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Behavioral Business Ethics as a Method for Normative Business Ethics

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ABSTRACT

This paper aims at discussing the role of behavioral business ethics as a methodological approach that is valuable for the construction of a robust normative foundation for business ethics. In particular, we will focus on experiments –and, to a lesser extent, surveys, field research, and even the study of cognitive and neural mechanisms– as a research method suitable to improve our appraisal and knowledge of the prescriptive side of business ethics.

We contend that there are two basic gains from the use of experimental methods in normative business ethics. First, we can improve the psychological realism of normative theory -this goes hand in hand with supporting the new paradigm of the organization, based on a more realistic view of human agency. Second, we can experimentally check some theoretical assumptions about moral reasoning, thus providing quasi-empirical support (or falsification) for particular normative theories.

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Introduction

This paper aims at discussing the role of behavioral business ethics as a methodological approach that is valuable for the construction of a robust normative foundation for business ethics. In particular, we will focus on experiments –and, to a lesser extent, surveys, field research, and even the study of cognitive and neural mechanisms– as a research method suitable to improve our appraisal and knowledge of the prescriptive side of business ethics.

Undoubtedly, behavioral methods are extremely productive in shedding light about the workings and determinants of human ethical/un-ethical choice and conduct. We will suggest that experimental methods might *also* provide better criteria to judge over competing normative foundations for business ethics, and lend support to normative theories and their corresponding prescriptions. Empirical research endows us with an increasingly precise understanding of human motivation and rationality, as well as with a more consistent and comprehensive knowledge about the biological and social sources of morality and its authority.

In a very general way, we will take behavioral economics and behavioral game theory to be the kind of approach based on the criticism of the classical *Homo Oeconomicus* model of man. Behavioral economics could be defined as the section of economics that deals with how real people actually make choices. Behavioral economics draws upon Psychology, Social Psychology, Sociology, Neuroscience, and other empirical sciences. It uses empirical methods adapted from these sciences to illuminate economic decisions. In addition, Economics has developed a very specific experimental methodology (laboratory and field experiments) designed to test how people actually play well-known games, or make decisions under controlled conditions. Experimental economics is by all measures a very successful field (Etzioni, 2011). It has established general facts about human behavior like anchoring and adjustment effects, endowment effect, loss aversion, altruistic/fairness preferences in strategic interaction (Jolls et al 2001, Camerer et al 2003, Camerer, 2003, Fehr and Schmidt, 1999, 2003, Sobel, 2005). This has been attained with a method that is transparent, simple in its assumptions, and lacking tautological postulates.

The theoretical ambitions of experimental economics are better represented, though, by the attempt at actually *modeling* observed behavior. With regard to deviation from purely selfish behavior in strategic interaction, in the last decade theoretical models have been put forward to account for a vast evidence on altruism (Andreoni and Miller, 2002; Della Vigna et al. forthcoming), conditional cooperation (Fishbacher *et al*. 2001, Fischbacher and Gächter, 2010), reciprocity (Rabin 1993, Falk and Fischbacher 2006), willingness to punish deviation from shared social norms (Güth *et al*. 1982; Fehr and Gächter 2000 and 2002) conditional compliance with ethical or social norms based on expectations about others' behavior (Bicchieri 2006; Faillo *et al.* 2008; Sacconi and Faillo, 2010; Sacconi et al., 2011), guilt aversion (Charness and Dufwenberg 2006) and many other forms of conduct that cannot be explained by models based on the assumption of the economic agent as a pure maximizer of his own material payoff.

Several questions and criticism have been leveled against models in behavioral economics and behavioral game theory (Cfr. Cordeiro dos Santos 2010). The most pressing one for *business ethics* may be the problem of their *normative* character. The merits for a model are usually assessed according to its predictive capacity, generality and tractability. Even a highly estimated model by these criteria may not be the best possible guide for action. It may not even attempt to be such a guide. However, in managerial and decision sciences, theories and models are expected to yield recommendations for action. This is achieved when theories can claim, not only that they describe reality accurately, but also that their accuracy lends them *authority* to be used as guides for action.

In the realm of ethics, claims of practical authority based on empirical research are bound to face the well-known charge of naturalistic fallacy. No matter how accurate or enlightening a theory may be, it may be overbearing –and perhaps entirely unjustified– to use it to derive value judgments and/or recommendations for action. Not to mention calling those values or recommendations "ethical". In the more specific field of business ethics, the fact-value divide gave rise to the debate on the so-called "separation thesis" (ST) about the necessity of keeping purely technical management tools and theories apart from normative reflections about the proper role of the corporation and the correct behavior of its individual members (Harris and Freeman 2008; Sandberg 2008; Wempe 2008).

However, business ethics cannot obviate the overwhelming amount of data and insight provided, for example, by experiments about social dilemmas and bargaining. Experiments have been conducted also on moral issues or ethical dilemmas. In this latter case, conclusions are *meant* to be relevant for our discipline. Treviño (1992) may be one of the first scholarly papers to acknowledge the role of empirical research in business ethics. Since then, reasons for using experimental and field social research have mounted.

In this paper, we make a brief review of the presence of experimental methods in Business Ethics, pointing at the principal areas of interest and intersection between experimental economics, moral psychology and business/organizational ethics. Then we expound the distinction between merely descriptive studies and those with a normative intent. In this latter group still several distinctions are possible: some studies aim at confirming accepted normative hypothesis while others try to put the methods of behavioral business ethics at the service of discovering the deep reasons supporting and/or motivating ethical behavior in business. As it was said, normative studies drawing upon experimental results are bound to face the "naturalistic fallacy" challenge. We will discuss the challenge in three ways: first, we may concede the naturalistic fallacy argument, and still hold that empirical methods are valuable for improving the design of public policies and organizational governance systems. A better empirical knowledge of motivations and probable causes of ethical-unethical behavior may make organizations more effective in their policies about corporate ethics, even if corporate ethics cannot be *derived* from any empirical fact. From this perspective, empirical research on ethical behavior would not cross the descriptive-prescriptive divide. Behavioral business ethics would be purely *instrumental* for normative business ethics.

