What Can Managers Do about Unethical Management?

Richard P. Nielsen

ABSTRACT. What can and should we do as managers and administrators when our sense of personal morality is at odds with our organization's behavior? Among the many alternatives are: (1) not think about it; (2) go along and get along; (3) protest; (4) conscientiously object; (5) leave; (6) secretly blow the whistle; (7) publicly blow the whistle; (8) secretly threaten to blow the whistle; (9) sabotage; and, (10) negotiate and build consensus for a change in the unethical behavior. This article considers the advantages and disadvantages of these ten types of strategies based on some philosophy, game theory and everyday pragmatics.

In Kenneth Bond's (1985) bibliography of articles concerning administrative, managerial, business and public administration ethics there are 1343 articles listed from predominantly academic journals. The vast majority of these articles focus on questions about what is more and less ethical in relation to specific cases, ethical codes, principles, philosophies, and religions. Other areas that have received much less but nonetheless substantial attention are ethical education, relationships between law and ethics, and explanations for why managers and organizations behave more and less ethically. With the exception of the large and growing 'whistle-blowing' literature, there has been very little work done concerning what individual managers and administrators can practically do about managerial and organization

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behaviors they believe are unethical in the short run of when they are occuring (Cornog, 1962; McAdams, 1977; Ewing, 1983a; Nielsen, 1985a; Laczniak and Murphy, 1985).

This may be a particularly important deficiency for ethics teachers and their students. It may be that a keener awareness of what is and is not ethical without a corresponding increase in knowledge about what we can practically do about unethical managerial behaviors, may simply make our pain in ethical dilemmas more exquisitely aware without providing remedies and solutions. This in turn may be part of the explanation for why many management students, at least on the surface, appear not to be interested in ethics. There may be something of an erroneous impression that while ethics may be OK for professors in our protected environments, it isn't worth the effort of future managers to study ethics since there isn't much they can do about ethics anyway (Nielsen and Nielsen, 1974).

What can and should we do as managers and administrators when our sense of personal morality it at odds with our organization's behavior? Among the many alternatives are: (1) not think about it; (2) go along and get along; (3) protest; (4) conscientiously object; (5) leave; (6) secretly blow the whistle; (7) publicly blow the whistle; (8) secretly threaten to blow the whistle; (9) sabotage; and, (10) negotiate and build consensus for a change in the unethical behavior.

This paper considers the advantages and disadvantages of these ten types of strategies based on some game theory, philosophy, and everyday pragmatics. Throughout the discussion, references are made to ten cases of managers who utilized one or more of the ten different types of strategies.

The ten case studies

Case 1, *Not Think about It*, is Thomas McCann and the United Fruit Company (McCann, 1975, 1984). Thomas McCann was an assistant to the communications vice-president of the United Fruit Company when in the early 1950s management decided to improve local business conditions by helping overthrow the Government of Guatemala. According to McCann (1984), who later became a vice-president of United Fruit, "At the time, I identified so closely with the company and my job that I didn't think about it as a moral or ethical issue."

Case 2, *Go Along and Get Along*, is Errol Marshall and Hydraulic Parts & Components, Inc. (Pound, 1985). Errol Marshall helped negotiate the sale of a subcontract to sell heavy equipment to the U.S. Navy while giving $70000 in kickbacks to two materials managers of Brown & Root Inc., the project's prime contractor. According to Mr. Marshall, the prime contractor "demanded the kickbacks . . . . It was cut and dried. We could not get the business otherwise" (Pound, 1985, p. 25). While Mr. Marshall was not charged, one of the Brown & Root managers, M. William Callan, was convicted in 1984 of extorting kickbacks and another manager, Frank Di Domenico, pleaded guilty to extorting kickbacks from Hydraulic Parts & Components, Inc. Mr. Marshall has left the company.

Case 3, *Protest*, is John Geary and the U.S. Steel Corporation (Ewing, 1983b; Geary vs. U.S. Steel Corporation). John Geary was a salesman for U.S. Steel when the company decided to enter a new market with a new product, deep oil well casings. Geary protested to several groups of managers that the casings U.S. Steel was producing and asking him to sell had a failure rate of 3.6% and were therefore unsafe. According to Mr. Geary, even though the managers, engineers and salesmen believed him and the test results, ". . . the only desire of everyone associated with the project was to satisfy the instructions of Henry Wallace (Sales VP). No one was about to buck this man for fear of his job" (Ewing, 1983b, p. 86). Mr. Geary was fired.

