp; Respect w/</u> Exploration of Polarities	+ Relationally and Situational Insensitive Rule Application
>Escalates Conflicts & Hyper-Sensitive to Rejection	>Occasions <u>Authentic Dialogue w/Active</u> Listening & Respect Relationally	> Conflict Avoidant & Invalidates Others’ Remarks
= Anarchistic	= <u>Relationally Sensitive Searching</u>	= Rules without Principles
% Self-Preoccupied	% <u>Widened Stakeholder Net</u>	% Rigid People- Pleasing
! Loyalty Trumps Truth	<u>Startling Coalescence of Infectious</u> <u>Amiability w/Truthfulness</u>	! Truth Trumps <u>Loalty</u>
Shuns Justice & Compassion	Generously Compassionate: Engenders Liberating Trust & Gratitude	Justice Trumps Compassion
<i>Grace Abuser</i>	<i>Grace Receiver &amp; Transmitter</i>	<i>Anxious Grace</i> <i>Resister</i>
<i>Exuberance w/out</i> <i>Obedience</i>	<i>Exuberant Value-Driven Obedience</i> <i>to the Unenforceable</i>	<i>Compliance-Driven</i>
<i>Self-Preoccupied Epicurean</i> <i>Approval Addict</i>	<i>Intrinsically Joyful Relationally</i>	<i>Wearisome, Stoic</i>
<i>Licentious Entrapment</i>	<i>Grateful &amp; Trusting</i>	<i>Envious &amp; Resentful:</i> <i>Easily Offended</i>
<i>Prodigal Son</i> <i>Abuses Freedom,</i> <i>Libertarian</i>	<i>Home Welcoming Prodigal Father</i> <i>Courageously Free</i> <i>Choices w/Tact</i>	<i>Elder Brother</i> <i>Rigid Expectations of</i> <i>Self &amp; Others</i>

- Refers to Kohlberg’s levels of moral development where the legalistic judgmental level is a distortion of the conventional law and order level and the ultra-subjective solipsistic level is an amplification of the pre-conventional self-interest level often occurring as a throwback to adolescence and childhood from earlier attempts to reach the conventional level of moral development which is typical of early and middle adulthood periods of life. Mature adulthood as the highest stage is characterized by moral beliefs above and beyond social custom and seems to progress from a focus on human rights, social contract, and broad constitutional principles to such universal principles as justice, fairness, and universal human rights. The corresponding bases for ethical reasoning progress from the ego-centered reasoning of those who are moving beyond the ultra-subjective distortion of the first level to what should be relatively pure group-centered reasoning of adulthood but which is distorted by the legalist’s penchant for gratuitous judgmentalism laced with an attitude of self-entitlement capable of inoculating the legalist and annoying the autonomy-bound ultra-subjective person to the point of the ultra-subjectivist’s own self-justified inoculation against any real moral progress as well...e.g., how to kill 2 birds w/one self-condemning judgmental stone. Presumably the highest level of moral development lies in the above-

depicted optimal midrange albeit at an elevated, principle-centered ethical reasoning plane. Since research by Weber (1990) demonstrates that most managers typically reason at the conventional level, it seems necessary to both be very selective about the personal character or integrity of upper-level managers who have the most leverage inside and outside the company (Liebig, 1990); and encourage them to re-cast ethical decision making in terms of consequences for the company, work groups, and the society that the rest at the conventional level can identify with. Since this highest level is essentially virtue-based (e.g., honesty, integrity, trust, fairness, and moral courage) it involves the core values or belief system modeled by the leader. Moreover, since this highest level has also been found to be characterized by genuine care for others (particularly but not exclusively by younger women, Gilligan, 1990), mentors characterized by principled caring would be highly prized ethical role models and would be more likely to administer justice in a compassionate, grace-based way. Table 1 A extends this to characterize ethical mentors as more likely to attract resentful legalists and rebellious solipsists with unconditional acceptance of them as persons while also challenging into existence their capacity for responsible freedom. As mentors model common grace they inspire others to get past their own self-limiting oscillation between being autonomy-bound and conformity-bound and between ethical superiority and inferiority complexes to build on their identification with an ethical humility that recognizes the need for more common grace to occasion the coalescence of truth w/ loyalty, compassion w/justice, long-term w/short-term, and community w/individual concerns.

#### The Empty Self as an Additional Explanation for Lack of Moral Development.

As a footnote to the ultra-subjective extreme, there are a number of derivative pre-dispositions that have been researched by Cushman (1990) and Baumeister (1987) that I would have liked to include. Under what he calls the empty self, Cushman finds the following characteristics: inordinately individualistic, narcissistic, infantile, passive, sensate, has lost the art of developing an interior life, and is hurried and busy. As a result these individuals are more prone to accept such counterfeits as glamour for dignity, expediency for truth, fame for reputation, etc. as will be developed in the third practical ethical guideline found in the conclusion and as developed by Morris, 1998.

This all looks suspiciously like a life lived without much sense of meaning, which can be the result of the kind of compartmentalization that Morris also develops in Figure 1 as well as undigested doses of technology-triggered privatization. In addition if one feeds on enough media-borne cynicism and conforms to reason-defying levels of pluralization morally, the result could very well be at least a high state of what Bill Dember (1991) would call confusion. After decades of behavioral science research on complexity he found that when we are faced with the need for sustained attention to excessive complexity with little perceived likelihood of changing the circumstances responsible for the complexity, people tend to adopt an unexamined ideology to attempt to regain some semblance of control. Without the inner resources and outer social capital to apply their ideology to ethical practices it's no wonder again that people have not progressed very far in their moral development and why so few advance to the principled level (Weber, 1990).

## COMMON GRACE ETHICAL MENTORING

Resultant Ethical Mentoring Challenges. Table 5A also previews both the contrast between the judgmental legalists (e.g., the older, resentful brother) and the ultra-subjective solipsists (e.g., the prodigal son) as well as the optimal midrange area of common grace & common sense where the prodigal father (mentor) operates. It is critical to explore why is it that so few people reach the optimal midrange, as partially defined by Kohlberg's principled stage of moral development (Weber, 1990). For now, one clue comes from taking another look at the Rembrandt painting of the prodigal father as a half-blind, older man who has nothing left to lose relationally that would prevent him from continuing to patiently and lovingly wait for both sons to turn back to him in a non-demanding, trusting manner. How many of us are willing to be that forbearing and gracious to answer the call to be a mentor to those who don't yet see their self-deception if we had not been mentored past these 2 extremes of careless hedonism and resentful self-entitlement in our own lives? In Rembrandt's painting the father's right hand is firm, reinforcing the prodigal son's strength and commitment to grow, while the left hand was gentle like the caring hand of a woman protecting the vulnerable, failure-stained side of the son. This reflects at a more emotional level the difference between Robert Kohlberg's (1984) principle-centered moral development model as contrasted with his former student's model based on reflective care (Carol Gilligan, 1990) which is characteristic of both *adult* men and women at the highest stage of moral development (Trevino & Nelson, 1999). Overall the call to be a prodigal father/mentor reveals an unconditional fatherly, and by extension, motherly love that always welcomes home and always wants to celebrate the relationship, the person, the otherwise hidden joy amidst the hardships surrounding ethical lapses, and the opportunity both brothers have to eventually shift from receiving common grace to transmitting it to others.

This returns us to the central point of this presentation. Namely, that it is the inward waywardness of the resentful, envious, distrustful elder brother that sabotages the ethical development of individuals and the long-run sustainability of ethical organizational cultures. The irony here is that the elder "judgmental, legalistic" brother had much further to go than the hedonistic egotist who was man enough to admit his self-misery (along with the ethical bind that he had put others in) and to open his pride-stained self to the "common grace" picture of his father running down his own mountain of heartbreak to embrace him. One of the surprising discoveries that begins to emerge from this parable is the soft underbelly of those judgmentally legalistic types who are prone to underestimate their propensity for ethical lapses because of their illusion of control and ethical superiority. The illusion of control that prompts their thinly disguised arrogance represents a vain attempt to ward off the hidden areas of their own hypocrisy, feelings of rejection, obsessive needs to prove their goodness, and deep-seated resentment at not being sufficiently rewarded for their apparent goodness (Nouwen, 1992). The degree of self-deception runs so deep that they are immobilized by at least 6 inoculation effects centering around their attitude of self-entitlement (see Probasco, 1999). This is also why ethicists such as Rushworth Kidder (1995) find it a waste of one's time to invest in the ethical training of such hypocrites. At worst one suspects the training may just give them one more cover to rationalize their hidden (to them too) agenda of self-entitled control of others, but now with a better grade of "ethics talk"

Practical Guidelines for Common Grace Interventions. However, if one contrasts these judgmental hypocrites with such mental health threats as personality and character disorders, they may be seen as just garden variety neurotics. The psychotherapeutic literature understandably is extremely cynical about rehabilitative efforts with those who have a history of acting-out their character disorders. Similarly, common grace mentors will probably not have much effect on them either. So too, the applicability of most ethical interventions to rehabilitation of the criminal personality (Yochelson & Samenow, 1995) is limited by such factors as the preferred familiarity of prison life, the lack of on-going accountability structures that reinforce emotional honesty, and the reluctance to keep extending forbearance and patient encouragement of the person to those who act so ungratefully and with so little trust of you as a mentor. Despite these limitations, common grace is a strong candidate for ethical mentoring of the judgmental hypocrite. The underlying reason is that these hypocrites (a) are experiencing enough covert rejection that they don't need someone to remind or nag them about how resentfully hypocritical they are, (b) they are already trying to be good, and (c) they may be tentatively reaching out toward someone they can trust to accept them despite their imperfections. Common grace primarily in the form of unconditional regard for them as persons may be the common thread that connects with their need to *gratefully trust* a mentor who is called to sacrificially extend this grace to them without the normally resentful legalist demanding anything from them.