A second tackle would concede that the naturalistic fallacy argument may be a serious objection for *most* uses of empirical research in moral philosophy (Berker, 2009), but it is not necessarily an objection to *all* current behavioral ethics research. Current research is not naive about the *is/ought* divide. In one sense, experimental (philosophical) ethics research has a built-in response to the naturalistic fallacy. Current techniques are able not only to check behavior and its probable causes, but to some extent *normative motivations* behind behavior (See, e.g. Claviena *et al.* 2010*)*. Also fMRI-based studies are able to correlate ethical choice with the perceptions of norms, in-group loyalty, compassionate feelings, different types of cognition, etc. Researchers are not shifting from is to ought; they are discovering the psychological workings of *ought* all the way. This line of argument dissolves, to some extent, the naturalistic fallacy.

A third approach will suggest that *some* experimental research falls entirely out of the scope of the naturalistic fallacy argument. It is the case of what we will define as *normative* use of experimental research methods. The reason is that certain experiments are not designed primarily to check how people react in real life situations, but to check whether a particular normative hypothesis is plausible. Experimental subjects undergo what we may call *normative experiences*. They have to reflect –or to choose– in situations that model portions of normative theories or arguments. Sacconi and colleagues for example, have modeled agreement about a principle of justice *and* implementation of the principle (see section VI). Those are key steps in a Rawlsian argument. The experiment is designed *specifically* to lend (or rest) plausibility to the whole Rawlsian normative argument for the ethics of justice. Results are expected to teach us something about how people act, but more importantly, they are expected to confirm theoretical suppositions essential for supporting a foundational normative argument.

Our conclusion is that behavioral business ethics is of course helpful to a number of applied questions (Cremer *et al.*, 2010): governance, norm design, ethical motivation, norm compliance, etc. But more importantly it may be also a legitimate method for deciding among competing normative theories of business ethics, and key to strengthen the authority of some of them in the realm of business ethics.

This conclusion is related with the emerging idea that behavioral economics may be contributing to the building of a new paradigm of economic rationality. According to Etzioni (2011), the new paradigm is based on assuming that rationality includes –or at least has a closer relationship with– moral dispositions, altruism, norm-conformity, group rationality (Cfr. Stringham 2011). Experimental research that is able to support the rational authority of moral theories, would certainly contribute towards the definition of a new paradigm of economic rationality.

The paper is organized as follows: section I recounts the story of behavioral business ethics as a method of our discipline. We highlight some recent 'state-of-the-art' contributions to show the relevance of the method. On section II we offer a purely descriptive reading of this method. Section III shows a sample of recent empirical research that crosses the *is/ought* divide by providing insight into the functioning of our "normative brain". In sections IV and V

we argue for our suggestion that some experimental research may be designed specifically to test the validity of normative arguments. Section IV deals with some previous questions and perhaps may be omitted without missing anything essential; section V is the core of our proposal. Section VI describes the experiments conducted by Sacconi, Faillo and colleagues that are the origin of much what is suggested here. Section VII discusses and further explains our view about the experimental method in normative business ethics. Finally, concluding section VIII summarizes our position and points to limitations and further developments.

I. Behavioral business ethics. A Story of success.

Cremer *et al.* (2010) adhere to a definition of behavioral ethics from Treviño, Weaver and Reynolds (2006): The study of "individual behavior that is subject to or judged according to generally accepted moral norms of behavior." This definition emphasizes the psychological component *and* takes the normative component for granted. Moral norms are simply "accepted". This is probably an accurate description of most business ethics published research. The appalling nature of many instances of wrongdoing in business makes it plain that someone acted against one or other "accepted" moral norm. Frequently, examples of unethical behavior involve criminal behavior: fraud, deceit, insider trading, plain lying, market manipulation, bribing, human and workers' rights violation, environmentally illegal, or utterly harmful, practices, and so on.

Behavioral economics draws heavily upon the psychology of behavior in general, and the psychology of moral development in particular. The same goes for behavioral business ethics. When Treviño (1992) first called for the use of empirical research in business ethics it was due to the perception that an excess of normative, philosophical, discourse and discussion about business ethics issues was not contributing to a significant progress in the field. Managers, workers, legislators, were well informed about the main philosophical theories of ethics, and what they have to say about particular issues: all this was of little help to avoid unethical behavior. Organizations needed to understand why actual people behave unethically, and how this could be avoided.

A *BEQ* special issue of January 2010 grouped behavioral business ethics papers into three main themes. They represent three general themes in the literature. First, moral awareness; second, ethical decision making; and third, how people react to unethical behavior.

The first of these themes refers to how and when people come to acknowledge that their actions may impact the interests, welfare, or possibilities of others, and therefore include an "ethical" dimension. The question is relevant because it has been found that in many cases, unethical behavior by otherwise conscious people is due, not to a lack of moral principles, but to a lack of awareness. Organizations, and society as a whole, have a prompt use for insights about how to foster moral awareness. (Bloodgood *et al.* 2007; Wade-Benzoni, *et al.* 2010; McFerran *et al.* 2010).

The second general theme is ethical decision making. This is the favorite theme for psychologists, economists and other social scientists. Many experiments try to unveil how contextual circumstances, as well as unconscious processes, influence patterns of behavior. The most studied are classical games (bargaining games, social dilemmas such as the Prisioner's Dilemma, public goods games, trust games) and distributive decisions, along with several ethical dilemmas, or *vignettes*. Most of these studies test in particular distributive and efficiency decisions (Konow, 2003, for an extended review). They test whether people choose personal gain *versus* collective gain, or equality *versus* efficiency. This is the favorite theme for economists because it is in playing bargaining and mixed-motive games where the distance between game-theory predictions (rational interacting agents should choose the strategy that maximizes their own monetary payoff given their partner's choice) and actual people decisions (where varying outcomes obtain, many of them utterly against the self-interest of the players) can be best observed. If agents do not follow the rule of individual maximization when distributing economic value (money), what rule/s are they following? How are their decisions determined? This is an ample field of study where dozens of proposals are being tested. Koning *et al.* (2010) test social value orientation in bargaining. As expected, more pro-social people tend to deceive less. García *et al.* (2010) test the influence of social identification in ethical decision: their findings are that people prefer to maximize profits when interacting with someone in their own social category, while tend to look for equality (even if it is sub-optimal) when interacting with people from other social ranks. Smith *et al.* (2007) explored whether legal threats influence the likelihood of misconduct; and reported that perception of the ethics of action is a better predictor (of rule-following conduct) than the expectation of legal action. These are just a few examples of how behavioral research provides us with insight about what conditions may influence ethical decision-making.

