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FEATURE

**Avoiding Ethical Pitfalls: A Cross-Case
Study of the Global Financial Crisis and
the Seventh-day Adventist Church**

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Abstract. *Some researchers argue that the financial crisis in Europe and the United States was triggered by ethical pitfalls, and that this crisis is now globally affecting developing countries. The purpose of this paper is twofold. First, to explore whether the ethical pitfalls that caused the Global Financial Crisis (GFC) in the United States and Europe are seen also in the Seventh-day Adventist (SDA) Church. Second, to create an opportunity for a renewed sense of responsibility to abide by policies and codes of conduct, and create an opportunity to rethink the corporate governance structure of the SDA Church. From the qualitative approach of a cross-case study, data was collected from leaders of the SDA Church using a focus group interview. Triangulation of data was done through email-interviews and document analysis. This study reached two major conclusions. First, similar ethical pitfalls occur in the GFC in the United States and Europe and the SDA Church. Second, the ethical pitfalls can be avoided by a virtuous personal example and spirituality as starting points. The paper ends with recommendations for future research.*

Keywords: Global financial crisis, corporate governance, qualitative study, developing countries, business ethics

The U.S. financial crisis of 2008 has had a global impact, affecting financial institutions in countries in Europe, North and South America, and Asia (Pendse, 2012). Warren Buffett (as cited in Pendse, 2012) anticipated that the reproduction and excessive use of derivatives was a potential lethal weapon for financial institutions. Boddy's (2011) "Corporate Psychopaths Theory of the Global Financial Crisis" argues that one of the major causes of the crisis is the presence

of psychopaths in top positions of financial institutions. The current Global Financial Crisis (GFC) is the biggest after World War II (Reinhart & Rogoff, 2009) bringing the nature of capitalism into scrutiny (Bendell, Doyle, Cohen, Irwin, & Black, 2010; Petrick, 2011; Posner, 2009). There is need of a renewed sense of responsibility to abide by policies and codes of conduct, and to create an opportunity to rethink corporate governance in order to avoid the pitfalls that triggered the GFC. This paper is divided into four parts: review of the literature, methodology, results, and conclusions and recommendations.

Literature Review

The literature on the GFC and its causes is rather abundant. For the purpose of this study, management, business ethics, psychology, and psychiatry sources have been sought. The literature review undertaken is divided into two subsections: a description of the main corporate governance pitfalls that triggered the GFC, and proposed solutions.

Corporate Governance Pitfalls

Some researchers argue that the GFC that started in the United States and Europe was triggered by problems in corporate governance: unfair communication, conflicts of interest of Chief Executive Officer's (CEO) merger opportunities, corporate psychopaths, insufficient control of complexity, gap between Corporate Social Responsibility (CSR) policy and reality, among others (e.g., Boddy, 2011; Pendse, 2012; Pirson & Turnbull, 2011). In this section each of the aforementioned pitfalls will be addressed separately.

Unfair communication. In the collapse of Fortis, the Benelux leading financial group, Fassin and Gosselin (2011) point to "information manipulation and the withholding of important information" (pp. 176-177) as one of the major causes of collapse. For instance, CEO Votron declared to a newspaper that the bank had no solvency problems; however, 3 weeks later the bank sought financial help through the emission of private shares worth € 1.5 billion. Besides that, new CEO Verwilt denied liquidity problems at a press conference; yet, 2 days later the group was looking to government for assistance to prevent bankruptcy (Fassin & Gosselin, 2011). Furthermore, the board did not receive good information regarding the real risk of Collateralized Debt Obligations (CDO). Therefore, there is support to believe that unfair communication is one of the ethical problems that may have caused the GFC.

Conflict of interest of CEO's merger opportunity. Another dilemma that affects ethical decision-making is the CEO's personal agenda during a corporate merger. Research on organizational mergers points out that individual, group and social factors may drive decisions instead of strategic analysis (Haunschild, 1994; Hayward & Hambrick, 1997). When the CEO's personal ambitions are higher than the needs of the organization a harsh abuse of power takes place (Fassin & Gosselin, 2011). CEO's exit bonuses or golden parachutes relating to mergers constitute a serious conflict of interest (Fassin & Gosselin, 2011), while financial incentives like stock options and bonuses may influence CEOs to take risks and become involved in mergers (D'Aveni & Kesner, 1993; Dalton & Daily, 2001).