Finally, a gracious mentor may want to help the judgmental legalist see how their greatest strengths have become their greatest weaknesses, and that this is typical of any of our personalities or dispositions...so don't let them pick on themselves unnecessarily. First, with a lifestyle of discipline often comes an impatience with others and the tendency to judge them harshly. Second, with a commitment to excellence comes an attitude of intolerance and rejection of those who don't measure-up. Third, with a broad liberal arts education often comes a sense of exclusivity and sophistication that further inoculates one against the need to keep growing professionally and ethically. Fourth, with an emphasis on high productivity and independence comes a self-sealing sense of pride that won't accept common grace because they're too self-sufficient (Swindoll, 1990). Moreover, their lifestyle of discipline may just need to be redirected toward the twin spiritual disciplines of trust and gratitude. Spiritual here will be used in the common grace sense of that which unifies (Morris, 1997), such that the judgmental legalists re-unifies himself more authentically with significant others and takes on a more integrative sense of his own identity as suggested back in the optimum midrange part in Figure 5A.

Additional Perspectives Useful with Legalistic Judgmentalists. Common grace guidelines that suggest themselves for the above include the following:

- (1) always leave room for an opposing viewpoint;
- (2) if an argument must occur don't lower yourself to doing character assassinations;
- (3) release people from past failures or ethical lapses;
- (4) accepting others as intrinsically valuable does not mean we have to agree with them and is basic to letting them discover for themselves what they may eventually realize is a better ethical choice; and
- (5) realize that there is a life beyond the letter of the law, but be tactful in expressing your freedom to do stuff that others may not be ready to handle in a non-addictive way.

Preview of Reintegrative Strategies. In order to get closure on common grace mentoring of legalistic judgmentalists one needs to tactfully and skillfully expose the widely prevalent illusion of control as it plays itself out through a similarly prevalent illusion of ethical superiority. Cognitive psychologists like Messick and Bazerman (1994) have shown how people generally believe they are not as susceptible to risks as others are. The general belief that we really are in charge of what happens (the illusion of control) then seduces us into thinking that bad things are not as likely to happen, i.e., the illusion of optimism. While we can design various risk analyses such as the typical “sensitivity analyses” that decision analysts use to validate the results of using a decision matrix, this only helps to adjust for the more cognitive biases such as escalation of commitment, confirmation bias, etc. that derive from the illusion of control. What is far more invidious, however, is the way cognitive biases can creep into our assessment of our own integrity. Here illusion rather than reality is preferred since individuals prefer to view themselves positively. Subconsciously people filter and distort information in order to maintain an illusion of superiority. This has been confirmed by survey data exposing how we tend to think of ourselves as more fair, honest, and ethical than most other people. When the large majority of people maintain that they are more ethical than their peers or than the average person, it is pretty obvious we are dealing with an illusion (Messick & Bazerman, 1994)! Hence exhortations to be honest with yourself and be *ethically humble* are probably not going to get far unless the *intervention* is particularly skillful as well as insightful. Promising leads will be followed here as provided by Josephson (1995), who used a survey at the beginning of an ethics training session where he “caught” most participants inflating the ethical standing of those in their profession, no matter what their occupation was.

Mentoring “Basics” Relationally. The difficulty in mentoring a judgmental legalist as we will explore further revolves around their lack of *trust and gratitude*. Consequently, the fourth stage of adult psychological development a la Erik Erikson (1959) is the most relevant for choosing the mentor, namely that of total acceptance of one’s life as a whole or what the more psychoanalytically trained types call ego integrity. Short of that the next best thing is to pick a mentor who is at least involved in something that seems like it has lasting value (i.e., “generativity”). They are more likely to acknowledge that the strength of the relationship between themselves and those they are mentoring is significantly related to the freedom each has to express their feelings to the other about the relationship. This helps immeasurably in muddling the best one can through the following typical issues attending mentoring: (1) *unwillingness to forgive mistakes*, (2) failure to examine the relationship, (3) suppression of rivalry, (4) rejection of dependency or interdependency needs, and (6) lack of time. The first issue is the most relevant for dealing with a mentor who has been tweaked into legalistic judgmentalism. He is likely to create a climate where people under him are less likely to learn from their mistakes as well as discouraging initiative, for fear of making a mistake. The mentor may talk a good game of empowerment but be unwilling to exert enough upward influence to negotiate roles for themselves and their subordinates that permit necessary development much less creativity. With increasing use of information technology comes a demand for levels of performance which more closely resemble perfection. In many companies the results are predictably not quite good enough, thus leading to (a) a proliferation of a new set of rules and procedures, and (b) more pressure from superiors

for improvement without any real help toward personal and professional growth. These levels of accountability are often viewed by the trainee as punishment for mistakes. The result is that the subordinate not only learns not to make mistakes by not demonstrating initiative, but their feelings of rejection alienate the subordinates from the superior so that the requisite identification process is short-circuited.

The implications of prodigal fathering/mothering/mentoring for any integration of the sort of compassion associated with the prodigal father with the fairness and justice demands of the larger new and old economy community are staggering. We will certainly become very familiar with being over our heads w/our own moral development much less our responsibility to mentor others ethically. First, true mentoring must come to grips with betrayal by wayward solipsists and subliminally angry legalists who will silently disengage from a mentor who often waits in vain for even knowledge from them as to how they are doing. Thus it is a calling that is beyond community in the sense of being affirmed as a friend and beyond ordinary gratification of even our creativity needs. The only real hope is an indirect one, experienced as a bittersweet mixture of rejection and eventual acceptance.

Eventually it is through the *undemanding need* of those who are ready for our acceptance that we as mentors get a clue as to how to even guide them ethically. That is, mentoring really seems to start only when the legalistic judgmentalist and the unprincipled, self-interested rebel begin to question whether they have been behaving in a manner worthy of the unconditional positive regard their mentor has for them as persons. This questioning is due to a growing awareness of being rejected by others for their self-justified excesses or their resentful, self-entitled attitudes, respectively. It comes as much as a surprise to us as mentors that our “prodigy” are indirectly showing us how to be a mentor for them, as it comes as a surprise to them that they are now trusting enough and undemanding enough to entertain the idea of seeking us out as a mentor! Who called first? Tough for either of us to tell. This experience then transforms the isolated mentor into one whose prior, non self-imposed estrangement now becomes boundless gratitude and sweet solitude as incrementally both types of sons/trainees nudge themselves closer to a very paradoxical reality. The above insights were adapted from Henri Nouwen’s (1992) masterful rendering of the parable of the return of the prodigal son using Rembrandt’s artistic interpretations a catalyst.

The only thing I would add is that in the process either or both the inwardly wayward, legalistic judgmentalist and the outwardly wayward autonomy-bound rebel may have to have their importance in the organization downplayed. We as managers/ethical mentors may have to relegate them to a more limited role in the organization in order to prevent further contamination of the ethical climate. Any kind of formal re-assignment will be itself very challenging, as can be seen in these kinds of cases in, e.g., “Ethics on the Job” by Pfeiffer and Forsberg (2000)...see especially the Price of Honesty case with Davis Meany, nicknamed “the lawyer”. However one so tries to marginalize another person for the greater good of the majority, there still must be a thread of care for the person, sufficiently “heard” by that person so that they know they will be welcomed back to a true service role (“contributive individuality” a la Morris, 1997) when they seek authentic restoration. And it is in the co-mingling of the reassurance of a joyful homecoming with the adventure of changing relationships that we

experience the more creative, meaningful times of our lives. Try, for instance, encouraging edgy legalistic judgmentalists to participate in the welcoming back celebration for the repentant prodigal as another tactic suggested to me by my good friend Glenn Miller, who also happens to be an information technology consultant in the New Economy.

What the above suggests in terms of betrayal as a barrier that most of us never quite get over is that we have to find a way of releasing the desire for vengeance when we are wronged, i.e., as we choose to forgive. Such a predisposition toward forgiveness would contribute in the long run to an ethical organizational culture, as long as we don't confound forgiveness and blessing of the person with immediate restoration of the relationship. The latter requires evidence that that person can be trusted. Again, one way to then bless the one who betrayed you and/or the organization by their ethical lapse and still preserve justice/fairness is to relegate them for the time being to a more limited sphere of operations where they are given a second chance to incrementally work back up to a position of higher trust. Of course, if they refuse to accept this opportunity where their importance in the organization has now been downplayed, then one should probably ask them if they still down deep want to stay in this organization given the level of disappointment that others feel much less themselves....while concurrently offering to welcome them back to a true service role in the organization when they are ready to authentically re-engage. The aforementioned experience of unmerited compassion could go a long way to inspiring another's trust and gratitude, which may trigger their desire to show they can be trusted.