The third theme was how people respond to unethical behavior. Response may depend on whether one is harmed, or merely witness of harm inflicted on third parties. Holding a high ethical profile in an organization may depend on how people react to third-party ethical violations. A related issue (addressed by Cremer, Van Dijk and Pilluda 2010) is how to restore trust after an ethical failure. Since unethical behavior is likely to happen anyway, organizations should welcome any methods for restoring the ethical climate. In experimental settings, this means restoring cooperation and mutual benefit. Ethical climate is not just the expression of a benevolent preference, but an expression of efficiency and optimization in organizations.

Wasieleski and Hayibor (2009) describe various instruments and experiments that have been used to empirically test hypothesis about human exchange behavior. They argue that they could be used to generate and test hypothesis relevant to business ethics. Some have been used already. These are some examples:

Public good games (Ledyard, 1993; Camerer, 2003) have shown, first, that people do not generally follow pure self-interest, second, that the rate of cooperation increases when peer punishment is possible (Fehr and Gächter, 2000, 2002). This insight might encourage research to test how to improve corporate ethical cultures through institutional and incentives design. Also, knowledge about what type of people (namely, strong reciprocators, or the kind

of people that prefers cooperation so strongly that they are ready to bear the cost of punishing the free-riders) may play a role in inducing high rates of cooperation, and consequent production of public goods, will surely help human resources managers to promote a cooperative organizational culture, even in the presence of selfish members.

Experiments using the Wason selection task[1] have shown that people exhibit a better logical capacity when the issues are related to justice, norm-compliance, or cheating detection, than when the task is abstract (Cosmides and Tooby 2004). This means that our cognitive capacities have a contextual component. Research has been conducted to test our ability to apply social contract conditional rules. Results are clear: we are adapted to detect rule-violation and cheating on the exchange contracts that keep us united as a society. We are adapted, that is to say, to create a social environment to support social contracts. The relative ability of people situated in hierarchical relationships to detect cheaters or norm violations has also been studied –as it happens, people with power has an attuned sense to detect cheating. These studies may influence the design of hierarchical structures, in order to minimize cheating and maximize compliance (Cfr. Fort *et al.* 2000).

Evidence of strong-reciprocity from the ultimatum game, may be useful, Wasieleski and Hayibor suggest, to explain and to shape stakeholder relationships. Strong reciprocity may explain which causes get to be focal for stakeholder action. This line of research could also shed light into the issue of how far stakeholders are willing to take action to further the interests of *other* stakeholders.

A game used to study strong reciprocity is the moonlighting game (Abbink, Irlenbusch and Renner 2000). Based on this game, researchers have concluded that punishment operated only when the violation is perceived as intentional –even if un-intentional violation had the same harmful effect for the agent–, thus revealing the role of intentionality in ethical judgment and response.

The trust game has been used to test several aspects around the adherence and application of codes of ethics. An interesting consequence of experimental evidence is that failing to punish violations may result in fewer future violations if it is perceived not as a weak enforcement policy, but as a sign of trust on the violator, once the social relationship has been restored (after, say, apology and learning).

As all these examples and suggestions show, behavioral business ethics is making important contributions relating implementation of corporate ethical codes and policies, and governance structures. New insights into people's motivations in different contexts will help

[1] A classical psychologial experiment to test how reliable are our logical and inferential capacities. The activity consists in asking the subjects which one/s of four cards must be turned to check whether a logical conditional is true, by turning the minimum number of them. The cards have numbers on one side and letters on the other side. The conditional is "If the card has a E, then it has a 4" and four cards, showing letters E and D, and numbers 4 and 7 are exposed. The rate of right answers is usually below 40%. Much less than initially expected, since dealing with very simple conditionals like this seems to be a basic cognitive capacity.

managers to design incentive structures and other institutional mechanisms to make corporations more ethically effective.

While all this is important, none of these issues touches the critical question of the foundations of business ethics. By this we mean both the deep rationale for acting according to the demands of morality when they conflict with the demands of (individual or corporate) self-interest; and the exploration of what is the scope and content of those demands, whenever there is disagreement about that.

There has been some research about the empirical side of normative ethical theories (see Salvador and Folger (2009), about the neural substrate of utilitarianism and other moral views), but even these studies cannot conclude anything about the relative merits of different normative approaches, let alone arguing for one or other of them as the appropriate foundation for corporate ethics.

Our aim is to explore whether behavioral methods are useful to set business ethics principles. That is, whether behavioral methods may help us establish normative propositions. Such an exploration must face, first of all, the challenge that empirical methods are condemned not to produce any justified norm all by themselves (the fact-value question; the naturalistic fallacy). We take this challenge very seriously, therefore we begin by acknowledging the independent merits of empirical ethical research, and progress step by step, questioning whether more ambitious uses of behavioral methods may help establish or criticizing normative theories.

II. Avoiding the naturalistic fallacy: descriptive business ethics.

Surely, any attempt at extracting normative propositions from empirical data is bound to fall into the suspicion first formulated by Hume and famously employed by G.E. Moore to defend the un-analyzable nature of moral terms. The naturalistic fallacy, as is commonly known, states that it is logically illegitimate to conclude a proposition containing normative terms (*ought*) from premises expressed as propositions containing only descriptive terms (*is* sentences).

Despite attempts to overcome Moore's objection to any naturalism in ethics (Ref. Schilpp 1968) its influence is visible in the suspicion with which part of the philosophical public is receiving the contributions of neuro-ethics, behavioral ethics, evolutionary ethics, and neighboring disciplines (Berker 2009; Joyce 2001, 2007; Frerichs 2011; Lahti 2003).

However, rejecting the possibility of bridging the gap between fact and value does not necessarily hinder the progress of *applied* business ethics. Applied ethics has a major *descriptive* component. A great portion of business ethics and corporate responsibility textbooks, courses and academic publications deal with pure description: how ethical dilemmas are actually treated in organizations; what are the reported moral convictions or principles of people making choices; what is the response to rules stated by a corporate code of ethics; etc.

Descriptive business ethics is obviously immune to naturalistic fallacy-type objections. Descriptive ethics does not try to establish what ought to be done, but what is actually done – and, to a lesser extent, why it is done. It does not try to define moral correction, but to expose how social morality works. Sometimes descriptive business ethics focuses on the normative side of behavior, that is, agents' moral convictions; but it is one thing to say what normative beliefs people adhere to, as a matter of fact; and quite another to defend that any of those beliefs are true, or that people are right in believing them.

Within the realm of descriptive business ethics, behavioral methods –in particular surveys, observation and experiments– are an essential tool to increase our knowledge of the causal factors around ethical/unethical behavior in organizations (Treviño 1992). Causality, when established, needs not to imply lack of responsibility or freedom at the personal and social level (Gazzaniga, 2006).