Corporate psychopaths. Boddy's (2011) 'Corporate Psychopaths Theory of the Global Financial Crisis' argues that a major cause of the crisis is the presence of psychopaths in top positions of financial institutions. While a psychopath is a person who lacks conscience, shows inability to sympathize or empathize with other people (Boddy, 2011), maybe due to problems in brain connectivity and chemistry (Blair, Budhani, Colledge, & Scott, 2005; Blair, Peschardt, Budhani, Mitchell, & Pine, 2006; Kiehl, Laurens, Bates, Hare, & Liddle, 2006; Kiehl, Smith, Mendrek, Forster, Hare, Liddle, & Brink, 2001, 2004), corporate psychopaths work in organizations (Boddy, 2005) manipulating others to pursue their own personal objectives (Babiak & Hare, 2006). Even though they may appear gentle, enchanting, sophisticated, and successful, they ruthlessly neglect the needs of others, lie, bully, deceive, and harm others (Boddy, 2011). Boddy's (2011) theory argues that globalization, corporate takeovers, rapidly changing environments, and corporate instability allowed corporate psychopaths to rise to top leadership positions within modern financial institutions. In those positions and in such environments, their greed and misbehavior was amplified resulting in corporate fraud and financial misleading descriptions, causing the downfall of corporations and ending in the GFC (Boddy, 2011).

Insufficient control of complexity. Pirson and Turnbull (2011) point out that a single chairman cannot control all operations. They argue that the failure of the French bank Société Générale in 2008 could have been avoided if security traders who were aware of the risk had accepted systemic ways to share this information with decision-making individuals. A proposed solution is the inclusion of co-regulators, independent stakeholders who can be part of different government boards, increasing the reliability of information and control (Pirson & Turnbull, 2011).

Gap between Corporate Social Responsibility (CSR) policy and reality.

Researchers argue that in times of crisis soft issues like CSR may be relegated and financial results may emerge as the top priority of executives (McGuire & Argheyd, 2003). During the global financial crisis, many financial institutions created CDOs with extreme leverage and off-balance sheet risk growth

(Fassin & Gosselin, 2011). Weaver, Trevino, and Cochran (1999) hypothesize that “the more a company’s top management is committed to financial, strategic, and operational concerns, the more the company’s formal ethics program will incorporate easily decoupled practices such as policy communication” (p. 543) found support in Fassin and Gosselin’s (2011) case study of the collapse of Fortis. The bank failed to abide by its values of social responsibility and integrity, resulting in an enlarged risk and in the loss of reputation. Hence, even though organizations may have strong codes of conduct, values, and social responsibility the reality may be totally different, generating a gap between policy and practice.

Proposed Solutions

Researchers point out two solutions, among others: responsibility to abide by policies and codes of conduct, and rethinking corporate governance. In the following subsections these two solutions are discussed.

Responsibility to abide by policies and codes of conduct. Icke (2011) points out that the solution to the ethical pitfalls is twofold: heavier arrangements and control mechanism, coupled with renewed ethical values that will foster adherence to the rules. He argues that economic history has shown that after a crisis the financial systems have eluded heavier rules, or the rules themselves were relaxed, leading to new crisis. As a solution, economic ethics could be the base ground upon which game rules are developed, and a system of values would encourage actors to abide by the rules.

Rethinking corporate governance. The current GFC calls for new corporate governance models. One such model is Petrick’s (2011) Sustainable Stakeholder Capitalism Model, balancing four factors: moral theories, types of capitalism, credit risk profiles, and human nature drives. Its aim is the prevention of future financial crisis, the restoration of the integrity of global financial institutions, and the promotion of responsible risk management. Network governance is another solution proposed by Pirson and Turnbull (2011), achieved when several boards make different decisions, intentionally including multiple stakeholders. They argue that the current unitary boards, based on an economic paradigm, are flawed by biases and communication errors, among others. However, network governance, based on a humanistic paradigm, could have anticipated the failures of financial organizations in 2008, because problems were anticipated by different stakeholders who did not possess sufficient influence.