The Social Capital Context for One-On-One Ethical Mentoring. As suggested at the outset, a common grace ethical mindset also involves an organizational culture that invests in "social capital". As Prusak and Cohen (2001) comment "businesses thrive when people trust one another—but such "social capital" is under assault at many companies today." Since building relationships is tough in turbulent times when there is over-reliance on virtuality and when competency levels are low in terms of facilitating incremental, day-to-day investments in social capital, an organization must intentionally (1) make interpersonal connections, (2) enable trust, and (3) foster cooperation. The opportunity to do meaningful work, promoting from within, providing space for informal conversations, a commitment to job security, and fostering common interest groups now called "communities of practice" are variously used by SAS, UPS, Steelcase, and World Bank to help with #1, making interpersonal connections. Trust is a two-way street, requiring that employers first demonstrate their day-to-day *trustworthiness* by being transparent and fair with respect to such human resource areas as promotions. Prusak and Cohen (2000) at the same time found that in companies that *display trust*, both toward employees and toward customers and suppliers, people are more likely to trust one another. UPS's support of distributed decision making, Nordstrom's two rules for customer service, and the new G.E.'s tool access policy (perhaps copying HP's) all illustrate that if you want to see more of certain behaviors, you must send clear signals that they are valued (and then reward that kind of behavior). Finally, getting people to cooperate involved (a) giving people a common purpose as is inspired by, e.g., Johnson and Johnson's famous credo, (b) rewarding cooperation with "cash" such as IBM's group and corporate-based bonuses, (c) establishing some useful rules that make cooperation

habitual like required brown-bag sharing of paid outside conference attendance, and (d) hiring people who are interested in performing as a *team* such as Herb Kelleher does at Southwest Airlines.

While the above summary of social capital gains is most relevant to ethics by way of the trust practices that were included, the identity-driven aspects of cooperation were central to the survival by Johnson & Johnson of the cyanide-hidden Tylenol capsule scare in Chicago. Ethical preparedness was increased by the convictions of their leader, Robert Johnson, and their resulting credo. “In times of adversity, noble goals and inspirational leadership can draw people together and give their work meaning beyond the need to earn a living,” Prusak & Cohen, (2001). Also, with all of the companies they studied, an excess of social capital did not seem to spawn “groupthink” the way Digital Equipment and Polaroid capitulated to such a strong identification with the company that individuals supported without question decisions which held to a narrow view that became part of market misjudgments and strategic errors. Again, best practices with respect to reducing the likelihood of groupthink in decision making such as reported earlier by Turner, (1994, 1999) will get shared more readily in companies known for their collegiality and humane management.

Synthesizing Integrative Strategies for Sustainable Ethical Conduct: Big Picture Foundations. As a part of pulling together the preceding parts of our investigation of ethical processes that would be relevant for the turbulent, virtual, counter-intuitive New Economy and emerging economies, we need a more inclusive, yet deep understanding of mankind’s sense of purpose. To this end we turn to Aristotelian perspectives which focus as much on worthy ends as ethical means, in order to get at the “authenticity” concerns that we began with (Koestenbaum, 2000). Character, identity, and identity as well as competency are all addressed as part of a larger reality by Tom Morris (1997) in “If Aristotle Ran General Motors”. While “moral imagination” and “contributive individuality” were briefly introduced as helpful constructs drawn from Morris earlier, it is now necessary to outline briefly the big picture.

With respect to “contributive individuality” it is discoverable by way of primarily the “unity” virtue, and secondly via the “truth” virtue in Aristotle’s observations about what constitute the 4 virtues (truth, beauty, goodness, and unity) necessary for this big picture goal for human community as that of creatively partnering for living well (Morris, 1998). The “truth” about competency/excellence in the New Economy as well as the Old Economy is that it culminates in a collaborative excellence approach. “Each partner brings the best of who he is and he can do to the partnership, and together they attain what neither could have accomplished alone, while in the process becoming much more than each of them could have been without the other” (Morris, 1997). This collaborative excellence model builds on the necessary but insufficient competitive and comparative (standard-based) excellence models. The limitations of first, the competitive excellence model and then the comparative excellence model, are particularly germane for key players in emerging economies. “Used alone to conceptualize excellence, the competitive excellence model fails to capture the difference between personal excellence and truly competitive excellence. It is possible to be the best without being your best, and that is a dangerously unstable position to be in, however much you might be praised in it” (Morris, 1997).

Finally, Morris explains how the comparative excellence model consists in significant self-improvement or growth toward a desired goal. However, the danger is the self-defeat of self-centeredness...such that if our thinking is too inwardly oriented and dominated by issues of our own performance improvement and never directed toward broader issues, we will suffer long term. The whole role of the self can be easily distorted, and only the collaborative excellence model in conjunction with “unity” as a virtue calling for a sense of being truly useful, can help restore a truly fulfilling, “contributive individuality” view of ones identity. In the process our relationship to truth is both passive as learners and active as teachers/mentors, such that truth needs a truth expansion, “love model” where sharing involves multiplying and adding so that the more I give, the more there is.

The collaborative excellence model above is viable provided the “partnerships for living well are fair, active and mutually encouraging and the purpose is noble, inspiring, and imaginatively vivid” (Morris, 1997). Moreover, the people must be ethical, supportive and experiencing a sense of love and appreciation. It is also subsumed under the yet larger question of what brings fulfillment or happiness. Here, Aristotle observes how pleasure and peace are incorporated in the larger notion of active participation in something that brings fulfillment. In turn nothing can bring fulfillment unless it respects and nurtures all four basic dimensions of human experience: truth as the intellectual dimension, beauty as the aesthetic dimension, goodness as the moral dimension, and unity as the spiritual dimension. While the moral dimension would seem to be the most relevant for the purposes of sustaining ethical conduct, that would cut-off the long-run motivation to be ethical that springs also from beauty, truth, and unity. Beauty can be seen in business as a deep need to feel that we are performance artists...to experience active as well as passive beauty in our work. Even moral goodness is connected to unity in the sense that ethics is all about spiritually healthy people in socially harmonious relationships...thus requiring both an inner harmony (e.g., the “mirror test”) and outer harmony (e.g., the “public exposure test”). The golden rule of treating others as you would want to be treated if you were in their place involves active use of our moral imagination, which in turn requires that we be clear about everyone’s need for depth and connectedness (i.e., “spirituality”) at work. This depth and connectedness in turn consists of the four component spiritual needs of uniqueness, union, usefulness, and understanding. These four needs may or not be met with ones religious belief or institutional affiliation.

It might be helpful to conclude this “big picture” section with a few questions to ask each other at work and to ponder the empirical findings of Tom Morris with respect to the two lists he has generated over and over again in business organizations: (1) buzz words for business success and (2) qualities and characteristics that make for good friendships and good family relationships (see Figure 1). As Tom Morris suggests in his Four Foundations Workbook (1998), “What would bring a greater sense of understanding into your work and into the minds and hearts of those who work with you? What concrete steps could you take to increase the feelings of depth and connectedness among the people around you? Many philosophers have claimed that goodness is directly related to real and lasting happiness. Give two reasons to think that this connection may be a real one. Specify two ways in which deception and dishonesty are bad for our lives and bad for business. Machiavelli thought it important to appear good. Aristotle thought

it important to be good. Which emphasis do you see at work in your company? Is there anything you need to do to better connect the two emphases? Describe one change that you could make at work or at home to increase other people's experience of beauty in one of its forms."

## CONCLUSION

The "Top Ten" Integrative Strategies for Sustainable Ethical Conduct in New and Emerging Economies. While the usual constraints of writing for a deadline and the kind of source material that I was able to find, I offer the following 10 normative propositions (and hasten to invite all comers to re-synthesize the same source material for a list that accounts for a larger share of the total variance). Arbitrarily I have limited myself to 5 representatives each under the twin pillars of trust and gratitude.

"Ultimately—after the technology is in place, our organizations are well structured, and all processes are flowing smoothly—what will make or break any business will be the spirit of the people who do the work" (Morris, 1997). When we add the turbulence and unpredictability of emerging economies the prospect for such "soft disciplines" as gratitude (guided by the virtues of both unity {especially thankful for being included in a way that celebrates one's contributive individuality and for life itself as a gift} and beauty {gratitude for creative roles}) and such "harder disciplines" as trust (guided by the virtues of both truth {particularly concerning one's competence as part of a collaborative excellence model of organizational effectiveness} and goodness, i.e., one's character in imaginatively leveraging noble relationships) will become even more meaningful. Hopefully, the above imbedding of trust and gratitude within the four Aristotelian virtues will help provoke a more robust set of practical ethical guidelines.