Just to sum up some of the ideas already mentioned, behavioral methods are likely to help us improve our understanding of the following questions:

1. The processes by which people distinguish ethical issues from other types of questions.

2. The role emotions and other unconscious processes play in ethical/unethical decision making.

3. The reasons why otherwise good-natured people is capable of obvious unethical conduct when making decisions for organizations.

4. The role of the context in the decision to follow or to break a rule. Organizations could use this knowledge to adopt effective strategies to induce compliance.

5. How individual perceptions of justice influence attitudes towards corporations. Also, how these perceptions are formed, or how they change.

6. The role of internal constraints, such as normative beliefs, commitments, attitudes toward the group, as predictors of ethical behavior is also of importance to predict and regiment ethical behavior in organizational settings.

7. The role of stakeholder dialogue: experiments are suitable to check the effect of communication and agreement on the will to comply with agreed principles or rules.

8. In general, a better understanding of the evolutionary origins and the biological bases of ethical attitudes (reciprocity, fairness, other-regarding preferences, altruism) is helpful in practice, both at the market and organizational levels.

All these are only examples of the multiple facets of descriptive ethics that are benefitting from behavioral methods. Behavioral methods are wholly unobjectionable while keeping descriptive aims.

III. Behavioral normative explorations: dissolving the naturalistic fallacy

Both G.E. Moore and Hume were concerned with types of ethical argument. Their aim was to criticize illegitimate uses of argument and discourse in moral matters. When Moore objected that hedonists would err in identifying the morally good with the pleasurable, it was the utilitarian hedonists he had in mind. He was not arguing against any scientific program.

Now, behavioral sciences are not philosophical proposals in the first place. Surely, there are philosophical assumptions in behavioral ethics and behavioral economics. But these behavioral sciences are part of scientific endeavors that are not primarily normative in a moral sense. This said, one of the aims of behavioral sciences is to know more about how *normative* beliefs, expectations and contexts influence our behavior. And a related aim might be to identify with precision what exactly are the normative beliefs of particular agents, in case their explicit reports are deceptive (Konow, 2003). Both are perfectly legitimate scientific aims.

It is true, however, that a deeper understanding of our normative capacities surely affects the kind of normative beliefs that we may see as justified. James Griffin has advanced several arguments in this direction (Griffin 1993, 1998; Stern 2004). Griffin arguments revolve around the principle 'ought implies can'[2]. We will get back to this principle in section V. At this point, the import of such principle is not controversial: it is a form of expressing what Flanagan (1991) called 'Minimal Psychological Realism', that is, our normative beliefs must fit our normative/psychological capacities; at least in so far as they are purported to be motivating for us.

In trying to understand the role of normative beliefs, behavioral sciences need to adopt a sophisticated stance. On the one hand normative beliefs must be taken for granted (descriptively). On the other hand, scientists are well aware that, despite the 'is/ought' divide, *some* of their conclusions are directly relevant for moral theory: they set some boundaries for normative ethics. You may not derive ought from is; but you can certainly restrict the scope of 'ought' based on discoveries about what is, and is not, possible for us (Cosmides and Tooby 2004).

Just to name some examples: neuro-scientists are well advised not to take issue with the philosophical debates about the nature of moral norms and the question of free will. Still, fMRI can shed light on key questions about moral reasoning (Berker, 2009, Gazzaniga 2006, Salvador and Folger 2009). Social philosophers have an interest in clarifying the role of social norms in social/individual decisions. Progress in this research program implies estimating to what extent people care about doing what they think they ought to, despite consequences

[2] We thank Javier Rodríguez-Alcázar for suggesting the relevance of Griffin's arguments.

(Bicchieri, 2006, Skyrms 2004). Also, social scientists try to ascertain how social attitudes (altruism, selfishness, etc.) influence cooperative/non-cooperative behavior. Economists, psychologists, anthropologists and other scientists have explored theories of justice with experimental tools (Konow, 2003, 2009; Michelbach *et al.* 2003; Cosmides and Tooby 2004; Croson and Konow 2009). Accumulated data are so rich that it is now possible to capture the essential components of the idea of justice (reciprocity, equality, merit, efficiency) and to verify how and to what extent they are implicit in our use of the notion of justice as it is applied to different contexts. J. Haydt has gained fame for his team's studies into the emotional foundations of morals (Haidt 2007). He has come up with the interesting metaphor of the 'moral equalizer', in his pursuit of a precise way to explain how our moral attitudes differ. All in all, we are progressively gaining accuracy and amplitude in our knowledge of our "normative brain", or "ethical brain" (Gazzaniga, 2006). While jumping to normative assertions might be illegitimate, denying the philosophical interest of all this new information would be wasteful.

We are witnessing a quite sophisticated social scientific approach to the fact of normativity in human behavior. Most social scientists wisely refuse to make philosophical claims. However, they are able to refer to, and to model, normative behavior with increasing precision. They are simultaneously dealing with facts (*is* propositions), and individual intuitions, norms and attitudes about what is morally obligatory (*ought* propositions). There hardly seems to be anything illegitimate. First, the aim is not judgment, but explanation[3]. Second, there is no pre-commitment to particular moral views. '*Ought'* propositions are treated as an exquisite relativist would. Sometimes they emerge as experimental evidence. Sometimes they are heuristic pieces of a behavioral model. There is little doubt that human behavior cannot be explained without the concourse of moral norms, therefore they are simply an element in the scientific picture of our psychological and social worlds.

Business ethics should welcome these scientific advances around the normative side of ethical decision making for at least two related reasons. First, of course empirical evidence that shows the workings of individual convictions about what is obligatory, as well as individual attitudes towards social norms with moral authority, can be directly applied to business decision making. After all, corporations are but one of the arenas in which human agency performs. Corporations are social contexts peculiarly full of norms, common understandings and mutual expectations. In few areas of our life social norms, the sense of obligation and doubts about doing the right thing, are more apparent than in corporate life. The more we know about individuals as (moral) agents, the better for business ethics.