Headline news worldwide is not only reporting scams of leaders of for-profit corporations but also of leaders of religious organizations. Embezzlement of church money (Christian Post, 2011) and sexual abuse scandals (CNN, 2011; The Independent, 2011) are recurrently reported as pitfalls of priests and other religious leaders. Leaders of organizations, who want to learn from the ethical pitfalls suffered during the GFC and who see the need for crafting changes that

would prevent future crisis, may carefully consider the possibility of rethinking the corporate governance mechanisms of their organizations. Specifically, leaders of religious organizations, such as the SDA Church, may assess their organizational structures and create new structures that would further prevent ethical pitfalls.

The research questions to be answered by this research are

1. What ethical pitfalls that caused the Global Financial Crisis (GFC) in the United States and Europe also happen in the SDA Church?
2. What can organizations do to prevent the same pitfalls?
3. How can creating an opportunity for a renewed sense of responsibility to abide by policies and codes of conduct foster ethical behavior?
4. How can creating opportunities to rethink the corporate governance structure of the SDA Church foster ethical behavior?

Methodology

After describing the ethical issues of privacy and confidentiality, this section describes the research approach with its rationale, how the sample and research participants were selected, the setting, data collection procedure and instruments used, and the procedure for data analysis followed.

A qualitative method was selected because the research questions called for an exploration of people's histories (Silverman, 2000) seeking to understand the phenomena from the participant's perspective (Hatch, 2002). The ethical issues of privacy and confidentiality were taken care of by the participant's acceptance of an Informed Consent Form (Berg, 2007). This form was read and signed at the opening of the focus group by all participants. By signing the consent form, participants affirm that they will not publicly disclose information discussed in the focus group, and they are assured of complete privacy and confidentiality.

Research Design

The research design selected for this study is an interpretative cross-case study. This research approach was selected for its power and significance to explore in-depth particular institutions, from multiple perspectives, to generate knowledge and professional practice (Marshall & Rossman, 2006; Simons, 2009). This research "crosses" two case studies: the Global Financial Crisis and the Seventh-day Adventist Church. Wiewiorka (1992) argues that a case study is comprised of two parts: a subject (practical and historical unit) and an analytical frame or object (theoretical, scientific basis of the case). In this study the subjects are the 'GFC' and the 'SDA Church'; and the object in both cases is the 'ethical pitfalls.'

Table 1
Countries in Which Participants Have Worked

Continents	Countries in Which They Have Worked
Africa	Kenya, Mozambique, Somalia, Sudan
Asia	Bangladesh, Indonesia, Malaysia, Philippines, Singapore*, Thailand
Europe	Russia
North America	United States*
South America	Argentina, Bolivia, Chile, Peru, Uruguay

* Developed countries.

Participants, Sampling and Setting

The population of this study is made of the leaders of the SDA Church. The participants of this study were seven leaders of the Seventh-day Adventist Church, selected by a purposeful sampling technique (Seidman, 1998). The participants were selected on the basis of the diversity of the countries in which they have worked (Table 1), and the positions they represent: three pastors, three treasurers, and one professor.

Given the possibility of having leaders of the SDA Church from different countries in one place, the setting of this research was a conference room at the administration building of the Adventist International Institute of Advanced Studies, in Silang, Philippines.

Data Collection

The data collection methods chosen for this study are focus group, email-interviews, and document analysis. All data were collected in August 2012. The reason behind the email-interviews and the document analysis was to triangulate, deepen, and corroborate the data collected in the focus group (Miles & Huberman, 1994).