Case 4, *Conscientiously Object*, is Francis B. O'Brien, Jr. and Searle & Co. (Glaberson, 1985). Francis O'Brien was a research director for the pharmaceutical company. Mr. O'Brien protested against what he believed were exaggerated adver-

tising claims for the Searle Copper 7 intrauterine contraceptive. He protested against what he believed were exaggerated advertising claims of low complication rates and higher effectiveness rates. Mr. O'Brien wrote the following to upper level management. "Their continued use, in my opinion, is both misleading and a thinly disguised attempt to make claims which are not FDA approved . . . . Because of personal reasons I do not consent to have my name used in any press release or in connection with any press release. In addition, I will not participate in any press conferences" (Glaberson, 1985, p. 122). Mr. O'Brien left the company ten years later. There are several lawsuits against Searle claiming it sold this IUD that caused infection and sterility.

Case 5, *Leave*, is A. Grace Pierce and a pharmaceutical company (Ewing, 1983b). In 1975, a pharmaceutical company in Raritan, New Jersey also decided to enter a new market with a new product. Ms. Pierce, then a research and development manager, refused to test a new diarrhea drug product on infants and elderly consumers because it contained high levels of saccharin which was feared by many at the time to be a carcinogen. When Ms. Pierce was transferred, she resigned. The drug was tested on infant and elderly consumers.

Case 6, *Secretly Blow the Whistle*, is William Schwartzkopf and Commonwealth Electric Co. (Pasztor, 1985). Mr. Schwartzkopf secretly and anonymously wrote a letter to the Justice Department alleging large scale, long time bid-rigging among many of the largest U.S. electrical contractors. The secret letter accused the contractors of raising bids and conspiring to divide billions of dollars of contracts since 1970. Companies in the industry have already paid more than $20 million in fines and face many more millions of losses when the victims sue in addition to the government. Mr. Schwartzkopf left the company before he wrote his letter.

Case 7, *Publicly Blow the Whistle*, is A. Earnest Fitzgerald, Lockheed, and the Air Force (Fitzgerald, 1972). Mr. Fitzgerald was a high level manager in the Air Force and former corporate CEO who revealed to Congress and the Press that the Air Force and Lockheed systematically practiced a strategy of underbidding in order to gain Air Force contracts for Lockheed and then billing and receiving payments for cost overruns on the contracts. While Fitzgerald

was fired for his trouble, eventually he received his job back, damage awards, and the underbidding/cost overruns on, at least the C-5A cargo plane, were stopped.

Case 8, *Secretly Threaten to Blow the Whistle*, is a salesman for a large Boston area insurance company (Nielsen, 1985b). This salesman attended a weekly sales meeting with the other salesmen in his group where the sales manager instructed, both verbally and in writing, his salespeople to use a sales technique that the salesman considered unethical. The salesman anonymously wrote the sales manager a letter threatening to write a letter to the Massachusetts Insurance Commissioner with a copy of the unethical sales instructions if the Sales Manager did not retract his instructions at the next sales meeting. The sales manager did retract the instructions. The salesman still works for the insurance company.

Case 9, *Sabotage*, is a program/product manager for a Boston area local social welfare agency (Nielsen, 1985c). This manager was told by her superior to add Soviet Jewish refugees and remove a significant percentage of her clients from her program's group of people receiving disability benefits. She thought that this was both unethical and illegal and that it would result in unnecessary deaths. There had been previous cases of suicides among people who had either lost benefits or who had not received benefits in time. Instead of obeying, she instituted a paperwork chain with a partially funding federal agency that prevented her own agency from dropping people for nine months, at which time they were eligible for a different funding program. To her boss she blamed the federal agency for making it impossible to drop people quickly. Her boss, a political appointee who didn't understand the system very well, didn't understand what had happened and also blamed the federal agency.

Case 10, *Negotiate and Build Consensus for a Change in the Unethical Behavior*, is Dan Phillips and Genco, Inc. (Ackerman and Bauer, 1976; Bauer, 1975). Mr. Phillips was a paper products group division manager for Genco. Upper level management adopted a plan whereby several mills, including the Elkhorn Mill, would either have to reduce costs or close down. Phillips was concerned ethically that cost cutting at Elkhorn would prevent the mill from meeting government pollution control requirements

and that closing the mill could seriously damage the local community. If he reduced costs, he would not meet pollution control requirements. If he didn't reduce costs, mills would close and communities would be damaged. Mr. Phillips successfully negotiated a change in the plan such that the time required to meet the cost reduction targets was extended which permitted more gradual improvements in productivity and pollution control that in turn permitted the mill both to remain open and reduce pollution.