### *Improving Trust:*

1. **Hire trustworthy team players and commit to systematic decentralization with an unswerving intent to trust the employees.**

Support for this is found not only in Prusak and Cohen's social capital research but most importantly for emerging economies by Geoff Moore's (1999) discovery (closer to 1995) at HP. "For a long time the operating rule at HP was, once a division gets to \$100 million in revenues, break it into two. Even now, when the scale of operations is an order of magnitude higher, there are six independent divisions in the ink-jet business and four on the laser side of the house." This systematic decentralization aids a property of consensus management that is particularly important for the need in emerging economies to shift leadership styles/disciplines according the three parts of the "discontinuity and life cycle distinctions between "main street," "bowling alley," and "tornado" phases seen previously in Figure 3. This shifting can be immensely impractical if the organization has to continually realign power positions situationally due to the burden of dislocating people, threatening their position, and polarizing the organization (Moore, 1999). The solution lies within the informally agreed-upon rotation of decision-making according to expertise rather than job title without challenging the latter's authority. This solution is facilitated structurally by systematic decentralization, which in turn enables consensus management. Furthermore, the phrase "we trust our employees" holds a prominent position in HP's mission statement. The

resulting collaborative process also happens to be illustrative of (a) our deep emotional need to be useful and also to know more about what the organization is doing, as well as (b) how the Aristotelian need for uniqueness and the need for union are met by encouraging “contributive individuality” and “distinctive contributions”, respectively (Morris, 1997).

2. **Reward Executives who authentically model objectivity and humility.**

Competency-based Humility. Perhaps these two are redundant, but it does not hurt to realize that true humility is a function of a realistic self assessment in terms of ones competency and ethical leanings. I have always been intrigued by Peter Drucker’s (1997) observation that the best leaders possess a combination of objectivity and organizational commitment. Moore (1999) also stresses how hypergrowth markets will push one to their personal limits in terms of competency faster than most other challenges in business. Once one reaches their personal limits, e.g., in terms of the three leadership styles just referred to in Figure 3, it is essential to admit that ones expertise no longer matches the situation, so move over and appropriate the paradox of trust in the sense of intelligently relinquishing power, one gains it back many times over (Moore, 1999). Specifically in their 1995 best-seller, “The Discipline of Market Leaders,” consultants Michael Treacy and Fred Wiersema at CSC Index warn leaders that achieving superiority in any one of the three disciplines of product leadership, operational excellence, and customer intimacy typically risks compromising the other two (referring again to the ideal matching of competency/style with the three situations in Figure 3).

Authenticity-Based Humility. Ethically, when one operates outside of ones competency one risks the charge of faulty bottom-line stewardship and all of the attendant collateral damage associated with layoffs and temptations to spin, gloss, and conceal (Jennings, Figure 2). With respect to ones inner life ethical humility is central to offsetting the illusion to inflate our estimation of how ethical we really are (Messick and Bazerman, 1994 ). Perhaps Dag Hammerskold’s take on humility is worth repeating, “True humility is neither extreme of self abasement nor self exaltation, but an *honesty* about what ones limits are rough approximation of his quote). Finally, ethicist Michael Josephson’s survey approach for exposing at least the inflated side of the equation still seems like a useful way to begin an ethics training session. I would just like to see a comparable survey that exposed undue cynicism, since that can provoke an equally dangerous Epicurean and nihilistic extreme. Students have been known to be twice as unethical as the businesspeople they expect to become, due essentially to the salacious entertainment agenda of the media. Under the next section of gratitude we will extend the importance of humility as developed up to this point.

3. **Inclusively Share Best Practice Trust Structures and Applications.**

It is in each company’s long run best interest to expand the number of trustworthy and dependable companies to do business with, but start by committing deeply to only a few “partners” (Moore, 2001). Make it known that your organization routinely does business primarily with those

organizations who have in place a code of ethics, ethics audits, and ethics hotlines (e-mail questions and answers for applying ethical guidelines and laws to the particular organization's situation), and will only do business with organizations who do not measure-up to these basic guidelines if they at least agree to incorporating that division in a country such as the United States that has enforceable federal sentencing guidelines (where the presence of such mutual legal protection is viewed as merely the minimal ethical criteria). Rudeness in terms of flaunting the basic customs of decency and civility will get you nowhere with the better companies. "Cavalier attitudes and personal disrespect can run rampant at any of these other companies, but not at HP (Moore, 1999)."

Moore's observations were made before the split with Agilent, and even at Agilent which may have retained the legacy corporate culture, some of the best practices with respect to decentralization aiding informal decision-making rotation when skill sets and leadership style no longer match the mode ("main street, bowling alley, or tornado") are no longer pursued as completely due to the cost of duplicating functions during the current recession. Why they have not experimented with hybrid divisional-functional forms of departmentalization that would be less expensive I do not know. There is still the temptation for those in power to get caught-up in the Imelda Marcos syndrome of self-entitlement, i.e., "because I'm in the driver's seat now I get to shop for as many shoes as I want" as a rough paraphrase. So we cannot afford to be so naïve to think that there cannot be a subtle shift from power being used as a means to an end, to becoming an end in itself. Moreover, who bears the brunt of reduced salaries, layoffs, collateral damage with commercial real estate owners, etc. during the recent downturn? Do those with the heavy hitter salaries absorb some of the impact, or has the risk of a failure been passed on to lower levels, suppliers, et.al.? It still comes down to the personal integrity of the people involved, where we cannot afford to become complacent about our inward waywardness resurfacing in a big way because we were not diligent about the little opportunities to maintain integrity even in our attitudes.

#### **4. Engage Your Moral Imagination in Practicing the Golden Rule.**

Dee Hock, Visa card creator was quoted in Morris (1997) as saying "Make a Careful list of all things done to you that you abhorred. DON'T DO THEM TO OTHERS, ever. Make another list of things DONE FOR YOU THAT YOU LOVED. DO them for others, always. Such an investment in goodness is indispensable in enabling personal happiness (Morris, 1997). When married with honesty (truth) one gets that much closer to the fulfillment that comes closer to creatively partnering with others for living well.

#### **5. Inclusively Engage in Mutually Respectful Dialogue and be Prepared for Informal Role Re-Negotiation.**

During the turbulent times and the virtuality of emerging economies individuals and organizations may find the construct of "quick trust" developed by Meyerson, Weick, et.al., (1992) to be currently applicable.

Their experience with temporary groups such as film crews indicated that a combination of readiness for re-negotiating one's role along with the freedom to improvise as to how work got done was conducive to building trust. This happens also to be mutually reinforcing of the informal decision-making shifts that took place at HP with the three parts of the technology adoption life cycle that Moore (1999) analyzed for us under #s 1 and 2 above. It also has job design implications, which will be reserved for the next section dealing with what one is grateful for.

Along with the sharing of best practices in #3 above, we must be prepared "to talk our walk, not just walk our talk". There is the tendency to underestimate the extent of the disconnect between our work life and our life relationally as we saw with Tom Morris' Figure 1 contrasting the two lists. Privatization of our lives has been amplified in part by technology and the stressful demands of the New Economy. Hence the cry for "high touch" face-to-face verbal and nonverbal communications to supplement e-mail, etc. Making such connections more readily available is a key part of investing in the social capital (Prusak and Cohen, 2001) needed to reduce alienation and increase trust. Otherwise privatization leads to a loss of meaning which itself requires sharing of perspectives. What we hold in common in terms of shared purpose and shared meanings also gets shredded when pluralization is overdone to the point of not being amenable to reasonable discourse. Combined with media-borne cynicism and we wonder why Cushman and others see an increase in the "empty self", settling for such counterfeits as cleverness over wisdom, budget-breaking materialism, and eventually nihilism.

#### *Improving Gratitude:*

##### 1. **Implement Noble Visions with Humility.**

It needs to be pointed out that if one is truly objective about the value of humility, one will realize how intertwined it is with nobility, paradoxical though it may seem. As Tom Morris (1997) concludes his "If Aristotle Ran G.M.", we can opt for "enobling" humility as follows: "If I can open myself to what is out there in the world beyond the boundaries of my own small self, if I can lower myself into a state of humble openness to receive what others have to offer, they are much more likely to pour themselves out into me and help me accomplish the most difficult and the most worthy tasks."

When Juvenal was quoted as saying, "Nobility is the one and only virtue" he was getting at the antidote to the greed and resentment that triggers our inner waywardness. As Morris (1997) explains, "People are inspired over the long run only by this sense of nobility in who they are and what they are doing. If you can convey a sense of nobility to the people around you, you can unlock their deepest potential. A sense of nobility in what they are doing will go far toward encouraging people around you to *do the right thing* for positive corporate spirit." When we are looking for what contributes to sustainable ethical conduct we could do a lot worse than focus on the determination and persistence that comes when we tap into our own sense of nobility as mutually aided when we work together to create an organizational

culture that encourages others to flourish and make their distinctive contributions along with ours.

