Legal and ethics for decision making business essay

Business



Edwige Gourdet

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Introduction

A variety of white collar crimes overwhelmed the first decade of the 21st century. In 1949, Dr. Edwin Sutherland first asserted the term " white collar crime" as " a crime committed by a person of respectability and high social status in the course of his occupation" (p. 266). White collar crimes include activities such as fraud, forgery, counterfeiting, embezzlement, bribery, stock manipulation, Ponzi schemes, financial misrepresentation and selfdealings. The actions of the executives of Enron, WorldCom, Tyco and Adelphia are obvious examples of white collar crimes. Other representations of white collar crimes are the activities of the financial corporate directors leading to the recent economic downturn (Boddy, 2011). In 2011, Dr. Clive R. Boddy wrote a peer-reviewed theory about corporate psychopaths and how they influenced the Global Financial Crisis of 2008-2010 by ruthlessly seeking wealth (p. 258). The self-centered actions of corporate psychopaths are harmful for the society, to the organization and its employees. In order to prevent corporate psychopaths from gaining control of organizations, corporations should screen the candidates considered for top-level leadership position through a psychopathy, personality and magnetic resonance imaging tests. Corporate PsychopathsAccording to Dr. Robert D. Hare from the University of British Columbia (1993), psychopaths suffers from a personality disorder possess an emotionless core interpersonal traits and a precarious lifestyle (p. 34). Further, Dr. Hare stresses that psychopaths have no conscience (1993). Executive psychopaths are without conscience https://assignbuster.com/legal-and-ethics-for-decision-making-businessessay/

due to the low development or lack of activity of multiple sections of the brain (Boddy, Influence, 2010). For this reason, corporate psychopaths cannot help themselves and are physically incapable of feeling guilt, remorse or empathy. Also, corporate psychopaths have a grand self-concept, promiscuous sexual behaviour, juvenile delinquency and many other antisocial traits (Hare [video], 2006). In accordance Dr. Hare's estimates, 1% of the population has the core personality traits of psychopathy ([video], 2006). Psychopaths are everywhere but they tend to prefer job position in the government and financial services organizational sectors because they crave wealth and power (Boddy, Organizational, 2010). Along with Machiavellianism and Narcissism, Psychopathy is one of the elements of the "dark triad" of dysfunctional leadership styles developed by Paulus and Williams in 2002 (Boddy, Organizational, 2010). The model represents the most dysfunctional leadership styles and how they are connected despite their differences (Boddy, Organizational, 2010). On one side, Niccolo Machievelli's The Prince depicts the image of a satire successful leader who values the rule of the ends justifies the means and would stop at nothing to gain power (1909-14). Machiavellian leaders and corporate psychopaths are similar in their ruthless strategies to satisfy their self-interest (Boddy, Organizational, 2010). They both use deception, manipulation and conning to reach their objectives (Boddy, Organizational, 2010). On the other side, Sigmund Freud's on Narcissism essay discuss the detrimental effect of the absorption in one's self-concept (1914). Narcissists and corporate psychopaths both lack of empathy and are self-centered (Boddy, Organizational, 2010). Machiavellian, narcissist or psychopathic leaders all

take dysfunctional decisions based on their self-interest (Boddy, Organizational, 2010). Machiavellians, narcissists and psychopaths naturally act in their self-interest regardless of others, as result they are potentially harmful to the society, organizations and its employees. First, corporate psychopaths are dangerous to the society. Typically, a corporate psychopath is egocentric and has shallow emotions (Hare, 1993). Accordingly, corporate psychopaths make decisions that benefit them with no concern about others. A study by Dr. Boddy and al. (2010) analyzed the impact of executive psychopaths on the corporate conscience (CSR, p. 1). A corporate conscience or corporate social responsibility derives from all the ethical decisions a corporation makes for the greater good of the community (Shaw, 2010). The hypothesis of the study was that corporate psychopaths lack of empathy and are egocentric, therefore will not make decisions promoting social responsibility (Boddy and al., CSR, 2010). The hypothesis failed to be rejected because a negative correlation between corporate social responsibility and the presence of corporate psychopaths in the organization (Boddy and al., CSR, 2010). The research shows that corporate psychopaths will not encourage socially responsible behaviour or environmental friendly actions compared to normal executives (Boddy and al., CSR, 2010). As a result, the society would be better off with normal managers leading corporations than with corporate psychopaths. Second, corporate psychopaths are dangerous to the organizations. As mentioned above, executive psychopaths are narcissist and want to satisfy their self-interest. Consequently, a corporate psychopath who is in a leadership position will not take decisions in the interest of the corporation and its shareholders but for