Advantages and disadvantages of options

Since von Neumann and Morgenstern's classic 1944 Theory of Games and Economic Behavior, game theory has developed and prospered as a field. Among the many various types of games studied and experimented with in game theory are positive-sum games, zero-sum games, and negative-sum games. In a positive-sum game with two or more players, over time, as the size of a pie increases it is possible for all players to increase the size of the pie pieces (benefits) they receive in playing the game. All players can win. In a zero-sum game the size of the pie stays the same over time such that for one player to gain increased rewards, another player must lose rewards. For one player to win, another must lose. In a negative-sum game, the size of the pie decreases over time such that for one player just to keep what he has requires that another player lose.

Examples of common types of questions asked in game theory that are also applicable to practical ethics in management are: What type of game is this?"; "What strategy for one player can win (or not lose) in relation to the strategies employed by other players in a particular type of game?"; "What strategies reduce conflicts?"; "What strategies build cooperation?"; etc. An example of a much less common, but nonetheless important, type of question asked in game theory is "What types of strategies can transform zero-sum games into positive-sum games?" This question has particular relevance for practical ethics in management and is discussed below. Following is a discussion of the advantages and disadvantages of the different options.

(1) *Not think about it*

This optional response has a number of advantages.
It avoids the danger of interacting in a zero-sum
game with one's superiors and peers. By not thinking
about it, one doesn't have to get into the situation
where either I or someone else has to lose for
another to win. Mr. McCann's not thinking about
the ethics of he and United Fruit misrepresenting
United Fruit's participation in the overthrow of the
government of Guatemala allowed him to avoid a
potential zero-sum conflict situation with his bosses
and peers. In addition, McCann's not thinking about
it enabled him not to risk endangering the posi-
tive-sum game he was playing with his bosses and
peers. McCann was a young man rising very fast
within the organization. He was doing his job very
well and thereby helping his colleagues and the
organization. In turn, the organization was reward-
ing McCann very well. To think about opposing the
overthrow of the government might have risked
endangering this game. Further, by not thinking
about it, McCann did not have to go through the
tension and stress of asking a question that might
have required him to risk things he valued. Asking
difficult questions can slow one down.

There are, however, some very important disad-
vantages with this type of response. By not thinking
about potentially difficult questions, one runs the
risk of, while not slowing down, going in the wrong
direction. The government that United Fruit helped
overthrow was a mildly left oriented social-demo-
cratic type of government common in Northern
Europe and, one suspects, a type many corporations
would prefer relative to the left and right extremes
competing so violently for power in Central
America today. This historical episode produced a
great deal of ill will towards United Fruit, U.S.
products, and U.S. business in general in much of
Latin American. For example, Fidel Castro's father
was an employee of United Fruit. The younger
Castro may have formed important impressions
about the United States from United Fruit episodes
such as this one. Perhaps, if people like McCann had
voiced some opposition, the situation would be
better today.

There is another disadvantage to this type of
response. One risks becoming uncomfortably similar
to the good Nazi. For example, in the case of the

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

Eichmann, and perhaps at the time, McCann, as
thoughtless managers, despite what many would
consider unethical behavior of their organizations
and of them as individuals, bring into serious
question the validity of assuming that all managers
naturally understand what is right or wrong in
organization contexts where there are powerful
pressures to obey orders. As Arendt (1976, pp.
25—27) explains: "The judges did not believe him,
because they were . . . perhaps too conscious of the
very foundations of their profession to admit that an
average, 'normal' person neither feebleminded nor
indoctrinated nor cynical, could be perfectly incap-
able of telling right from wrong . . . . Their case
rested on the assumption that the defendant, like all
'normal persons', must have been aware of the
criminal nature of his acts . . . However, under the
conditions . . . only exceptions could be expected to
react normally."

Do we as managers and did Thomas McCann risk
becoming too much like an Eichmann by "not
thinking about it" (Nielsen, 1984)? Will a book
similar to McCann's book about United Fruit be
coming out sometime by a former ITT manager
discussing the ethics of helping overthrow the
government of Chile?