Second, experimental methods in economics/psychology may help establish an alternative paradigm of economic rationality. This would happen if it can be proved that individual adherence to norms, individual response to social cues, etc., are unavoidable –in fact, standard– forms of rational decision-making. The experimental turn in game and decision

[3] Explanation of decisions using normative attitudes (Bicchieri 2006); explanation of the psychological and biological function of moral norms (Binmore 2005; Gazzaniga 2006); explanation of impartiality and equality through models of preferences, like e.g. Fehr and Schmidt (2000) and Rabin (1993).

theory (exemplified by the influential research by Dan Arieli) is arguably building a new paradigm of rationality in economics. At the very least, it is questioning the legitimacy of identifying economic rationality with straightforward (utility) maximization. This is a pre-requisite for a more prominent role of ethics in business. If the only legitimate model of rationality is the classic one, then the role of ethics in business can be disputed, along the lines of Friedman. In order to make ethical discourse possible, a paradigm shift is required, and behavioral economics –hopefully aided by behavioral business ethics– is helping this shift.

Behavioral business ethics may not overcome the naturalistic fallacy, but it may plausibly contribute to build a new paradigm of economic rationality. Such paradigm may be what scholars who advocate ethical stakeholder management and the end of ST are actually trying to build: a view of economic rationality that does not treat other-regarding concerns and preferences as totally intractable.

IV. Behavioral business ethics as normative business ethics: preliminaries.

Let's take stock. In the two previous sections we have argued, first, that empirical knowledge about ethical behavior is crucial for applied ethics, and of paramount interest for organizational ethics; second, that recent behavioral sciences take a sophisticated stance towards norms: they carefully avoid making normative claims, while improving our understanding of how the 'normative mind' works. Our declared purpose, though, is going a step further. We suggest that experimental business ethics is *also* a useful methodological tool for *normative* business ethics, that is, for the philosophical discussion about the rational justification of moral behavior in organizations, as well as about the proper content of basic moral principles and obligations within corporations.

Since this surely is a controversial suggestion in our field, some preliminary explanation is in order.

Business Ethics is primarily *applied* organizational ethics. By this we mean that normative business ethics is expected to provide *valid* criteria for agents immersed in economic and organizational life. Perhaps more importantly, it should provide general and particular principles for managers and legislators to design organizational structure and processes in a way that minimizes the probability that the corporation or its members could be subject to justified moral criticism[4]. This idea is captured, at least partially, in Freeman's idea of

[4] The idea is the following: a corporation is acting rightly when no affected stakeholder can reasonably sustain a 'moral' complain against the corporation or against any individual acting for the corporation. Moral rightness would be thus distinguished from legal/contractual rightness. This obliquitous way of preliminary defining moral rightness is necessary to avoid begging the question by identifying morality with some particular moral theory (an objectivist theory of the good, an empirical hedonist theory, a theory of justice as fairness, a theory of natural rights, etc.). It is broadly inspired in the enlightened tradition, as developed both in continental philosophy (e.g. Habermas) and in analytic circles (e.g. Scanlon).

strategic management as normative stakeholder management[5]. On a more idealistic view, managers might try to make organizational structure and processes contributive to the flourishing and happiness of all involved.

A second point to consider is that there are good reasons to accept that organizational ethics must be compatible with value pluralism. This aligns business ethics with what Rawls described as a "public conception" of justice[6]. The underlying idea is that it must be possible for reasonable people who do not share a comprehensive conception of morals (a complete theory about what is ultimately valuable) to agree to public principles and rules of justice. Similarly, shared principles of organizational/business ethics must be acceptable, to some degree, to people who do not share a common moral, religious or metaphysical stance. Large corporations share this trait with liberal democratic societies, even if at many other levels, they are profoundly different from political societies. Both are large enough to house (and both pride themselves on housing) people with different convictions and ideals of life.

Organizational ethics in a context of reasonable pluralism must focus on the most basic foundations of morality: the democratic ideal of equal respect, along with some version of fairness in procedures and decisions, are obvious candidates. Moral ideals of common good, individual and collective happiness, natural rights, ecological and social sustainability, mutual care, and others, may and do play a role in organizational ethics, provided they are successfully presented as publicly justifiable before a pluralistic audience. In general, a foundational argument for the normativity of Business Ethics should be expected to rest on individual and social traits that imply the weakest metaphysical commitments about our individual and social capabilities.

It comes as no surprise that stakeholder management has taken over much of the discussion around business ethics. Viewing organizations as webs of stakeholders is a way of viewing them as a realm in which norms must be suited for imparting fair adjudications among competing interests. The Stakeholder Corporation is, in many ways, the Ethical Corporation without the oppressive taint of usual applied ethics (Heugens *et al.* 2010). Instead of judging about moral merit or personal virtue, the stakeholder view of the corporation reduces the moral dilemma of the corporation to a matter of distributive justice: adjudication among competing claims (Phillips 2003; Hosmer and Kiewitz, 2005). After all, corporations are but social institutions. They are, more often than not, voluntary associations for mutual gain,

[5] Here we use Donaldson and Preston (1995) distinction between a descriptive (instrumental, or strategic) stakeholder theory and a normative stakeholder theory. Normative stakeholder theory characteristically implies normative consequences for the organization: prescriptions about what is right to do. Ethical commitments arise from a normative understanding of the organization (what an organization ought to be; how it ought to behave, as such) in conjunction with broader normative sources (individual/social morality). We take this as widely accepted among business ethics scholars. Note additionally that instrumental stakeholder theory is compatible with standard views of economic rationality and the organization; normative stakeholder theory would imply re-defining the corporation and the standard model of economic rationality.

[6] Cfr. Rawls (2001) Part I, paragraphs 3, 9.

subject to legal constraints and moral rules of legitimacy. It can be granted that this may not apply to the small and medium size companies; but it is certainly true of the large corporation, often the kind of organization that is most open to moral scrutiny and most requires moral legitimacy.

This view on business ethics coheres with social contract-like approaches to normative business ethics (Wempe, 2005; Bishop 2000). This does not deny that other theoretical perspectives may be equally good candidates for this foundational role in business ethcis. The aim of this paper is not to discuss the relative merits of different approaches to normative business ethics, but to exemplify the use of the experimental methodology. To that end, we will use contractarian business ethics as an illustration of two basic ways in which behavioral business ethics, and in particular experimental business ethics, can be a method for normative business ethics. Normative discussion obviously encompasses a wide range of theoretical models. Any self-disciplined and domain specific (Wempe 2005) normative theory is apt to be tested empirically in ways analogous to those we exemplify here by using the comparison of several social-contract models.

We assume that the aim of normative business ethics is to establish the validity of corporate moral standards (for a clear statement of what defines normative theory of business ethics, see Bishop 2000). This may be understood as an entirely speculative activity: that of producing the most convincing rational arguments for a given moral standard. However, we claim that normative business ethics can benefit from the use of experimental methods, along with pure speculative ones. Behavioral business ethics may adopt the goal of designing experimental settings and tests that can help us establish a normative question: which moral standard, among those tested, is more justified and, therefore, ought to be preferred, all things being equal.