Job design efforts recognize how important “meaningfulness” is and of the three components, task significance would come the closest to what has been addressed above. In their job characteristics model, Hackman & Oldham (1975) also include skill variety which approximates “contributive individuality”. Task identity does not rise to the level of nobility that the other two do but it can sure help when being over-stretched with the degree of complexity and instability referred to earlier by Bill Dember (1991) and implicit in the new economy pathology covered by Peter Koestenbaum (2001). Feedback and Autonomy are the other two features of the job characteristics model. Provided the feedback is sought and delivered in a graceful manner one finds some social capital here to hopefully balance off those who will obsess with the autonomy possibilities in their work. Better yet, we need to update their model to explicitly provide for the making of meaningful communitarian connections, enabling trust, and fostering cooperation (Prusak & Cohen, 2001).

**2. Inclusively and Uniquely Express Your Appreciation for Others.**

As mentors for those who are still stuck in the bottlenecks of self-entitled legalistic judgmentalism and self-justified, autonomy-bound rejection of hypocritical role models like the legalistic judgmentalist we need to remember that we were once as they. What helped us deal with the inevitable rejection we experienced when we were nonverbally emitting the resentment of legalistic judgmentalism and the passive aggressive resistance we displayed with our unprincipled self-interest? It was probably someone who took a special, unmerited interest in us. The “common grace” second chances they extended were balanced with role assignments that limited our impact on others but held out the hope that someday when we were ready to step-up to a true service role we would be welcomed back to what they knew we were capable of all along. As ethical mentors we are called to be those kind of prodigal fathers who not only model trustworthiness and gratitude themselves, but trust others and express gratitude/appreciation for others. A particularly poignant example of how this happened at G.E. is included at the end of this paper.

**3. “Love People, Use Things; Not Love Things, Use People”**

Blaise Pascal, the philosopher-mathematician credited with inventing the basis for the first computer, held that all of ethics can be reduced to just this one admonition. In it he is attacking the very heart of greed, resentment, irritability, etc. as the antithesis of gratitude, for one can’t get enough of what they don’t already have materialistically and yet they may be tempted to compromise ethically to grab all they can get while they can such as we saw here recently with Silicon Valley’s dot.com bubble economy.

More fundamentally this admonition is part of a larger need to *distinguish appearances/counterfeits from enduring realities*...in order to invest in an emotional as well as an intellectual understanding of what it takes to work toward more sustainable forms of fulfillment. That which has lasting value

can be seen on the following table from Morris (1997) contrasting an ancient good with its modern counterfeit.

<i>Ancient Good</i>	<i>Modern Counterfeit</i>
Wisdom	Cleverness
Dignity	Glamour
Truth	Expediency
Beauty	Titillation
Goodness	Pleasantness
Character	Personality
Reputation	Fame
Respect	Fear

“In any corporate endeavor, we must see to it as much as possible that everyone understands the difference between such things. Otherwise, goals will be pursued and things done that will not have lasting consequences for good” Morris, 1997.

#### 4. **Stop Needlessly Comparing Ourselves with Others.**

As reviewed earlier, Morris (1997) explains the truth about sustainable excellence that such competitive and comparative models of excellence are just building blocks toward the sustainability possible with a collaborative excellence model. If we thus opt for building levels of collaborative excellence this will subsume the other two forms of excellence and reduce the distortions and limitations imposed by either or both competitive or comparative forms of excellence. “In a real partnership, in a truly collaborative effort, each partner encourages the other to be the best that he or she is capable of being. It also involves the power of shared vision mutually developed”(Morris, 1997). By contrast, the comparative model induces a self-defeating self-absorption that is far too narrow to be competitive in an economy that requires greater responsiveness to emerging threats and opportunities. Thus while self-centeredness is self-defeating, self-giving is self-fulfilling in that by seeking to benefit others we end up benefiting ourselves beyond our expectation (Morris, 1997).

To put the above in terms of gratefulness, we can see two possibilities. First, we can be grateful that we’re no longer a prisoner of our own narrow view of things and we no longer have to feed the illusion that we can autonomously control what happens. The legalistic judgmentalist can release himself from the wearisome task of vigilantly inspecting others’ deviations from the derivative rules he selects to monitor. Second, we can be grateful that we’ve been invited to participate in something grander than what we can accomplish on our own. Feeding instead a heightened sense of widespread manifestations of both “distinctive competence” and “contributive individuality” will also do wonders in circumventing the nagging sense of inferiority that drives some to compensate with ethically dangerous superiority complexes.

#### 5. **Consciously Choose to Be Grateful.**

When one perceives that they are being dealt with unfairly and feelings of irritability and resentment well-up, the desire to get even can eat our lunch attitudinally. The unwillingness to forgive when an equitable resolution has to be delayed precipitates the re-experiencing of the hurt and inoculates one against further moral development oneself. Within the walls of our own making there can be nothing we can find that we can be grateful about. Lacking any larger perspective the wounds fester and we find ourselves spending far too much energy on something we cannot at the time fix to our satisfaction.

Even when the suffering revolves about being swamped by confusingly high levels of complexity at work we can also experience a sense of betrayal...this time it's just that our skill set let us down. It's times like these that the discipline of gratitude is indispensable. While we can usually find something to be thankful for when we are not being hemmed in with difficulties, it is more problematic that our field of vision will open-up enough to see these things and people we may have taken for granted. There has to be a quicker response. One possibility is to automatically claim all of life as a pure gift, even though you don't feel like it. Another approach is to quickly remind yourself that the last time you disciplined yourself to "cognitively re-appraise" the situation you were able to cope. This could have involved visualizing the negative consequences of acting-out by way of, e.g., withdrawing any real involvement in your work. It may also have worked to psychologically detach from the lure of some form of vengeance, so that we can at least be thankful that we did not have to experience the negative consequences that would have accompanied the ethical lapse.

Finally, cognitive re-appraisal when combined with social support is one of the most effective coping strategies when faced with stress. As we saw earlier, Koestenbaum's (2000) explanation of the new economy pathology revolves about the stress accompanying changes that we are unprepared for. Developing enough of an authentic inner life within a community committed to collaborative excellence can hopefully bank enough common grace social capital so we don't have to create that capital out of thin air when we're hit by betrayal and covetousness.

Concluding Illustration. Since scrimping on quality is one of the foremost ethical as well as competitive issues in business today, it is instructive to take a look at a brief example of what was done at General Electric's Appliance Park. When Don Kelley was transferred to manage their under-performing refrigeration plant, he found that defensive foremen and disillusioned line operators would explode with previously pent-up anger whenever they attempted to communicate with each other. He had to do something symbolically meaningful enough to get their attention regarding his commitment to *quality improvement*.

As Kelley said, "I recognized the need for a rallying point so that the hourly people and salaried people could have something in common. The hourly people were interested in building a quality product if given the chance. In truth, the greatest

inhibition to doing that was coming from some of the managers and supervisors who were under the gun to get the product out the door.” Consequently, “We went out and bought traffic lights, installing three lights out in the aisle of each assembly line. We do a quality check called ‘end-of-line audit’ where we take about two percent of the product (about three units a line) every hour, and then, based on a demerit system, we turn on the green light if everything is acceptable. If we find a ‘class one defect’ (where the defect would result in a service call seventy to one hundred percent of the time) the end-of-line auditor switches on the red light, which stops the line.” At first everyone thought I was crazy. They figured that the system would last two weeks at the most. For about the first six months, once the red light went on, nobody could start the assembly line again except me. I did that because the culture change we needed was so drastic. I would adhere to that rule even if I was five buildings away in a meeting. After a few months, they were convinced that we were serious. After about six months, we backed that responsibility down to the quality-control manager. Now it’s the responsibility of the process-control engineering manager. But now the line rarely stops.”

Kelly goes on to explain the ethical principle behind these actions as follows: “Our people are paid an incentive based on production. We made a decision that we were not going to penalize them from a pay standpoint when the line shut down. I recall having quite a go-around with a corporate auditor who wrote me up for costing the company something like a hundred and eighty thousand dollars. He felt that when the line was down we shouldn’t continue to pay at the incentive rate. Our point was that we did not want to turn the quality around at the expense of the operators. *We didn’t want any negativity associated with improved quality.* I was also told that people would make mistakes on purpose to stop the line, but that never happened, even in the early days when there was a lot of animosity.” Consequently, from the beginning he had trusted them and anticipated responsible behavior on their part, even when no one else like the judgmentally legalistic auditors did, and they lived up to his respect (Waterman, 1987). Whether one labels this another example of the Pygmalion effect, a self-fulfilling prophecy effect, or common grace, the result is that if someone they respect expects them to be trustworthy and dependable, they will be. Similarly with mentoring from the vantage point of leader as coach, when people were asked to identify what made them effective as coaches or mentors, a frequent comment was: “He (or she) knew I had it in me before I knew I had it in me.” The contrast between a mentor who *consistently* holds out the hope that their people will find their way into a true service role and those who refuse to waste their time with those who don’t get with it is the difference between what I have labeled as those with an integrative focus as distinguished from a judgmentally legalistic focus. The degree of hurt and anger inflicted upon others by the judgmental legalists eventually becomes a deep self-inflicted wound and a profound lack of moral courage that requires all of the time, acceptance and encouragement that the more mature, integrative mentors can muster.