(2) *Go along and get along*

This option has essentially the same advantages and
disadvantages as "Not Thinking About It" with some
additional disadvantages. Let us consider the $70 000
kickback that Mr. Marshall gave the general con-
tractor in order to make the sale. At a minimum,
compared to not thinking about it, we now have to
think about, at least for a while, the fact that we are
cooperating with an unethical practice. For many of
us, including Mr. Marshall, such a realization will
make us at least uncomfortable. One might go even

further as David Ewing (1977, pp. 216—217), Executive Editor of the Harvard Business Review, has concluded: "It (obeying and going along with unethical behaviors) is probably most dangerous . . . as a low-level infection. When it slowly bleeds the individual conscience dry and metastasizes insidiously, it is most difficult to defend against. .There are no spectacular firings or purges in the ranks. There are no epic blunders. Under constant and insistent pressure employees simply give in and conform. They become good 'organization people'". Also, is it possible or likely that such conforming behavior might carry over into other nonethical areas. If we get in the habit of just obeying, might this habit extend into areas unrelated to ethical consideration that would be bad for the organization? Too much pressure to go along and get along can deprive upper level management of the quality of information they need from lower level managers to make good management decisions.

(3) *Protest*

An advantage of the protest option is that the manager can feel ethically good about making an effort to stop the unethical behavior. This was the case with John Geary. He felt better about objecting to selling an unsafe product that he thought could result in injuries and deaths than to just going along as other managers, engineers and salespeople did at U.S. Steel. However, there are also some important disadvantages to this option. The organization can disregard our objection and punish us for objecting. This is what U.S. Steel did to John Geary. Mr. Geary was fired and the product was sold by someone else.

(4) *Conscientiously object*

This alternative has the advantage of making a clear statement to the organization that at least one person considers a management behavior unethical and refuses to participate in it. This option can make one feel good about oneself having the courage to stand up for what one believes. Individual conscientious objection may also encourage by example other people in the organization to take similarly courageous stands. And in the Searle case, if the company

had paid attention to the objections raised by Mr. O'Brien to taking part in the advertising and sales promotion activities concerning the Copper 7 IUD, it might have avoided the many and large suits that, if they prevail, may seriously damage the financial health of the company as well as result in criminal convictions of some managers (Nielsen, 1979). An additional advantage of this alternative is that if the organization recognizes an employee's right to conscientious objection, the manager can both express an ethical conviction and keep one's job as Mr. O'Brien was able to do. Further, the organization is able to retain the services of good employees like Mr. O'Brien and perhaps by example encourage other employees to communicate to upper level management unethical behaviors as well as other types of important information.

However, there is also an important disadvantage to conscientious objection. Very few organizations recognize employee rights of conscientious objection. Mr. O'Brien could have been fired as John Geary was at U.S. Steel. Another at least potential disadvantage of conscientious objection is that it may hurt one's chances for advancement. For example, Polaroid for over twenty-five years has permitted managers to use an internal grievance and arbitration procedure. However, as of 1982 (more recent data has not been released), no manager has ever used it. The Human Resources Vice President thought that an important reason for this is that managers are afraid of being branded as non-team players.

(5) *Leave*

There are both advantages and disadvantages to leaving. By leaving, we may be giving a signal to the organization that it will lose good people if it continues unethical behavior. By Ms. Pierce's leaving the organization, she may have sent a signal throughout the organization that good people will and can go elsewhere. In addition, if we leave and work for a competitor, we may be helping a more ethical organization gain market share relative to a less ethical organization. We probably would also feel better, at least for a while, because we know we had the courage not to cooperate with unethical behavior.

However, there are some important disadvantages to this approach. Most of us, most of the time, are very replaceable. If the situation is being perceived as a zero-sum game by the people we are in opposition to in the organization, they may very well interpret our leaving as our losing and their winning. We leave and someone else cooperates with the behavior we considered unethical. How much have we accomplished? In addition, our leaving may send quite a different type of signal than the one we might hope for. Other people in the pharmaceutical company might interpret Grace Pierce's leaving the company as a sign that to oppose unethical behavior means that one has to leave the company. This could result in giving greater credence to the too simple, but not uncommon, belief that one's only alternatives are of the "Love (obey) it or leave it" variety. Further, we may not be so happy with ourselves later on. It may be that we did not have the courage to stay and work for change, that we did not have the courage to be as a part as well as an individual.