The focus group was conducted with six participants following a Focus Group Protocol and a Focus Group Interview Questions Guide (Patton, 2002). It lasted 2 hours, was fully recorded, and afterwards fully transcribed (Flick, 2006). A research assistant helped in the handling of the recording devices and took notes during the focus group. Two email-interviews were conducted. The first one was carried out with one of the participants of the focus group with the objective of looking deeper into his answers. The second interview was conducted with a church leader who did not participate in the focus group discussion, but was in a good position to deepen and corroborate one of the stories

mentioned in the focus group. Both interviews were done following an Email-interview Questions Guide. Document analysis was also done to corroborate information about that specific story, triangulating and corroborating the data collected in the focus group and in the second email-interview.

Data Analysis

The data analysis procedure selected for this study is Thomas' (2011) "constant comparative method: eliciting themes" for case studies. The basic principle behind the process of constant comparison is the emergence of themes that capture or summarize the essence of the data. Table 2 presents the steps and a brief description of each one of them.

Table 2

Data Analysis

Step	Description
1	Examine all the data: read interview transcripts, notes, and listen to audio recordings.
2	Make two copies of all data and keep them separate: raw and working data files.
3	List of temporary categories: read the "working" data highlighting parts that seem important. Listen again to the audio file. As you proceed, you will get an impression of important ideas or subjects that are recurring. These can be called temporary categories.
4	Draw up a grid: with the temporary categories on the left and page references to where the constructs are evidenced on the right. Make notes and observations.
5	Counter-examples: get rid of any temporary category that does not seem to have been reinforced in the rest of the data. Don't delete that actual data itself, though – it may form an important counter-example for the general themes that are emerging.
6	Second-order constructs: from the second reading, come up with second-order constructs that seem to be a good "fit" with your data. These second-order constructs should make a good job summarizing the important themes in your data.
7	Themes: look through once more, refining these second-order constructs now as marker posts for the organization of your data. Once you are satisfied that these capture the essence of your data, label these as final themes.
8	Think about the themes: how do they seem to be connecting together? Are there any unanimous areas of agreement? Are there any contradictions or paradoxes?
9	Mapping: find ways to map your themes.
10	Quotations: select good quotations or sections from your work to illustrate the themes.

Adapted from *How to Do Your Case Study: A Guide for Students and Researchers* by G. Thomas, 2011, London, UK: Sage.

Results

The Ethical Pitfalls

Research Question 1, “What ethical pitfalls that caused the Global Financial Crisis (GFC) in the United States and Europe happen also in the SDA Church?” was addressed by Questions 2 to 6 of the Focus Group.

The responses to the second question, “Define your understanding of GFC” showed that the participants had a good understanding of the GFC. Three themes emerged from the definitions: finance problems, the lack of government role, and when it happened.

The third question was, “What do you think were the causes that triggered the GFC?” The participants elaborated extensively on this question, directly focusing on the ethical pitfalls. Table 3 presents the list of causes that triggered the GFC grouped by categories and themes, with a brief definition of each category, according to the participants and the literature support.

Table 3

Causes That Triggered the GFC

Themes	Categories	Definitions	Literature
Individual causes	Greed	Greed: "well, this is a nice time, I would like to have more." Selfishness: they want to benefit themselves.	Babiak & Hare, 2006; Dalton & Daily, 2001; D'Aveni & Kesner, 1993
	Pride	"I don't want to recognize that during my term this company is going down"	Fassin & Gosselin, 2011
	Lack of responsibility	Plans are very short: "I want to make money now, I don't care." Spending more than necessary	Boddy, 2011
	Hunger for power	If they are not appointed to the office, they get angry.	Boddy, 2011; Babiak & Hare, 2006
	Lack of spirituality	Failure of managers to understand or to align themselves to the current situation of the end-time.	