V. Two ways for behavioral business ethics to contribute to normative business ethics.

There are two forms in which experimental business ethics can be relevant for normative theory. Let's refer to each in turn:

1. The first kind of contribution is better understood by resorting to Gauthier's (1986) distinction between internal and external rationality of the social contract. We can also distinguish between an *ex ante* and an *ex post* theory of the social contract; or to consider the distinction between an impartial/impersonal perspective (Smith's impartial spectator, for example) and a personal point of view (agent-relative perspective). The distinction may be also simply posed in terms of separation between the context of impartial justification (normative in the proper sense) and the context of implementation (can the normative principle be implemented?). This is the already mentioned question about "realism" of a normative argument.

One could say that this question is not normative at all, because when we reach the implementation context what is morally obligatory has already been settled, and so we only ask whether empirical *de facto* conditions for carrying out a moral norm in practice are satisfied. But this is an oversimplification. For example Thomas Nagel (1986) maintains that a normative theory must contain both the "validity" tests for a normative principle: justifiability from the neutral view point (or objective justification), and agent-relative acceptance.

Moreover, according to Richard Hare, overridingness is a condition for the definition of moral meaning. And it requires that the utterance to which we really attach moral meaning is the one prescribing a behavior that *de facto* and all things considered will dominate over other possible norms in our actual behavior. In other words, a judgment expressed in the language of morals that we systematically do not conform to in our practical behavior cannot be trusted as one to which we really attach moral meaning.

Last, in the definition of ethics like the part of the choice theory that must solve social dilemmas wherein prima facie individual rationality and social optimality divorce (according to Gauthier 1986) the *ex ante*, internal rationality test (about what agreement would we impartially accept from a cooperative perspective) and the *ex post*, external rationality test are both important. If the social contract can be *ex ante* agreed but cannot be carried out or complied with, there is no actual solution, and the whole normative argument fails its objective.

The requirement of "realism" in normative ethics was argued for by Griffin, while spelling out the implications of the principle 'ought implies can'. As Griffin says: "there are no moral norms outside the boundary set by our capacities. These are not some second-best norms – norms made for everyday use by agents limited in intelligence and will – and then, behind them, true or ideal norms – norms without compromises to human frailty. Moral norms regulate human action; a norm that ignores the limited nature of human agents is not an 'ideal' norm, but no norm at all." (1992: 191).

Experimental business ethics can contribute to this point by testing different theories of moral psychology that are relevant to analyze whether *ex ante* justified principles and norms can be *ex post* complied with by normally morally motivated persons. It can explore whether it is an external motive (for example self-interest) what leads people to comply with a justified norm, or it is rather moral reasoning by itself, as it was employed to justify a given principle what can give psychological moral motivations which are effective in inducing compliance with the justified norm.

2. Second point. Consider what happens in the 'cheap talk' stage of the exclusion game experiment we expound in next section (Sacconi and Faillo 2010; Tammi 2011). In that stage, experimental subjects are asked to agree on a distribution rule. That is an experiential setting by which the thought experiment that an individual must do in order to enter the veil of ignorance reasoning in carrying out an impartial assessment of institutions (or corporations) is simulated.

In Sacconi *et al.* experiments, Rawls is taken literally. Under the veil agents may be as much "non tuist" as they are in the real world. The design aims to test whether concrete persons under the same conditions assumed by a normative theory will reason in the same way as the normative theory assumes they would. What is tested here is a particular form of moral reasoning, or moral justification, in so far as the 'veil of ignorance' is seen as the basic form of reasoning leading to impartial justification of principles and choices.

We claim this sort of design can be rightfully termed *experimental normative ethics*: researchers are trying to see whether replicating the assumptions of a moral theory about agents and the decision problem (e.g. by simulating in the lab agents and choice situations satisfying the assumptions of the model) those agents will actually reason, or express their moral judgment, according to what the theory requires them to do. Researchers are experimenting whether the normative theory is a good description of how moral reasoning works.

Of course, this does not provide an empirical verification or falsification of any normative statement. But it does provide a test to whether a moral theory has a quasi-empirical support – i.e. whether it is supported by agents' behavior observed under conditions that the theory says would hypothetically entail a given moral judgment and choice.

We think it is legitimate to speak of *experimental normative business ethics* in these two ways: by providing psychological realism, and by testing argumentation within the normative theory.

VI. The exclusion game experiment: compliance with the social contract and the sense of justice.

An example of this approach are the experiments on the Exclusion Game conducted by Sacconi and colleagues (Faillo, Ottone and Sacconi, 2008; Sacconi and Faillo, 2010; Sacconi, Faillo and Ottone and Sacconi, 2011). The authors introduce a game in which some strong players can decide the allocation of a surplus between themselves and a weak player, who have no voice and whose payoff depends completely on strong players' decision. In the basic three-player version of the Exclusion Game two strong players (Strong 1 and Strong 2) must decide how to allocate a sum of money (S) between themselves and the weak player (Weak). In particular, Strong1 and Strong2 have to declare - simultaneously and independently of each other- how much of the sum S they want for themselves choosing whether to ask one fourth, one third or a half of the sum. The final payoff of each strong player corresponds to the amount asked for herself, the remaining sum is assigned to Weak.

Given the choice options of the strong players, if both Strong1 and Strong2 choose to ask for half of the surplus, then Weak's payoff is zero. This is the case in which the weak player is completely excluded from the sharing of S. Inclusion of Weak implies that at least one of the strong players asks for less than a half of the surplus. Equal split is obtained when both Strong1 and Strong2 decide to ask only for one third of S.

Under the assumption that strong players are motivated only by the desire to maximize their material payoff, the only Nash equilibrium in dominant strategies of this game is the one in which both Strong1 and Strong2 ask for half of the surplus, leaving nothing to Weak.

In their two experimental studies (Faillo, Ottone, Sacconi, 2008; Sacconi and Faillo, 2010) the authors compare the case in which the Exclusion game is played without any further interaction between the subjects with the case in which there is a stage before actually playing it where subjects must agree on a non-binding fairness rule concerning the division of a surplus between strong and weak players.

The studies are aimed at investigating both the agreement process and implementation of a rule after having chosen it by unanimity, once the veil is lifted. Let's remember that the rule may, and often do, prescribe a choice in contrast with the pursuit of each player's material self-interest. In addition, the role of expectations of reciprocal conformity to the agreed rule is studied by eliciting subjects' beliefs of different nature (descriptive and normative) and degree (first order and second order beliefs).

