

Applying Character Strengths in Business Ethics Exercises: A Collaborative Workshop

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Abstract. The purpose of this paper is three-fold. First, to offer fully developed exercises for educators and scholars that could be added immediately to a business ethics course to explore timely ethical issues in an exciting way. Second, to highlight the benefits of incorporating Positive Psychology and a discussion of character strengths into business ethics courses (or courses that include units on ethics or sustainability) to enhance the understanding and practice of ethical decision-making in the business context. Third, to offer a framework other educators could use to create a content-generating and engaging workshop at their discipline-specific conferences.

Keywords: exercise, positive psychology, ethical decision-making, framework.

1. Introduction

A multidisciplinary choir of voices in higher education has increasingly emphasized the urgency of teaching ethics due to the plethora of business-related scandals in the last several years and in the aftermath of the Hamas attack on October 7, 2023 (e.g., Emanuel 2023; Mintz 2023; Pasquerella 2023). Recent incidents on college campuses and the wider business community underscore that

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ethical challenges for students extend beyond traditional academic boundaries. These events highlight the immediate need for business ethics courses that empower educators to play a crucial role in fostering critical thinking, moral reasoning, and a commitment to responsible conduct in their students. In addition to longstanding ethical issues like academic integrity, peer pressure and hazing, respecting boundaries, and substance abuse (Mintz 2023), students are now navigating an unprecedentedly polarized environment. Leaders in various fields often fail to model civility (Frimer *et al.* 2022), honesty (Huppert & Levine 2023), and respect for others in actions and words, adding complexity to the ethical landscape. Add to this is the availability of AI and its potential to create new ways to engage in unethical behavior (Brendel *et al.* 2021; Köbis *et al.* 2021; Li *et al.* 2023).

2. Enhancing Business Ethics Courses with Positive Psychology

While business ethics courses often delve into virtue ethics, scholars have suggested that the effectiveness of these courses can be amplified by challenging students to identify their best selves (Han 2019; Harris 2015). This paper proposes that business ethics courses could greatly benefit from an infusion of tools from positive psychology, a branch of psychology that focuses on the scientific study and application of factors contributing to human flourishing (Seligman 1998). When applied to business ethics, Positive Psychology can provide a practical and applicable framework for understanding and developing the character strengths necessary for ethical decision-making, enhancing the real-world impact of these courses, and fostering innovation in the field.

3. Character Strengths

Research indicates that ethics courses are most effective when students are encouraged to develop and practice ethical behaviors. One effective Positive Psychology approach focuses on character strengths, crucial in ethical decision-making. This approach aligns with recent research that suggests that character education can promote the development of specific virtues (Lamb *et al.* 2022). Furthermore, character strengths can act as a “natural bridge” between virtue ethics and ethical decision-making, underscoring their pivotal role in the ethical landscape (Crossan *et al.* 2013, p. 568). Understanding and nurturing these character strengths can enlighten students about ethical decision-making.

Peterson and Seligman (2004) provide a structured classification of twenty-four-character strengths grouped into six core virtues (e.g., wisdom, courage, humanity, justice, temperance, transcendence), each encapsulating a cluster of character strengths. For example, the virtue of courage incorporates the strengths

of bravery, honesty, perseverance, and zest. This framework has been widely adopted in Positive Psychology because it provides a comprehensive understanding of positive character strengths and how they contribute to well-being. The taxonomy integrates various moral and ethical traditions, including religious and secular perspectives (Littman-Ovadia *et al.* 2021; Peterson & Seligman 2004) developed through a systematic review of psychological, philosophical, and theological literature. Although their inventory infused Aristotelian philosophy, it has been criticized for its noted gap in fully incorporating practical wisdom (Bellehumeur *et al.* 2017; Crossan *et al.* 2013). Aristotle's conception of ethical virtue requires learning and practicing it enough to become a habit (Bartlett & Collins 2011), which becomes practical wisdom when combined with logic (Bartlett & Collins 2011).

Crossan and her colleagues have extensively researched leadership character development and ethical decision-making (Crossan *et al.* 2013; 2017; Nguyen & Crossan 2022; Seijts *et al.* 2019). Their work incorporates Aristotle's concept of the golden mean, where virtue is a desirable state between the vices of deficiency and excess (Crossan *et al.* 2017, p. 989). They suggest that ethical decision-making is strongest when approached through character strengths and motivational values.

The perspectives of both Peterson and Seligman (2004) and Crossan *et al.* (2013) form the basis of empirical research that supports the idea that character strengths play an important role in ethical decision-making. Studies have demonstrated that character strengths such as honesty, fairness, and kindness are highly valued and contribute to ethical decision-making, positive organizational culture, organizational learning, and board governance (Crossan *et al.* 2023; Wagner *et al.* 2020; Seijts *et al.* 2023; Stahlmann & Ruch 2020). Individuals with higher moral character are more likely to recognize and interpret situations in ethical terms, which in turn affects their ethical choices (Helzer *et al.* 2022).

Additionally, findings suggest that the character strengths of honesty and empathy combined with leaders' self-control and self-confidence complement ethical leadership, strengthening psychological flourishing, empowerment, and in-role performance (Shaikh & Siddiqui 2020). Applying character strengths in the workplace has also been associated with improved quality of life and resilience, suggesting that fostering these strengths can lead to more ethical and supportive business environments (Höge *et al.* 2020), well-being, and organizational behavior (Harzer & Ruch 2013). Character strengths are widely considered morally valuable, even when not tied to an outcome aligning with deontological principles of prioritizing moral actions over just the results (Stahlmann & Ruch 2020). These findings underscore the importance of incorporating character strengths into ethical decision-making models to understand better and predict ethical behavior in various contexts (Crossan *et al.* 2013; Nguyen & Crossan 2021; Ruch *et al.* (2019); Peterson & Park 2006).