(Table continues)

Table 3 (Cont.)
Causes That Triggered the GFC

Themes	Categories	Definitions	Literature
Organizational causes	Unfair administrators compensation	Salaries of CEOs and board members went up.	Dalton & Daily, 2001; D'Aveni & Kesner, 1993
	Profit at all cost	Taking advantage of house owners who cannot pay.	McGuire & Argheyd, 2003; Weaver, Trevino, & Cochran, 1999
	Excessive risk-taking	Widespread perverse incentives: excessive risk-taking.	Fassin & Gosselin, 2011
	Lack of transparency	Mortgage-backed securities could not be valued correctly because of complexity and lack of transparency.	Fassin & Gosselin, 2011; Pirson & Turnbull, 2011
System causes	Globalization	We are all part of it, and it affects us. One country fails after another, it's a chain.	Boddy, 2011
	Deeply flawed institutions and practices	Global integration of huge banks and the so-called 'shadow banking system' of hedge funds, investment banks, and bank-generated 'Special Investment Vehicles.'	Boddy, 2011; Pendse, 2012
	High leverage and risk	Vessels of contagion that conveyed problems from the U.S. subprime mortgages market to the world.	Fassin & Gosselin, 2011; Pendse, 2012
	Lack of regulation	Organizations are carelessly, poorly, or not regulated.	Fassin & Gosselin, 2011

After extensively elaborating on the answer to the previous question, participants did not express many ‘feelings’ in regards to the unethical behavior that triggered the GFC. However, the feelings that they expressed were strong: anger, and powerlessness.

The fifth question focused on stories of ethical pitfalls in the SDA Church. Participants opened up slowly and shared interesting insights about different ethical pitfalls they had witnessed. Table 4 presents the themes, categories, definitions, and literature of the ethical pitfalls in the SDA Church.

Table 4
Ethical pitfalls in the Seventh-day Adventist Church

Themes	Categories	Definitions	Literature
Finances	Embezzlement	Embezzlement or theft of organizational funds or property, improper use of funds, willful misappropriation without proper authorization. Cheating on expense report, false reporting, etc.	
	Tax evasion	Pastors were not on record for future pension, because church didn't want to pay taxes.	
	Bribery	Accepting or offering of any gift, in connection with work for the church, other than the compensation agreed between the organization and the employee. Nominating committee members receive envelopes with money to elect a candidate, if you provide this amount I guarantee you will sit as president.	

(Table continues)

Table 4 (Cont.)
Ethical Pitfalls in the Seventh-day Adventist Church

Themes	Categories	Definitions	Literature
	Misrepresentation	False report about the number of patients, parallel accounting systems.	Fassin & Gosselin, 2011
	Conflict of interests	Using church property, supplies, influence, or time to secure favors for oneself or one's family.	Fassin & Gosselin, 2011; Haunschild, 1994, Hayward & Hambrick, 1997
Human Resources	Dishonest management	Getting rid of hated employees, not getting rid of incompetent employees, and not punishing wrongdoing. Close relationships may hinder punishing wrongdoing.	Boddy, 2011
	Divorce	Pastors may divorce and get married again.	
	Blackmail	Leaders are afraid to say, "you are wrong," because people may respond, "I know what you did."	

The main theme was finances. I decided to go deeper into one particular complex story, dealing with several pitfalls, which the participant labeled as “a big issue.” The facts of this story were triangulated through document analysis and an email-interview. The focus group participant expressed that “a union president involved all presidents of conferences in a play with money. ‘We give you help and you give me a certain percentage back.’” Then, document analysis was performed with two documents obtained: the report of a special committee formed to study the case, and the executive board actions taken to resolve the case. A portion of the special committee report is transcribed:

1. Involvement in activities described in the Division Working Policy as reasons for administrative discipline, such as: embezzlement or theft of denominational funds or property to which has no lawful right, or improper use of funds, or the willful misappropriation of the same without proper authorization in writing (E 12 15 E 4 and L 60 20 4).

2. Failure to respect principles of ethics as described in the policy “Conflict of Interests” and involvement in conditions constituting conflict, when:
 - Accepting or offering of any gratuity, favor, benefit, or gift or of any commission or payment, monetary or non-monetary of greater than the nominal value, in connection with work for the denominational organization other than the compensation agreed upon between the denominational organization and the employee (E 85 15 7).
3. Failure to respect principles of ethics related to “Conflict of Interests” policy, when:
 - Using denominational personnel, property, equipment, supplies, or goodwill for other than approved activities, programs and purposes. (E 85 15 11).
4. Failure to care and be responsible in Financial Operations and to manage the financial matters in such a way as to demonstrate to all lack of a sense of integrity as clear, understandable, and forthright information as communicated, because they are critical for building confidence in the overall organization of the Church (S 05 05).