References Included After the Outline

## APPENDIX

### Figure 1

BUZZWORDS OF  
BUSINESS SUCCESS

Leadership  
Empowerment  
Quality  
Service  
Followership  
Maximization  
TQM  
Reengineering  
Ownership  
Teamwork  
Intrapreneuring  
Learning Organizations  
Focus

IDEAL FRIENDSHIP  
AND FAMILY LIFE

Love  
Appreciation  
Forgiveness  
Nurture  
Respect  
Support  
Understanding  
Sympathy  
Giving  
Communication  
Care  
Trust  
Honesty

Source: Tom Morris, "If Aristotle Ran General Motors," Holt, 1997, p. 107.

Figure 2

FIVE WARNING SIGNS OF ETHICAL COLLAPSE

- 1) SURROUND YOURSELF WITH SUBORDINATES WHO ARE YOUNG, INEXPERIENCED, ENTHRALLED WITH POWER AND DEEP IN DEBT
- 2) SEND A CLEAR MESSAGE THAT YOU EXPECT RESULTS AT ANY COST
- 3) BE CERTAIN THE CEO AND CHAIRMAN ARE TYRANNICAL AND PRONE TO ANGER
- 4) WHEN AN EMPLOYEE'S PUBLIC STATEMENTS BRING CRITICISM OF THE COMPANY, CUT THE EMPLOYEE LOOSE.
- 5) WHEN AN EMPLOYEE LAPSE IS DISCOVERED, NEVER ADMIT ANYTHING. CONCEAL, SPIN AND GLOSS.

Source: Marianne M. Jennings, Lincoln Center for Applied Ethics, Arizona State University

Figure 3

CONTRASTS IN MANAGEMENT STYLES  
FOR EMERGING ECONOMIES

<b><u>Bowling Alley</u></b>	<b><u>Tornado</u></b>	<b><u>Main Street</u></b>
Economic Buyer	Infrastructure Buyer	End-User
Vertical Markets	Horizontal Markets	Secondary Markets
Product Leadership	Product Leadership	Operational Excellence

<p>+ Customer Intimacy Not Operational Excellence Event-Driven (External/Internal) Key Disciplines: -Business Knowledge -Application Engineering -Recruiting -Revenues Within Target</p>	<p>+ Operational Excellence Not Customer Intimacy Process-Driven (Internal) Key Disciplines: -Systems Engineering -Sales Management -New Hire Orientation -Cash Flow</p>	<p>+ Customer Intimacy Not Product Leadership Process-Driven (External) Key Disciplines: -Convenience Engineering -Marketing Communications -Staff Development -Margin Management</p>
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Source: Geoffrey A. Moore, "Inside the Tornado: Marketing Strategies from Silicon Valley's Cutting Edge," Harper, 1999, p. 233.

**SUPPLEMENTAL ATTACHMENT: ADDITIONAL PERSPECTIVES  
ON  
COMMON GRACE ETHICAL MENTORING STRATEGIES**

For moral development through any kind of ethical training or character education program is a matter of both the integrity and leadership skills of the trainer. Leadership is less of what you do to people and more what you do with them. Its more of a partnership; unless the follower is willing to follow, you don't have much leadership. Since ethical decision making is a learning process, it also falls within the realm of personal and organizational change. Briefly, you cannot expect to simply announce a change and explain its benefits and expect people to support the change. Instead, one needs the *relational sensitivity* to deal first with their need to process *what they will likely have to give up*, whether they will be able to avoid being laid off, and the like. p. 24

Confront Legalistic Honesty and Solipsistic Loyalty Care-Frontationally. While the subject of lying as a whole would be an example of scope-creep for you as the reader, the ambivalence surrounding it does at least correspond to the legalistic-solipsistic framework and is suggestive of a way to confront someone who has drifted into a variety of ethical lapses. The first extreme is the person who makes an issue out of never lying and confronts with disdain anyone who compromises one bit. The other person counters with the presumption that everyone lies so protect what friends you have by covering for them with whatever rationalizations seem to excuse the lie. This is the same dualistic polarization attending the legalistic and solipsistic extremes we have been dueling with off and on throughout this paper. The cost of telling the truth no matter what is that you will not be liked, immediately at least.

With the surgical precision of her medical profession, child oncologist Diane Komp (1998) offers four “common sense” perspectives that can help prepare us ethically for our own ambivalencies surrounding telling the truth. First is to recognize that every lie is a landmine, setting a trap often inadvertently for someone else. Second, have more conversations with the persons coming from the opposite extreme to help round off the rough edges on both of you. Third, go back to the lab and start experimenting with how you can become more truthful and still be liked or at least accepted. Fourth, try upholding the principle of truth “care-frontationally.” The fourth operation requires dropping a legalistic “fact-tattling” approach and adopting the following truth telling guidelines when bearing bad tidings to someone you should already have a relationship with: (a) be very clear that there is a valid purpose to be so served, (b) investigate the facts very carefully beforehand, (c) check your own personal agenda first to see if that will be helpful or not, (d) be empathic and realize that while the truth may set them free, it will make them miserable at first, and (e) time it “right” (perhaps combining when their defensiveness has subsided and they can handle the truth with when they can no longer afford to not know).

Supplemental Recommendation: *Pretend Well*. What really intriguing novels, murder mystery stories, or fictional cases may do is deftly move one past our own legalistic insensitivities or self-conscious moral apathy to pretend for awhile that one is the morally courageous and caring individual who is eager to sort through all 4 dilemma paradigms and all 3 dilemma resolution principles as well as staying in a good mood through it all. We may thereby be surprised to discover that our pretending is gradually turning into reality. If children do this in their social maturation, why wouldn't it work for adults in their moral imagination? If we allow ourselves to catch the infectious sense of adventure of such detectives as a Father Brown (G.K. Chesterton) or a Lord Peter Wimsey (Dorothy Sayers) or even, e.g., one of George MacDonald's heroes such as the Marquis of Lossie as a vicarious dose of mentoring, we may transcend the grumpy drudgery of the legalistic judgmentalist's rote rule following and the limitations of an autonomy-bound ultra-subjectivist's dulled conscience. We may even mine such treasures as “To be trusted is a greater compliment than to be loved” from MacDonald's novel now shortened and renamed *The Marquis' Secret* by Michael Phillips.

## OUTLINE

### “COMMON GRACE SOCIAL CAPITAL” INVESTMENTS FOR SUSTAINING ETHICAL CONDUCT IN NEW & EMERGING ECONOMIES

#### INTRODUCTION & OBJECTIVES

##### A. Ethical Trends

1. **Doing to Being**
2. **Individual to Relational**
3. **Duty to Love w/Communitarian Emphasis**
4. **Present to Future Purposive Emphasis (Aristotelian)**

- B. Outer Social Capital**
  - 1. Enabling Trust
  - 2. Fostering Cooperation
  - 3. Making Meaningful Communitarian Connections
  
- C. Inner to Outer Moral Development**
  - 1. Trust
  - 2. Gratitude
  
- D. Both “Common Grace”-Based**
  - 1. Balancing Justice w/Mercy
  - 2. Protecting the Indefensible
  - 3. Generously Extending Undeserved Second Chances
  - 4. Appeal to the Conscience
  
- E. Reformulating Stages of Moral Development**
  
- F. Reformulating Corporate Purpose a la Aristotle**
  
- G. Resultant Common Grace Social Capital Ethical Mentoring**

**NEW ECONOMY ETHICS**

- H. Competency Concerns**
  - 1. Virtual Enterprise open to Outside Monitoring
  - 2. Bottom-Line/Market Share Increase Criteria...only 20%
  - 3. Compressed Cycle Times, Heightened Customer Demands, etc.
  - 4. Speed of Service-Level Agreements Requires Trust & Dependability More Than Legal Counsel.
  
- I. “Authenticity” Concerns**
  - 1. “New Economy Pathology”: Impossible Demands, Stress, & Change
  - 2. “Identity, Character, & Attitude” Requires
    - a. self-understanding
    - b. changing habitual thought patterns (Koestenbaum, 2000)
    - c. deeper trust & gratitude perspectives (Probasco, 2001)
  
- J. Relevance of Both Authenticity & Competency for New Economy Ethics**
  - 1. Artificial Distinction Between Work and the Rest of Our Lives
  - 2. Extent of the Split between Criteria for Business Success & Relationships: Figure 1 Below

Figure 1

**BUZZWORDS OF  
BUSINESS SUCCESS**

**IDEAL FRIENDSHIP  
AND FAMILY LIFE**

**Leadership**  
**Empowerment**  
**Quality**  
**Service**  
**Followership**  
**Maximization**  
**TQM**  
**Reengineering**  
**Ownership**  
**Teamwork**  
**Intrapreneuring**  
**Learning Organizations**  
**Focus**

**Love**  
**Appreciation**  
**Forgiveness**  
**Nurture**  
**Respect**  
**Support**  
**Understanding**  
**Sympathy**  
**Giving**  
**Communication**  
**Care**  
**Trust**  
**Honesty**

Source: Tom Morris, "If Aristotle Ran General Motors," Holt, 1997, p. 107.