In both the experiments, the division rule is chosen by voting for one among some alternative rules proposed by the experimenters. Participants have to reach a unanimous agreement by voting for the same rule within a limited number of trials. A lack of unanimity after the last of the trials would prevent subjects from entering the game.

The experiments show that i) in absence of an ex-ante impartial agreement most subjects behave in a self-interested way; ii) when the agreement is possible, it is reached by all groups and almost all groups agree on the equal division rule; iii) subjects show a high degree of compliance with the selected rule. In addition, strong players comply if they expect compliance also by the other strong players of their group.

Finally, in both the experiments, the agreement on a fairness rule seems to be a sufficient condition for the emergence of expectations of reciprocal conformity.

The results are explained by applying a behavioral game theory model of beliefs-dependent dispositions to comply that captures the essential features of the Rawls's idea of "sense of justice".

VII. A discussion of the possibility of 'experimental normative business ethics'.

Keep in mind our claim is purely methodological. Here we are not defending the particular experimental design just described, or its results. Both may very well be flawed – though obviously we do not think they are– and still our methodological thesis should be worth discussing. The merits of our methodological proposal should not depend on the success of one single example of its application. With this in mind, we can now discuss how much

these results contribute to a social-contract normative theory of business ethics. This way, we will clarify how this methodology can contribute in the two ways described in section V.

1. The first kind of contribution was about realism of normative theories. In this case, the use of experiments should be obvious. In our case, the results confirm that compliance with agreed impartial rules is quite possible, even in the absence of self-interested material incentives, or external constraints. This leaves moral commitment with the rule –and the concomitant warm-glow effect and mutual expectations about compliance– as the only possible motivational force operating in our subjects. This does not deny that further research may point at other motivational factors playing a role here (a taste for fairness, grouping effect, etc.). But definitely these results add realism to the purely speculative idea that people having a 'sense of justice' (in Rawls's term) will be compelled to adhere to a unanimously agreed principle of justice.

In Sacconi and Faillo (2010) Sacconi *et al.* (2011), the 'sense of justice' is explicitly understood as a part of moral psychology: a theory of how in a non ideal context, we may explain why justified institutions (those that can be normatively justified according the veil of ignorance argument) are effectively complied with through actual behaviors not based on instrumental reasons, but on intrinsic reasons (the desire to be just under the expectation of reciprocity).

In connection with this, a more general point is the following. The whole experimental and behavioral economics program questions a number of moral principles and institutions designed as *ideal* moral standards, fit only for perfectly economic agents[7]. As Cass Sustein, Dan Arieli, and others have shown, the economic reasoning that those ideal norms and institutions assumed cannot be, on average, expected from normal human beings. Bounded rationality, biases, and limited time, energy and computational capacities, make us very poor performers as economic agents. And the picture of rationality that emerges is one in which non-economic norms (in the form of accepted social habits, herding tendencies, context sensitivity, altruistic and reciprocal dispositions, emotional responses, etc.) play a much more relevant role, even in purely economic business decisions. There is no need to insist that this is key for the very possibility of establishing a normative stakeholder view of the company, since the assumption of a maximizing conception of rationality would entail that only an instrumental view of stakeholder management is possible. The very possibility of conceiving an organization as responsible for goals and effects other than those legally and contractually prescribed depends on the possibility of characterizing rationality, realistically, as a criterion for action that is not defined exclusively by individual consequentialist self-interest.

Still another example related with the 'realism' issue in business ethics may be the study presented by Rupp and Bell (2010) "Extending the Deontic Model of Justice: Moral Self-Regulation in Third-Party Responses to Injustice" where they claim to have observed how

[7] Griffin (1992: 123) states: "Why choose a standard for morality so remotely connected to what one can do? Of course, 'strange' does not imply 'wrong'. But 'ought' implies 'can'. Action-guiding principles must fit human capacities, or they become strange in a damaging way: pointless".

individuals "experienced an abstract moral free space in which they developed, tested, and enacted their own ethical responses to injustice" (Rupp and Bell, 2010: p. 99). The authors suggest an analogy between the observed 'moral creativity' in individuals and Donaldson and Dunfee's thesis that corporations have a moral free space where they build their own ethics. Again, this may not be a full-fledged argument for or against Donaldson and Dunfee's normative views, but a suggestion that their theoretical construction may parallel a psychological fact with moral import.

Summing up, experimental methods contribute to the 'realism' of a normative theory. This is relevant for appraisal of moral theories in general (and especially for a normative theory of institutions like that concerning the social contract of the firm).

2. The second point, relating to the very moral argument normative theories usually consist in, may seem more questionable.

The scientific relevance of the kind of experiment reported in section VI could be disputed by arguing that if the experiment fails to support the theory, it may not entail a falsification at all, since it can be adduced that it is the experimental subject who makes mistakes, or is incapable to follow moral reasoning from its premises to conclusions[8]. However this is a weak move. If agents with normal reasoning capability and practical rationality, put under experimental conditions that resemble that of a moral choice, reach different conclusions or make different decisions with respect to what a moral theory would have demanded from them (and exactly under the same conditions), then it can at least be said that the moral theory does not agree with agents' considered moral intuitions. If our considered moral judgments have any authority in a given case, then there is a quasi-empirical counter-example to the theory.

This analysis is in line with another important idea that can be drawn from Rawls' theory of justice: the idea of reflective equilibrium between moral theories and at least certain classes of considered moral intuitions. We possess a moral competence for expressing individual moral judgments about particular decisions. A normative theory evolves and progresses by showing to be able to reconstruct the widest area of our moral experience according to its terms and principles.

Once a conflict emerges, a normative theory tries to reverse intuitions in order to put them in line with the theory's prescription in the case under consideration. But sometimes judgments clashing against a theory's prescription are recalcitrant. Then a serious anomaly

[8] Just as a percentage of failure in the Wason Selection task does not invalidate first-order logic. However, in the case of this classic psychological experiment, most subjects acknowledged that they had made a mistake, once the right solution was explained to them. It would be a crucial question whether people would be equally disposed to acknowledge their failures in the case of choosing the 'wrong' distribution rule. In this case, 'wrong' would be defined according to a particular idea of justice. And of course adopting one in particular would be question-begging. The very nature of moral reasoning seems to make impossible to resort to an independent criterion. This should make the experimental methods the more necessary.

ensues. A progressive shift in a moral theory happens when a reformulation in some hypothesis is able to adapt its principles so that a prescription that accords with recalcitrant intuitions can be derived. Thus reflective equilibrium with our moral intuitions is regained.