The special report mentions 15 violations to the Working Policy and church guidelines such as bribery, embezzlement, dishonest management, and conflict of interest. To gain more insight into the issue, a regional leader of the church, who did not participate in the Focus Group but who supervises the work in that country, completed an email-interview. He commented that the investigation done to clarify this issue took 6 months, ending with a full week of meetings of clarification and discussion. He ended by saying, “now we pray that the Lord will bless these two families in order for them to reflect, repent, and refund what was embezzled! I think it will be a great spiritual and leadership lesson to all the leaders of the unions and institutions present in the final executive board meeting.”

The sixth question dealt with the effect of ethical pitfalls on the SDA Church. A counter-example was found in this question when participants agreed that the negative effects of the ethical pitfalls are not significant when compared to the positive influence of good leaders and church employees. The themes and the definitions of each category are showed in Table 5.

Table 5
Effects of Ethical Pitfalls on the Seventh-day Adventist Church

Themes	Categories	Definitions
Who	Members	People will leave the church, or will not join the church. Trust of church members becomes very low.
	Customers	People will not come to school.
What	Mission	Work of the Gospel slows down: lower baptisms, less achievement of goals. There is no interest in the mission of the church.
	Finances	Tithe and offerings will decrease. Working capital, and liquidity will decrease.
How much	Not significant	Not significant, when compared to the good behavior of good leaders.

Avoiding Ethical Pitfalls

Research Question 2, “What can organizations do to prevent falling into the same pitfalls?” was addressed by Question 7 of the Focus Group. Table 6 displays the themes, categories, definitions, and supporting literature for the seventh question: one change that would prevent ethical pitfalls. The answers were divided into two themes: individual-level changes, and organizational-level changes.

From the individual-level theme participants emphasized the importance of starting with us, setting a good example to others. Participant 1 expressed, “We should try to see if I am doing the right thing, not because others are watching but because the Lord asks me.” Participants also stressed the importance of the spiritual life and knowing what God wants us to do as tools for prevention. Second, from the organizational-level changes, social responsibility (SR) was strongly observed by participants as very important in handling this crisis. However, participants said that SR might have a double intention: the end objective is sometimes political power, control, but not really helping people. The answers to this question were very enlightening, with real-life ideas that would prove useful to change the state of facts.

Table 6
One Change That Would Prevent Ethical Pitfalls

Themes	Categories	Definitions	Literature
Individual-level change	Example	We should change ourselves and others will follow.	
	Auto assessment	"We should try to see if I am doing the right thing, not because others are watching but because of the Lord."	
	Put the Lord first	Better spiritual life: less fraud, less problems, beneficiaries are happy. "Lord, what do you want me to do today."	
	Give voice	We have to start risking our position, because it's correct.	
	Do what is right	"I met a janitor about to retire: he came down from union under treasurer. He really didn't contribute in any position. How can we allow those things to happen?"	
Organizational change	Educate children	Future leaders are in school now. Meeting the needs of our children to lay an ethical and spiritual foundation.	
	Teamwork	"We need to do it together." Teamwork culture is needed.	
	More authority	We have responsibility without authority: knowing what to do but not having the authority. It may be a double-edge sword.	
	Social responsibility	Social responsibility (SR) is very important in handling the crisis itself. SR may have a double intention: sometimes political power, control, not really helping people.	

(Table continues)

Table 6 (Cont.)

One Change That Would Prevent Ethical Pitfalls

Themes	Categories	Definitions	Literature
	Ethical culture	Ethical culture that will not differ from country to country.	Icke, 2011
	Standards	Clear standards to abide by.	Icke, 2011

Research Question 3, “How can creating opportunity for a renewed sense of responsibility to abide by policies and codes of conduct foster ethical behavior?” was addressed by Question 8 of the Focus Group. It was expected that participants would mention this solution as a suggested change needed; however they did not mention it. Nevertheless, participants agreed that the church “mostly follows” the codes of conduct and the policies.