himself. In 2010, Dr. Boddy examine the correlation between the presence of psychopaths and the productivity of the organization. The research discovered that when a psychopath had a leadership position in the organization a large amount of organizational constraints was also present (Boddy, Productivity, 2010). Other employees are unable to perform their responsibilities well because of organizational constraints such as improper training, inappropriate information and inadequate instructions (Boddy, Productivity, 2010). The effect of organizational constraints is significant on productivity (Boddy, Productivity, 2010). In addition, corporate psychopaths have an influence over the reputation of the corporation (Boddy, Marketing, 2012). The reputation is the reflection of the stakeholders' impression of the corporation (Boddy, Marketing, 2012). This impression is significantly based on advertising, corporate social responsibility, management credibility and the actions of the employees (Boddy, Marketing, 2012). The antisocial behaviours of corporate psychopaths create chaos in an organization such as workplace conflicts, low employee morale and negative corporate conscience ((Boddy, Marketing, 2012). A good reputation is essential to the profitability and productivity of a corporation. Third, corporate psychopaths are dangerous to the employee of the organizations. White collar psychopaths are highly skilled to target the most vulnerable individuals (Vaknin, 2009). They aim for the most empathic people and exploit their weaknesses in order to attain their objectives (Vaknin, 2009). This type exploitation from a supervisor to a subordinate is categorized as bullying. There are many types of bullying in a work environment such as unreasonable deadline and hours of an employee, humiliation and sarcasm (Boddy, Bullying, 2011). As

mentioned above, corporate psychopaths have poor behaviour control and lack of empathy which makes them the perfect bullies (Babiak & Hare, 2006). The results of a recent study by Dr. Boddy (2011) demonstrates that a correlation exist between the level of unfair supervision and the presence of corporate psychopaths in the organization (p. 374). Another study performed by Dr. Hare and al. (2012) concludes that the presence of corporate psychopaths is associated with a high level of employee's psychological distress (p. 93). Bullying has a destructive on the mental health of the employees and may lead to depression or resignation from top-notch professional who cannot tolerate the abusive behaviours of corporate psychopaths. Corporate psychopaths destroy the corporation from within one decision at a time. The corporations owe a duty to the society, their employees and shareholders to protect them from psychopath; furthermore corporations are responsible for the unethical actions of their directing mind. Leaders without conscienceIndividuals without personality disorders have moral principles which induce them to behave a certain way (Shaw, 2010). However if the individuals do not act along the lines of their moral principles, it will bother their conscience (Shaw, 2010). They are capable of honesty and empathy. It is important to note that behaving unethically cannot be justified by a quiet conscience or not behaving morally because of the warning of the conscience, thus responsible individual will reflect on their conscience before making a decision (Shaw, 2010). In addition, acting in one's self-interest can conflict with behaving morally and go against the moral standards of the overall society (Shaw, 2010). Corporate psychopaths do not have a conscience (Hare, 1993). So assuming corporate psychopaths have a moral

code with moral principles and behave against these principles, corporate psychopaths would not be bothered by a conscience. Corporate psychopaths lack of empathy and do not feel guilty about any of their wrongdoings (Hare, 1993). If corporate psychopaths are incapable of making ethical decisions, they should not take decisions on behalf of a corporation. Some philosophers argue that corporations are inhumane and incapable of considerateness, therefore cannot be held morally responsible for its actions (Shaw, 2010). In conclusion, only the employees can decide whether their actions on behalf organization are moral or not (Shaw, 2010). Professor of philosophy Velasquez concurs and states that corporations does not form the intentions of their actions, therefore cannot be held liable for immoral acts and only the employees behind the decisions are morally responsible (Shaw, 2010). However, what happens when the leader behind the decision making process is a corporate psychopaths without a conscience and incapable to distinguish the difference between an ethical and unethical decision? In these abnormal circumstances corporate psychopaths are not morally responsible, thus the corporations itself can be a moral agent. Professors Goodpaster and Matthews state that corporations collect data and monitor the results of its decisions like normal human beings and they are able to make rational and oral decisions like individuals (Shaw, 2010). Also, Philosopher Peter French argues that corporations absorb the intentions of its employees therefore they are morally responsible for their actions and decisions (Shaw, 2010). Consequently, even though corporations are intangible entities, they are able to be a moral agent. To summarize, in regular circumstances, a normal leader with a conscience is morally responsible for the actions taken in the

course of their occupation. Corporate psychopaths have no conscience and therefore cannot be morally responsible for their actions. Nevertheless, corporations who hire psychopaths are morally responsible for the unethical decision executive psychopaths take on their behalf. Corporate psychopaths are without conscience and cannot make ethical decisions, thus the burden of the ethical decision making process falls on the corporations. The core characteristics of corporate psychopaths such as their intelligence and cold decisiveness are often mistaken for leadership skills, therefore corporate psychopaths are hard to uncover (Boddy, Leaders, 2010). Also corporate psychopaths are able to persuade the human resources representatives with their manipulation skills that they are the best candidate (Hare [video], 2006). For this reason, the corporations should adapt their current hiring procedures to prevent corporate psychopaths from gaining a leadership position in the organization in the first place. Ethical dilemmaThe corporations now face an ethical dilemma. Either to screen candidates for leadership position of the organization to protect the employees and the society from white collar psychopaths or not to screen the candidates to protect their human rights and avoid mislabelling a few. There are ethical issues either way (Boddy, Leaders, 2010). There are different screening methods available to assess psychopathy such as the Business Scan (B-Scan), personality test and Magnetic Resonance Imaging (MRI). First, Dr. Hare and al. worked on the B-Scan which is similar to the PCL-R checklist but was adapted to the specific circumstances of the business world (B-Scan, 2012). In other words, the B-Scan assess subjects under the interpersonal, antisocial, lifestyle and affective dimensions like the Psychopathy Checklist -