### EMERGING ECONOMY ETHICS

#### K. Competency Concerns

1. "Disruptive Technologies" Rejected by Mainstream Market (Clay Christensen's Innovator's Dilemma)
2. Apple's Newton...failed near-term growth requirements of big organizations w/high cost structures
3. Need Small Organizational Divisions, e.g., Allen-Bradley's electromechanical controls & J&J's endoscopic surgical equipment
4. Also Overshoot Effect: 60% supply vs. 20% Utilization
5. Cannot Wait for Data-Driven Decision-Making
6. Need to Horizontally Link Relevant Disciplines (e.g., 3M) & Encourage Interdisciplinary Cultivation even Outside the Organizational Boundaries (e.g., viscosity demands of injection moulding slurries met by latex paint suppliers).

#### L. Larger "Authenticity"/Integrity Concerns

1. Unwarranted Incompetence
2. Deception...see Figure 2 below:

Figure 2

#### FIVE WARNING SIGNS OF ETHICAL COLLAPSE

- 6) SURROUND YOURSELF WITH SUBORDINATES WHO ARE YOUNG, INEXPERIENCED, ENTHRALLED WITH POWER AND DEEP IN DEBT
- 7) SEND A CLEAR MESSAGE THAT YOU EXPECT RESULTS AT ANY COST

- 8) **BE CERTAIN THE CEO AND CHAIRMAN ARE TYRANNICAL AND PRONE TO ANGER**
- 9) **WHEN AN EMPLOYEE’S PUBLIC STATEMENTS BRING CRITICISM OF THE COMPANY, CUT THE EMPLOYEE LOOSE.**
- 10) **WHEN AN EMPLOYEE LAPSE IS DISCOVERED, NEVER ADMIT ANYTHING. CONCEAL, SPIN AND GLOSS.**

**Source: Marianne M. Jennings, Lincoln Center for Applied Ethics, Arizona State University**

3. **Over-Identification of One’s Self Worth w/Leadership Orientations No Longer Matched w/the Relevant Mode in the Technology Adoption Life Cycle...see Geoff Moore’s Inside the Tornado Figure 3 below:**
4. **Betrayed by Their Own Capabilities/Orientation referred to above, where Predicting When to Shift one’s Skill Set is “like expecting to win the lottery” ...see also Figure 3 below:**

Figure 3  
**CONTRASTS IN MANAGEMENT STYLES  
 FOR EMERGING ECONOMIES**

<u>Bowling Alley</u>	<u>Tornado</u>	<u>Main Street</u>
Economic Buyer	Infrastructure Buyer	End-User
Vertical Markets	Horizontal Markets	Secondary Markets
Product Leadership	Product Leadership	Operational Excellence
+	+	+
Customer Intimacy	Operational Excellence	Customer Intimacy
Not Operational Excellence	Not Customer Intimacy	Not Product Leadership
Event-Driven	Process-Driven	Process-Driven
(External/Internal)	(Internal)	(External)
Key Disciplines:	Key Disciplines:	Key Disciplines:
-Business Knowledge	-Systems Engineering	-Convenience Engineering
-Application Engineering	-Sales Management	-Marketing Communications
-Recruiting	-New Hire Orientation	-Staff Development
-Revenues Within Target	-Cash Flow	-Margin Management

Source: Geoffrey A. Moore, “Inside the Tornado: Marketing Strategies from Silicon Valley’s Cutting Edge,” Harper, 1999, p. 233.

**5. Executive Compensation Levels Proportionate to the Risk?**

- a. 1999 = \$12.4 m=475 X blue-collar wage
- b. 1989 = \$1.2m=45X blue-collar wage
- c. extent they caved-in to Wall Street pressures for unrealistic increases in valuations?

**M. “Internet Bubble” Role Played by Investment Counselors**

1. Started w/Interest in the Internet as a Category for Investing
2. Shortage Initially of Internet Stocks Bid-Up Prices Dramatically Leading to Internet Stocks Becoming a Super Category, i.e., a “disruptive” category
3. Comparable Valuations by Stock Market Analysts Suppressed for Second Generation of Internet Companies due to Fortune 500 Companies Extending the Buying Frenzy via Buying B-to-B companies.
4. Resulting “Consensual Hallucination” Led to Even Riskier, Leveraged Buying along w/ “Growththink” rationales for astronomical increases in valuations and eventually trillions lost by small investors in the dot.com sell-off. See Maintenance of Social Identity Explanation by Turner, Pratkanis, Probasco, & Leve.

**N. Hybrid New & Old Economy Ethical Challenges**

1. Internet Management of Supplier Relationships for Valeo Auto Parts
  - a. Old Economy Vulnerability to Economic Cycle for Large Auto Manufacturers
  - b. Old Economy Vulnerability to Unattended Inefficiencies w/Its Main Electronics Acquisition
3. Old Economy Errors of Omission by Dot.Com firms
  - a. ineffectual and inhumane handling of layoffs
  - b. labor violations like failure to pay overtime (\$257k lawsuit vs. Priceline), age & gender discrimination, and failure to notify about leave eligibility (\$4mlawsuit vs. AOL)

**GENERAL ETHICAL DIMENSIONS**

**O. Re-Introducing Primary Ethical Dimensions**

1. Ethics as Obedience to the Unenforceable
2. Obedience to the Enforceable...spirit of the law, commonsense, etc.
- 3.Process Guidelines for New Economy Ethics
  - c. value-driven
  - d. self-regulative
  - e. “multifoldness” ...plurality of ethical practices multi-regionally with hope for greater unification via increased communication

**along with hoped-for peaceful, tolerant co-existence despite their differences.**

**f. Host-country corruption influencing international capital flows as much as labor costs and corporate tax rates**

- 4. Short-Cuts/Compromises on Quality & Cover-Ups as Most Prevalent Ethical Lapses...w/earnings declines for 5 yrs. w/e.g., product liability suits**
- 5. Subconscious Cover-Ups via Illusion of Control & Ethical “Superiority”**
- 6. Importance of Non-Hypocritical Role Models/Mentors**
- 7. Importance of the Moral Imagination in Implementing the Golden Rule**
- 8. Inner Waywardness Ethically Inconsistently Dealt With & Centering On**
  - a. greed & perceptions of unfairness...irritability & lack of gratitude**
  - b. fear & perceived lack of capability...distrust & cynicism**
  - c. longing for gratitude and trust at some level**
- 9. Trust as an expectation of ethical behavior even though it is risky & have no direct control over the resulting performance**
- 10. Gratitude=Thankfulness**

#### **MORAL DEVELOPMENT**

##### **P. Prerequisite Stages of Moral Development (see Figure 4)**

- 1. Level II Distortion as the Bottleneck of Distrust & Ingratitude**
- 2. Majority Rarely Advance Beyond Level II**
- 3. Need for Level III Ethical Mentors (Principled AND Care-Based)**
- 4. Sustaining Level II Undistorted for Ethical Organizational Cultures**
- 5. Relevant Metaphor Introduced: Parable of the Prodigal Son**
  - a. resentful & irritable elder brother creating the Level II distortion**
  - b. younger prodigal son creating the Level I distortion**
  - c. prodigal father as patient, Level III trust & gratitude catalyst**
  - d. similar Buddhist & Judaic versions**
  - e. painting by Rembrandt gets at symbolic significance for mentors...see common grace ethical mentoring section R**

Figure 4: Adaptation of Kohlberg’s Stages of Moral Development.

Cognitive Moral Development (Individual Predispositions to think in particular ways about ethical issues...influenced heavily by their world view, mentors, and developmental experiences):

Level I (preconventional):

Stage One: Obey rules to avoid punishment

Stage Two: Interpersonal exchange deals-“you scratch my back, I’ll scratch yours”

Countervailing Pressures Pulling one back from achieving stage One or Two:

Ultra-subjective focus (“solipsistic”)

Autonomy-bound arrogance

Self-Justified Attitudes especially in rejecting hypocritical role  
“models” who have distorted either or both levels I and II  
w/legalistic judgmentalism.

Level II (conventional):

Stage Three: Conformity...social approval of relevant people

Stage Four: Upholding duties and laws...contributing to society, group, etc.

Countervailing Pressures Pulling one back from achieving stages 3 and 4:

Legalistic judgmentalism (letter of the law vs. spirit of the law and  
inappropriately harsh condemnation of those who don't  
measure-up to self-serving selection of which rules and  
which derivative provisions of the law are obeyed)

Conformity-bound arrogance (illusion of superiority where  
individuals think of themselves as more ethical, fair, and  
honest than the average person or their peers).

Self-Entitled Attitudes presuming they deserve respect  
sabotaged by their underlying **envy** and irritable *suspicion*  
of others as rule breakers who are unfairly getting-away  
with it. Absence of both **gratitude** and *trust*

Level III (postconventional/principled...and by extension care-based as well):

Stage Five: Justice and rights...possibility of reforming laws. Upholding  
rules/ethical principles and rights because they are a part of  
the social contract. Also upholding nonrelative values and  
rights regardless of the majority opinion.