In brief, behavioral business ethics should focus on two different tasks related to normative business ethics: first, contributing to psychological realism; second, testing the assumptions of normative arguments about moral reasoning, rationality, decision-making, etc.

The first task has its primary focus on the normative capacities of normally motivated people (the addressees of moral norms). However, it has a secondary focus on the premises of normative theories. Those premises may very well be idealizations (for example, the ideal of an 'economic man', or the ideal of a 'perfectly sympathetic spectator', etc.), but even in this case, behavioral business ethics can add support by checking how realistic these idealizations are.

The second one has been exemplified in the case of the reasoning behind the veil of ignorance. Normative arguments should be put to a quasi-empirical test. This is most applicable to hypothetical social contract theories, since their normative argument involves the idea of a hypothetical bargaining, or choice. However, other normative arguments, or parts thereof, are suitable for an experimental test. Sacconi and colleagues' experiments on the exclusion game seem to support a Rawlsian view of justice –rather than Gauthier's– and to some extent they have been replicated[9]. But this is just the beginning of a program of research that is bound to produce many other results. And, as we warned before, the merits of the method do not depend on this particular result.

The general point that can be made is that experimental methods can help us check, in a semi-empirical way, the accuracy of our normative arguments. This in turn may serve as an independent criterion for adopting or rejecting different normative proposals and, therefore, help us establishing the sources of valid moral corporate norms (Bishop 2000).

A reasonable worry refers to the variability of organizational norms. Organizations show different ethical profiles, and have contextual histories and situations. Donaldson and Dunfee ISCT is probably the normative approach that more conscientiously has assumed and tried to account for this fact. If their theory is broadly right, then each organization (along with each industry and each market) may have its particular legitimate ethical norms, sometimes product of particular traditions or beliefs. Accommodating this fact within the general normative view of business ethics we have focused on may seem a challenge.

However, we believe that nothing suggested so far would imply that experimental methods cannot be applied to the whole range of ethical profiles of organizations. No matter what the dominant beliefs that support moral norms and behavior, the normative question (about its validity or justifiability) is always open. Negating this would turn moral convictions

[9] Tammi (2011) concludes that a positive relation exists between rating a distribution fair and complying with it *only* if the procedure of reaching the distribution is viewed as fair (in this case, a majority voting mechanism vs. random mechanism).

into dogmas. For organizations open to human progress, the question of whether the dominant culture is just a matter of historical/social fact or a set of ideas supported by reason and open to empirical support or criticism, should be a relevant question. Experimental methods are perfectly fitted to contribute insight towards answering this crucial question.

VIII. Conclusion

Research on business ethics has drawn on two basic sources: the methods of social sciences (surveys, observation, data collection, interviews, case studies, etc.) and the methods of speculative philosophy (analysis, interpretation, logical argumentation, common sense, phenomenology, etc.). The methods of social science were supposed to be fitted for empirical business ethics, while the methods of speculative philosophy were supposed to be uniquely fit for normative business ethics.

The view we have tried to put forward is that the evolution of behavioral sciences, in particular the experimental turn in economics and the development of neuro-science, as well as the evolution in business ethics itself (a discipline closely related with normative stakeholder theory, involving a paradigm shift about the business corporation and even economic rationality), have come to change those assumptions. It is not longer the case that behavioral business ethics must be restricted to the description of business ethics as it works. We have argued that experimental designs used in behavioral business ethics are a valid research method for normative business ethics. We have argued that it is a method that draws upon behavioral economics, itself a mature field that has provided researchers with well-established facts about human agency. Our contention is that this method is scientifically and philosophically legitimate when used with discipline and humility. Under these conditions, experiments and other behavioral methods are capable of making us refine, and eventually question, our normative beliefs. And ultimately there are conditions for behavioral methods to be used to help us decide between competing normative doctrines.

We have argued that there are two basic gains from the use of experimental methods in normative business ethics. First, we can improve the psychological realism of normative theory. This goes hand in hand with supporting the new paradigm of the organization, based on a more realistic view of human agency. Second, we can experimentally check some theoretical assumptions about moral reasoning, thus providing quasi-empirical support (or falsification) for particular normative theories.

Both the experimental design and the legitimate reach of the results must be modest. They must reside in the domain of organizational ethics, and pretend to go no further. We have exemplified our suggestion using the exclusion game in relation to social contract-like theories. We believe the social contract approach is well adapted to the nature of contemporary corporations, as voluntary associations for mutual gain, in which a distributive problem arises that affects both participants and third parties. It is reasonable to suppose that normative theories of the kind of social contract can produce principles of fair distribution that may act as basic principles of corporate morality. However we have emphasized that this is

just an example. Many forms of disciplined and domain-specific arguments can be proposed and tested in the same way. The methods of experimental business ethics are useful for increasing our knowledge of the whole range of normative theories of business ethics.

We acknowledge that experimental methods, as used in economics and ethics, are not free from criticism. Even the best research in this emerging field has been under suspicion for not being as rigorous as it should (Binmore and Shaked, 2010). Strict technical and methodological rules should be developed for the specific purposes of applied ethics.

Perhaps the most pressing objection our methodological suggestion has to face is the entrenched idea that empirical research would never be able to produce anything but descriptive theories about ethical behavior. We dealt with this very general objection in sections II and III. We accept that most behavioral business ethics research *is* descriptive, and it is very useful at that, since applied ethics must be based on the best descriptions/explanations of ethical/unethical behavior available. However, we have argued that the refinement of methods and techniques in experimental economics, social sciences and even in neuro-sciences allow us to take some of this empirical research a step further, and draw some consequences for the normative side of business ethics. In particular, if the principle 'ought implies can' holds, then a better knowledge about the workings of business ethics norms at individual level should help us distinguish valid norms from purely ideal constructions, with no hope of ever being a moral reason for action for real people: what Griffin named 'no norm at all'.

The shadow of the naturalistic fallacy is, however, always a motive of caution for the experimental ethicist. Experimental business ethics must be very humble in its conclusions. We are not suggesting that this methodology might replace speculative argumentation. Normative business ethics will go on being about discussing what is good and right for business and in business dealings, for people and for our environment. All we are suggesting is that experimental methods offer a new tool to make these discussions more precise and to make some of our arguments more convincing.

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