Tillich (1952) in his *The Courage to Be* explains that "The courage to be is the ethical act in which man affirms his own being in spite of those elements of existence which conflict with his essential self-affirmation" (Tillich, 1952, p. 3). Tillich considers several types of courage including what he calls "The courage to be as onself" and 'The courage to be as a part". Tillich explains (1952, pp. 89, 110, 112, 116):

> For the concepts of self-affirmation and courage this means that the self-affirmation of the self as an individual self always includes the affirmation of the power of being in which the self participates. The self affirms itself as participant in the power of a group, of a movement, of essences, of the power of being as such. . . . The anxiety conquered in the courage to be as a part in the productive process is considerable because the threat of being excluded from such a participation by unemployment or the loss of an economic basis is what, above all, fate means today. . . . The one point . . . in which all criticisms agree is the threat to the individual self in the several forms of the courage to be as a part. It is the danger of loss of self which elicits the protest . . . and gives rise to the courage to be as oneself. . . . The courage to be as oneself is the courage to follow reason and to defy irrational authority. . . . The courage to be as oneself is the necessary corrective to the courage to be as a part — even if they rightly assume that neither of these forms of the courage to be gives the final solution.

While it is of course very difficult to judge the behavior of other people, it is possible that Grace Pierce did very well demonstrate a "courage to be as oneself" by leaving the company, but she may also have demonstrated something of an insufficiency of "courage to be as a part" by not staying and working to help the organization behave more in the manner she perceived to be the ethical.

There is still another disadvantage to leaving. It cuts off dialogue. It is possible that the organization was more right and the individual more wrong just as the reverse is possible. Leaving stops dialogue and prevents the organization from learning from the individual and the individual from the organization. Just as dialogue between customer and organization can improve management, lack of dialogue between the individual manager concerned with an ethical issue and the organization can also prevent mutual learning, synthesis, innovation and improvement. Of course, there are important limits to such a principle of dialogue. In zero and negative-sum game type situations, the point, for many people not interested in or when it is not possible to transform the game to a positive-sum game, is to win and defeat the other players. Dialogue has limited utility in such situations unless one is also concerned with reasonable compromise or philosophical/spiritual transformation that can be part of a peacemaking process as an end in itself (Brinton, 1973, Buber, 1965).

(6) *Secretly blow the whistle*

There are at least two advantages to secretly going outside the organization. It can be very effective. William Schwartzkopf's anonymous and secret letter to the Justice Department has already resulted in over $20 million in fines of electrical contractors and will probably result in many more civil awards and criminal convictions. Another advantage is that as long as the whistle blower remains secret, the whistle blower can not be retaliated against by the organization.

However, there are also some disadvantages with this type of response. One might feel sneaky or even cowardly by secretly going outside the organization. Such secret behavior may also create or increase an atmosphere of distrust outside and within the organization which can in turn harm organizational

efficiency, quality of work life, and customer confidence. There is also a potential irony here. It is not uncommon for organizations to investigate leaks. The secret whistle blower may have to face the additional ethical question about whether or not to tell the truth or lie when asked by organization investigators whether or not he was the one who leaked the information. In order to protect himself and stop the behavior he thinks is unethical, he may have to lie about releasing the information. And if the whistle blower tells the truth and admits releasing the information, not only is it likely that the organization will retaliate, but also other managers, engineers, employees and clients may find it difficult to trust the whistle blower in the future.

(7) *Publicly blow the whistle*

Publicly going outside the organization can be just as effective as secretly going outside. When Mr. Fitzgerald testified to the Congress and was interviewed in the press, enormous pressure was brought to bear against Lockheed and the Air Force to stop their underbidding/cost overrun strategy. Another advantage to this type of option is that public whistle blowers are often treated as heroes by many who admire their courage and are grateful for their exposing the unethical and/or illegal behavior.

A major disadvantage of this type of response strategy is that the organization may attack the whistle blower. The Air Force not only fired Fitzgerald, but villified him in public. In addition, it caused him to incur enormous legal bills to regain his job and defend his reputation. What happened to Mr. Fitzgerald with all the trouble he had may have discouraged other people from publicly speaking out for fear of having to experience similar retribution. Public whistle blowers are much more the exception than the rule. Public whistle blowing also makes it difficult to interact with the people one is criticizing publicly in a positive-sum manner. This can make it much more difficult to cooperate with these colleagues in the future. They may feel attacked, harmed, and even betrayed. It is hard to work cooperatively with people who feel this way. Fitzgerald is still treated as an outcast and villain by many managers and engineers in the defense supply industries. Even if the public whistle blower wants to

keep the same job or work at a different job within the organization, it may be very difficult to work cooperatively with people who hold a grudge or with people who are afraid to get too close for fear of being attacked by others out to retaliate against anyone perceived as friendly to the public whistle blower. And obviously, public whistle blowing doesn't help the public reputation of the organization.