Stage Six: Universal Ethical Principles

More advanced application of ethical principles of justice  
and rights. When laws violate underlying principles, act in  
accord with principles more consistently than those in  
earlier stages

Countervailing Pressures Pulling one back from appropriating stages 5 and 6:

Both of the preceding pressures applying to levels I & II as well  
as failure to step-up to the virtues included in the “integrative focus” from the common  
grace framework...which may be reduced to the absence of both trust and gratitude.

#### **Q. The Empty Self as Additional Explanation for Lack of Moral Development**

- 1. Inordinately individualistic, narcissistic, infantile, passive, sensate, lost art of developing an interior life, & is hurried & busy**
- 2. Settles for Counterfeits of glamour for dignity, expediency for truth, fame for reputation, etc. see Morris (1997) in Concluding Gratitude Proposition #3**
- 3. Antecedent Compartmentalization a la Figure 1 above**
- 4. Antecedent Technology-Driven Privatization**
- 5. Antecedent Media-Borne Cynicism**
- 6. Antecedent Reason-Defying Moral Relativism via Unprocessed Pluralism**

7. **Antecedent New & Old Economy & Societal Confusion from Excessive Complexity & Little Perceived Control ...seen in adoption of unexamined ideological positions including cultish corporate cultures.**

### **COMMON GRACE ETHICAL MENTORING**

#### **R. Resultant Ethical Mentoring Challenges**

##### **1. Additional Explanations for Lack of Moral Development**

- a. **scarcity of forbearing & trusting prodigal fathers who are firm and gentle**
- b. **lack of readiness by inwardly wayward and outwardly brothers to turn back to their father/mentor in a non-demanding & trusting manner**
- c. **resulting sabotage of ethical development of both brothers by primarily the elder brother's illusion of ethical control and illusion of ethical superiority**
- d. **additional suppression of hypocrisy, feelings of rejection, obsessive needs to prove their goodness, & deep-seated resentment with lack of expected recognition**
- e. **self-entitled inoculation by elder brother reinforced by self-justified rejection by younger brother... defensive "sibling rivalry"**

##### **2. Practical Guidelines for Common Grace Interventions**

- a. **recognize how their greatest strengths have become their greatest weaknesses...so don't let them pick on themselves unnecessarily, since also they are experiencing covert rejection already & are at least trying to be good**
- b. **take in stride their impatience & judgmentalism due their lifestyle of (misdirected) discipline**
- c. **realize that with a commitment to excellence (competitive & comparative vs. collaborative excellence ) comes an attitude of intolerance & rejection of others who don't measure-up**
- d. **realize that with their often higher levels of education comes a sense of exclusivity & sophistication that inoculates them w/pride**
- e. **realize that with their emphasis on high productivity and independence comes high levels of self-sufficiency**
- f. **realize that there is life beyond the letter of the law, but be tactful in expressing your freedom**
- g. **utilize all 10 of the concluding integrative strategies**

##### **3. Preview of Integrative Strategies**

- a. **fully grasp significance of the illusion of ethical superiority research by cognitive psychology (Messick & Bazerman, 1994)**
- b. **explore intervention tactics for triggering ethical humility (Josephson, 1995)**

#### **S. Mentoring "Basics" Relationally**

##### **1. Choosing the Mentor Also According to Their Stage of Psychosocial**

## **Development**

- a. **“generativity” (lasting value contribution) stage**
- b. **“total acceptance” stage capable of unconditional positive regard for others**
2. **Typical Issues**
  - a. **unwillingness to forgive mistakes**
  - b. **failure to examine the relationship uniquely**
  - c. **suppression of rivalry**
  - d. **rejection of dependency or interdependency needs**
  - e. **lack of time**
3. **Unwillingness to Forgive Mistakes**
  - a. **discourages initiative**
  - b. **vulnerability to perfectionistic demands leading to**
    - (1) **proliferation of new rules and procedures**
    - (2) **increased supervisory pressure w/out helping**
    - (3) **increased accountability perceived as punishment**
    - (4) **feelings of rejection & alienation**
4. **A Calling Beyond Community**
  - a. **infrequent affirmation by trainees**
  - b. **silent disengagement of trainee**
  - c. **indirect hope w/bittersweet mix of rejection & eventual acceptance**
5. **Undemanding Need as Signal of Readiness for Mentor’s Acceptance of Them**
  - a. **trainees begin to question their self worth**
  - b. **awareness of being rejected by others for their resentful, self-entitled attitudes**
  - c. **mentor’s prerequisite discipline of gratitude and sweet solitude**
6. **Temporary Relegation to a More Limited Role in the Organization**
  - a. **legalistic judgmentalists will otherwise contaminate the organizational culture**
  - b. **clarify the “second chance” invitation for them to return to a true service role**
  - c. **try inviting legalistic judgmentalists to welcome back restored prodigal rebels**
  - d. **don’t confound forgiveness w/immediate restoration of the relationship**
  - e. **when all else fails, reduce time spent w/them & ask if they really like their job...quitting may be everyone’s best option, provided that you still communicate a thread of genuine care for them as a person (this unmerited appreciation inspires trust and gratitude & may trigger their desire to show they can be trusted).**

## **T. The Social Capital Context for Ethical Mentoring**

1. **Intentionally Facilitate Interpersonal Connections**
  - a. **opportunity to do meaningful work**
  - b. **promoting from within**

- c. **providing space for informal conversations**
    - d. **commitment to job security**
    - e. **fostering common interest groups like SAS, UPS, Steelcase, & World Bank**
  - 2. **Enable Trust**
    - a. **demonstrate day-to-day trustworthiness via fairness & respect**
    - b. **display trust of others, e.g., UPS' distributed decision making, Nordstrom's 2 rules, & G.E.'s tool access policy**
  - 3. **Foster Cooperation**
    - a. **hire team players, e.g., SW Air**
    - b. **give people a noble shared purpose**
    - c. **reward cooperation w/group-level bonuses**
    - d. **practice normal due-diligence group decision making practices to reduce groupthink tendencies such as Digital Equipment & Polaroid's capitulation and resulting market misjudgments**
- U. Big Picture Aristotelian Foundations for Sustainable Ethical Copnduct**
1. **True Fulfillment via Respecting & Nurturing all 4 Primary Virtues of Truth, Beauty, Goodness, & Unity**
  2. **Purpose of Creatively Partnering for Living Well (Morris, 1997)**
  3. **Collaborative Excellence Model (Truth about Excellence)**
  4. **Limits of Competitive Excellence Centers around Leaving Personal Excellence Inadequately Accounted For**
  5. **Limits of Comparative Excellence Model Revolves about the Self-Defeat of Self-Centeredness**
  6. **Partnerships Must Be Fair, Active, Mutually Encouraging w/a Noble, Inspiring, and Imaginatively Vivid Purpose**
  7. **The People Must Be Ethical, Supportive, and Experiencing a Sense of Love and Appreciation**
  8. **Moral Goodness Depends on Depth & Connectedness (i.e., "Unity" as the Spiritual Dimension of True Fulfillment):**
    - a. **Uniqueness**
    - b. **Union**
    - c. **Usefulness**
    - d. **Understanding**
  9. **Resulting Summation of Ethics as about Spiritually Healthy People in Socially Harmonious Relationships**

**CONCLUSION**  
**TOP TEN INTEGRATIVE STRATEGIES FOR SUSTAINABLE ETHICAL  
CONDUCT IN NEW & EMERGING ECONOMIES**

**IMPROVING TRUST:**

- 1. HIRE TRUSTWORTHY TEAM PLAYERS & COMMIT TO  
SYSTEMASTIC DECENTRALIZATION WITH AN UNSWERVING  
INTENT TO TRUST THE EMPLOYEES**
- 2. REWARD EXECUTIVES WHO AUTHENTICALLY MODEL  
OBJECTIVITY & HUMILITY**
- 3. INCLUSIVELY SHARE BEST PRACTICE TRUST STRUCTURES AND  
APPLICATIONS**
- 4. ENGAGE YOUR MORAL IMAGINATION IN PRACTICING THE  
GOLDEN RULE**
- 5. INCLUSIVELY ENGAGE IN MUTUALLY RESPECTFUL DIALOGUE  
AND BE PREPARED FOR INFORMAL ROLE RE-NEGOTIATION**

## **IMPROVING GRATITUDE:**

- 1. IMPLEMENT NOBLE VISIONS WITH HUMILITY**
- 2. INCLUSIVELY AND UNIQUELY EXPRESS YOUR APPRECIATION FOR OTHERS**
- 3. “LOVE PEOPLE, USE THINGS; NOT LOVE THINGS, USE PEOPLE”**
- 4. STOP NEEDLESSLY COMPARING OURSELVES WITH OTHERS**
- 5. CONSCIOUSLY CHOOSE TO BE GRATEFUL**

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