Screenings Version (PCL-SV), however it is applied in a corporate setting to be more representative (B-Scan, 2012). Dr. Robert Hare created the PCL-SV after spending time with psychopaths of a maximum-security prison (Babiak & Hare, 2006). In 1991, he was able to define what psychopathy is and built a list of the core personality traits and unstable behaviours of psychopaths based on a list previously compiled by Hervey Cleckey (Babiak & Hare, 2006). Dr. Hare's test includes 20 characteristics and an individual who obtains a score of 30 and above is part of the 1% of the population who suffer from psychopathy (Checklist [video], 2006). Dr. Hart, who worked along Dr. Hare to complete the first draft of the checklist, mentions that the Psychopathy Checklist - Screenings Version is often used in penitentiary to assess prisoners (Checklist [video], 2006). In addition, according to Dr. Wilson, who based her thesis on the predictive validity of the PCL-SV in a penitentiary, demonstrates that the utility of the checklist to predict violent behaviours of offenders (Wilson, 2003). Therefore, the current PCL-SV checklist has been useful to detect psychopaths. Even though, more research and development needs to be done for the B-Scan to be operational, because the checklist derives from the currently successful PCL-SV, it can be assumed that it is a strong indicator of a subject's personality and is a starting point of a psychopathy assessment as well (B-Scan, 2012). Second, corporations can screen candidates through a series of personality tests. Corporate psychopaths are impostors; they professionally act in front of their supervisors however they act maliciously with other employees and subordinates (Hare, 1993). Corporate psychopaths will always put their best foot forward to seduce the human resource department or supervisors that

they are the best candidate for a top-level leadership position (Hare [video], 2006). For this reason, the personality assessment or integrity test should be completed by fellow employees and subordinates (Hare, 1993). In addition, employees should have a safe work environment where they would feel secure to report and concerns about the behaviours their leaders (Boddy, Leaders, 2010). The employees closest to the executives can provide a better assessment than the hiring staff members. Finally, corporations should perform a magnetic resonance imaging test on the potential candidates. A MRI is a non-invasive medical method to scan and view the interior structure of the body. As mentioned above, corporate psychopaths suffer from a neuropsychological disorder where certain sections of the brain are undeveloped or underactive (Boddy, Influence, 2010). A MRI will be able to scan and view the structure of the brain of the subjects. The only scientific method to distinguish psychopaths from normal individuals is with an MRI test. It is important to keep in mind that the corporations are responsible for the unethical decisions taken by their directing mind and corporate psychopaths cause havoc for the employees and the society, the corporations owes a duty of care to the employees of the organizations and the society. In addition, the impact on the overall impact on the society, the organizations and its employees must be considered along with the human rights of the candidates of top-level leadership positions. Dr. Caponecchia and al. discuss the probability of mislabelling subjects due to the distorted evaluation of bullied employees, the low percentage of psychopaths present in the society and the negative stigma of the label of psychopath (2012). However, if the diagnose is perform only by trained and experienced

psychologists, the probability of mislabelling is reduce considerably (Hare, 2006). Also, the additional screening tests would be for potential candidates for top-level positions. To protect their rights, they would have to consent to the assessments in order to access a higher position. If we consider the privileges and prestige a top-level position provides, an additional assessment is a reasonable requirement. To conclude, the utilitarian ethical model promotes that a decision made having the greater good for the greatest number of individual in mind will result in an ethical decision (Shaw, 2010).

Conclusion

A corporate psychopath is dangerous for the society, the other employees of the organization they work for and the organization itself. The corporations owe a duty to their employees, the society and their shareholders; furthermore corporations are responsible for the unethical actions of their directing mind. Therefore, to prevent corporate psychopaths to gain control of the organization and cause harm to the society, employees and the organization itself, corporations should screen candidates considered for top level leadership position through an integrity test, B-scan and MRI. Be that as it may, the problem is larger than this. According to Greenleaf, servant leaders naturally take inspiration and vision from a servant follower in order to lead and reach the objectives (Greenleaf, 1982). However many servant followers decide to follow Machiavellian leader (corporate psychopaths) instead (Valeri, 2013). The problem will persist until all the servant followers stop following psychopaths considering that psychopaths cannot lead without followers (Valeri, 2013). Perhaps the time has finally come to re-

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evaluate our values as a society and decide on what behaviours are right. This discussion could lead to a re-evaluation of our current economic system. Despite the fact that capitalism has enabled the evolution of our economic system, its bottom line should be evaluated on a morality level (Shaw, 2010). Individuals such as corporate psychopaths are absorbed by greed and are in the constant pursue of satisfying their self-interest (Babiak & Hare, 2006). Perhaps, if capitalism did not exist and socialism was taking its place, corporate psychopaths would not even have a platform to manipulate and con others for wealth and power.