(8) *Secretly threaten to blow the whistle*

This option has all the advantages of secretly blowing the whistle with the additional advantage that, when it works, i.e., when the organization changes its unethical behavior, the organization doesn't have to be hurt by bad publicity and/or sanctions that could follow from public knowledge about the unethical behavior. In the insurance company case, the sales manager changed the unethical sales directions without customers or the insurance commissioner having to know about it. However, this alternative retains one of the main disadvantages of the secretly blowing the whistle alternative in that it does not permit dialogue between upper and lower level managers. Again, the manager who thinks he or she is upholding an ethical principle can be wrong. Dialogue can help clarify issues and sometimes result in win–win type solutions to ethical dilemmas. In addition, this alternative might prevent any injured consumers or clients from receiving remedies from the organization that has engaged in the unethical behaviors.

(9) *Sabotage*

The advantages of this alternative are that it can be effective and the identity of the manager can be protected from retaliation. As in the case of the social service program manager, she was able to stop the behavior she considered unethical without her superior knowing the real reason for the result. However, there are a number of disadvantages with this option. As with the secretly threaten to blow the whistle alternative, sabotage is not dialogue. Another disadvantage is that it is possible that superiors can learn that their decisions/programs have been sabo-

taged and then retaliate against the people committing the sabotage. Also, a superior might conclude that subordinates are incapable of implementing policy and look for different managers. There is another ethical dilemma with this alternative concerning whether and when sabotage is in itself ethical.

(10) *Negotiate and build consensus for a change in the unethical behavior*

There is some evidence from game theory that suggests that isolated individual opposition to co-operative behavior — people can cooperate with good or bad ends/means — will lose to cooperative behavior, including unethical cooperative behavior. This was certainly the case at U.S. Steel. Apparently, John Geary was the only one who objected to selling what was recognized by many managers, engineers, and salespeople as an unsafe product. The others got ahead and Mr. Geary was fired.

Axelrod (1984) invited experts in game theory to submit programs for a Computer Prisoner's Dilemma Tournament. In a Prisoner's Dilemma game, players are able to achieve mutual gains from cooperation, one player may try to oppose another, and players may also choose not to cooperate with each other. More specifically, choices players make can result in one of four possible outcomes. If both players cooperate with each other, each scores 3 points. If one player cooperates but the other defects (opposes, does not cooperate, acts individually), the defecting player gets 5 points and the cooperating player 0 points. If both choose not to cooperate with each other, both get 1 point each.

The iterated Computer Prisoner's Dilemma Tournament was structured as a round robin with each paired with each other entry. Fourteen game theorists submitted strategies. Each game consisted of two hundred moves. The entire tournament was run five times. There were 120000 moves making for 240000 separate choices. The fourteen strategies came from game theorists in the fields of psychology, economics, political science, mathematics, and sociology.

The strategy called Tit For Tat (TFT), submitted by the psychologist Anatol Rapoport, won the tournament. TFT starts with a cooperative behavior,

and thereafter responds positively to a positive move by the other player or negatively to a negative move by the other player.

A second round of the tournament was then held. Entrants to the second round were all given the results and a detailed analysis of the first round. There were also many more participants in the second round, sixty-two entrants from six countries. All players in the first tournament played again. TFT won the second round also.

Why did TFT do so well? According to Axelrod: "What accounts for TFT's robust success is its combination of being nice, retaliatory, forgiving, and clear. Its niceness prevents it from getting into unnecessary trouble. Its retaliation discourages the other side from persisting whenever defection is tried. Its forgiveness helps restore mutual cooperation. And its clarity makes it intelligible to the other player, thereby eliciting long-term cooperation . . ." TFT won the tournament ". . . not by beating the other player, but by eliciting behavior from the other player which allowed both to do well. TFT was so consistent at eliciting mutually rewarding outcomes that it attained a higher overall score than any other strategy."

Axelrod for the most part assumes that the behaviors players cooperate on and with are 'good'. Unfortunately, it is not at all uncommon in "real life" as the cases in this paper illustrate for people to cooperate for 'bad' ends with 'bad' means. What Axelrod's game theory research suggests is that individuals trying to resist 'bad' and cooperative TFT type strategies are unlikely to succeed or survive as independent individuals opposing such 'bad' cooperative strategies as individual conscientious objectors or protestors (Nielsen, 1985d). This was certainly the case for the salesman Mr. Geary at U.S. Steel.

What Axelrod's results suggest is that isolated individual opposition to positive-sum cooperative behavior (ethical or unethical) appears not to work very well. That is, as long as there are 'many' players who are receiving increasing benefits from cooperating, even if the behavior they are cooperating with is unethical, the research suggests that individual opposition is not normally very effective. Therefore, an advantage to consensus building negotiation may be that as the consensus is built with others acting cooperatively (minority Tit for Tat), individual action grows to small groups

consensus and small group consensus grows to more general consensus that is more effective than isolated individual opposition.

Another advantage to this approach is that it is often possible to negotiate a positive-sum consensus solution with others. For example, in the Genco, Inc. case, Mr. Phillips, the division manager was able to negotiate a positive-sum consensus solution. Through negotiating and dialoging with other managers and engineers, Phillips was able to develop a solution that over time reduced costs, reduced pollution, and allowed the Mill to remain open. Mr. Phillips negotiated a positive-sum consensus solution that weighed costs of not meeting government pollution control requirements, negative publicity from pollution, negative publicity from a Mill closing, and the postive benefits from taking more time to develop and adopt the technical changes in the Mill operations that permitted costs to be reduced while controlling pollution.

Positive-sum consensus building negotiation develops a solution that benefits those on different initial sides of an issue and it can be adopted since there is the internal political consensus for a change in the behavior considered unethical. Apparently however, positive-sum consensus building negotiation was not tried by the individuals in the United Fruit, U.S. Steel, Searle, Air Force/Lockheed, Hydraulic Parts & Components, Inc., the social service agency, the insurance company, and the Commonwealth Electric cases. This brings us to a consideration of some of the disadvantages with this type of response strategy.

For this type of response strategy to be more likely to work, it is easier if the situation is a positive-sum game type situation. Some situations are fundamentally zero and negative-sum and can't be transformed. For example, at least in the short run, the U.S. Steel situation may have been of this nature. In the short run, U.S. Steel either sold the oil well casing and made a profit or did not sell the casings and took a loss. However, with the longer run in view, perhaps one could have successfully negotiated a consensus that the short run profits would be outweighed by the bad reputation U.S. Steel would have developd in the new market through the introduction of unsafe products. Further, a consensus would probably have been easier to build if Geary in his discussions with other managers

had looked for and found a way to correct the production problem. However, if the manager and engineers could not develop a cost effective solution, then perhaps there was a zero-sum situation of sell or take the losses.

Another problem with the negotiate and build consensus type of response strategy is that the manager who perceives the ethical dilemma may not know how to negotiate a positive-sum consensus. It is not that unusual for managers not to be very skilled in this process. It is difficult. Also, in a way, it is not even a natural process. That is, many of us when faced with actual or potential conflict situations experience higher blood pressure, faster heart rates, sweating, adrenalin release, stress, etc. Our 'natural' inclination related to these physiological changes may be either/simultaneously to 'run' and/or 'attack' rather than coolly go about negotiating a positive-sum consensus solution. An additional problem with this approach is that even when we do know how and have good experience in negotiating positive-sum consensus solutions, it still generally takes a great deal of time and is difficult. It can be a lot easier just to "Not Think about It" or "Secretly Go Outside the Organization".

However, as referred to above, in spite of these real problems, there can be a type of philosophical/ spiritual transformation and satisfaction that can result from the negotiating and peacemaking processes when approached as ends in themselves. That is, at least for some, negotiating and peacemaking serve as forms of satisfying ends in themselves that can be more important than the above real and pragmatic disadvantages of the negotiating approach (Brinton, 1973; Buber, 1965).

Conclusion

What should we do as managers when our sense of personal ethics is at odds with our organization's management? To a large extent it depends upon the circumstances and our own abilities. To some extent the choice also depends upon personal courage. However, most of us, most of the time are not able to be heroic. While great courage is certainly to be admired, respected and recommended, this discussion is written primarily for those of us who are

more average than not with respect to being personally courageous.

"Not thinking about it" would neither change nor solve the problem. And the same is true for "go along and get along" and "leave". Also, as the cases referred to here illustrate and as referred to above, very few organizations recognize the right to "conscientiously object". If we are afraid to lose our job and/or promotion opportunities if we "protest" or "conscientiously object", then this would also suggest that we look for other alternatives. Further, as the game theory research suggests, individual conscientious objection and protest, by themselves, where there is cooperation with unethical behavior that benefits the cooperators, are not likely to turn an organization around. Therefore, individual, non-public "protest" and "conscientiously object" would appear to be more actions of personal ethical consicence that, while they are courageous, are often less than realistic attempts to be effective. Further, if we wish to remain effective members within the organization and/or are afraid to lose our job and promotion opportunities, then this would probably also rule out "publicly blow the whistle".

If we want to be both ethical and effective and if we have more 'average' than 'heroic' courage, there are still the four alternatives of "negotiate and build consensus for a change", "secretly threaten to blow the whistle", "secretly blow the whistle", and "sabotage". If we know how to negotiate — and if there's time for it, — if the key people in authority are reasonable, and if it's either a positive-sum situation or can be turned into one, then there's a reasonable chance of success for a negotiating approach. Another important advantage of this alternative is that it gives us the chance to learn more about "the other side". It is possible that we are wrong and the organization is right. The dialog that is part of negotiation permits us to discover this directly. For what it is worth, for the above reasons and for the value of peacemaking negotition as an end in itself, this is the alternative that I would recommend be tried first for both those with more 'average' and 'heroic' courage. It can be effective, ethical, mutual gain, and open with respect to dialog and mutual inquiry. However, if we don't know how to negotiate, there isn't time, those in authority are unreasonable, we are afraid to negotiate, and the

situation is zero or negative-sum, then the chances of success with a consensus building negotiating approach are much lower. If this is the case, if we do not value peacemaking negotiation as an end in itself, or if we try negotiating and it doesn't work, then we can try one of the other alternatives: "secretly threaten to blow the whistle", "secretly blow the whistle", and "sabotage".

There is an advantage to "secretly threaten to blow the whistle" relative to actually "secretly blowing the whiste". By secretly threatening to blow the whistle we give the organization time to change its unethical behavior without public damage to the organization. If this doesn't work, then one can always later "secretly blow the whistle". However, if we don't want to harm the organization by "secretly blowing the whistle", if it is likely that it would be known who blew the whistle, or if we could be discovered as the whistle blower through such means as lie detector tests, an increasingly common phenomenon, then we might try the last alternative, "sabotage". As illustrated above, this can be effective and it is possible to remain undetected. However, there may also be another ethical issue here. When is sabotage ethical? And is sabotage ethical if we or others haven't had the courage to try one of the other more open and honest alternatives? This is an extreme alternative, but there are extreme cases. In the case considered here, the disability benefits program manager had experienced situations where more than one of her clients had committed suicide rather than financially bankrupt their families when they were denied disability benefits. In other cases considered in this article such as the United Fruit-Guatemala and Searle-IUD cases, there were also deaths attributed to unethical organization behavior.

The above discussion of alternative responses to unethical organization behavior is offered less with the intention of persuading than of perhaps helping readers to be more aware that there are "real life" and not uncommon ethical problems facing managers, that there are realistic alternative responses to consider and compare, that there are situational factors that can influence the decision, and that we do need to think about these issues and choose. Here, philosophy and religion as well as game theory and pragmatics may help us choose among the alternatives. Unfortunately, space does not permit a

thorough or even barely adequate examination of the many philosophical and religious contributions that could and need to be considered with these alternatives.

It is also hoped that this presentation will stimulate more work concerning what managers practically can do about unethical behavior and not just what is and is not unethical management behavior. As referred to at the beginning of this article, a keener awareness of what is and is not ethical without a corresponding increase in knowledge about what we can practically do about unethical behavior may simply make our own and our students' pain in ethical dilemmas more exquisitely aware without providing remedies and solutions. As management professors, we own it to ourselves and our students to seriously explore practical alternatives to ethical dilemmas with the same efforts we explore other practical strategies and tactics of management. If we don't explore such practical solutions to ethical dilemmas we run the risk of implicitly telling ourselves and our students that there isn't much that we can do about unethical behavior and like the "good Nazi" we should probably not think too much about it and "go along and get along". This is both wrong and unnecessary. As Goethe observed, "The world only goes forward because of those who oppose it". Perhaps the same is at least partially true of organizations and the managers who struggle with the various means discussed above for opposing unethical behaviors.

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