Research Question 4, “How can creating opportunities to rethink the corporate governance structure of the SDA Church foster ethical behavior?” was addressed by Questions 9 and 10 of the Focus Group. Responses to Question 9 seem to indicate that there is a very low participation of stakeholders in the decision-making process in the SDA institutions. The emerging categories addressed the causes (Table 7).

Table 7

Participation in Decision-Making

Themes	Categories	Definitions	Literature
Very low	By position	The majority of board members are set by position.	
	Few lay members	Only 1 or 2 lay members sit on conference and union boards.	
	Disconnection with the grassroots	There is a disconnection, a missing link with the grassroots. They manage their own agendas.	Pirson & Turnbull, 2011
	Lack of shared vision	Vision, which needs to be formulated, is not linked to the front-line members.	

The answers to Question 10 unveiled that governance can be improved by better boards, better structures, better leadership, and more spirituality. According to the participants, including more youth and including representatives from all stakeholders as board members can help achieve better boards. Two ideas emerged for improving the structure: flatter structures and teamwork. However, Participant 3 noted that flatter structures are difficult to achieve because leaders think it will affect their position. Finally, to improve governance participants pointed to more spirituality. According to one participant, “the one who has a close relationship with God may know God’s will.” Table 8 displays the suggestions for improving governance.

Table 8
Improving Governance According to the Focus Group Participants

Themes	Categories	Definitions	Literature
Better boards	More youth	Young people.	
	All stakeholders	We are the owners, so we are the stakeholders.	Pirson & Turnbull, 2011
Better structures	Flatter	New Testament: very flat structures, no hierarchy. However, "We don't want to change it because it will affect my position."	Acts 6:1-7
	Teamwork	Teamwork culture: we will have many leaders.	Numbers 11:14-17
Better leadership	Professionals	“When you have professional people don't appoint pastors.”	
	Rotation	“After one term, ask those presidents to be pastors again.” "President was there 20 years, never removed, and the church didn't grow. When he was removed the church started growing."	
More spirituality	Communion with God	What is God's will? The one who has a close relationship with God may know God's will.	Romans 12: 1, 2

Conclusions and Recommendations

First, interestingly enough, when ethical pitfalls occur many stakeholders lose trust in the church, and the achievement of the mission and organizational goals slows down. These negative effects must be countered by fostering ethical behavior. The second conclusion is that when the unethical behavior is punished, the ethical organizational culture is strengthened. Even though unethical behavior may sadly not always be disciplined, when it is punished, the ethical climate of the organization is reinforced by a renewed sense of responsibility to abide by policies and codes of conduct. Third, unlike what was expected, when given the chance to think of one change that would prevent ethical pitfalls, participants omitted the two proposed solutions (abiding by codes of conduct and policies, and changing the governance and structure of the church) and highlighted personal example and spirituality. Therefore, it seems that the solution is more on the individual-level than in the organizational level. Fourth, since the participation of stakeholders in the decision-making process is very low, a set of ideas to improve boards, structures, and leadership was proposed. However, more spirituality, described as communion with God, was articulated as a prerequisite to improve governance and leadership.

This study has some methodological limitations. Only seven participants were interviewed, all of them were male, and the participants represent a limited sample of countries in the world. Besides that, only one story was corroborated with other methods of data collection and participants. Hence, future research may sample a larger group of participants, including females, and from a wider spectrum of countries. Furthermore, it is recommended that a larger number of stories be corroborated.

Regarding the topic of this study, I want to propose five recommendations for future research. First, it may prove valuable to assess the causes that trigger the ethical pitfalls in the SDA Church. A second recommendation is to measure the negative impact of ethical pitfalls on the achievement of the mission and organizational goals. Third, it would be interesting to research why the same phenomenon happens in both developed and developing countries. Does globalization transfer the ethical pitfalls from developed to developing countries? Fourth, future research may study specific sets of solutions to prevent unethical behavior for specific countries, considering for example cultural differences. Finally, future research may study how to implement the set of ideas to improve boards, structures, and leadership proposed in this study.

In final consideration, even though globalization cannot be claimed as the vehicle of transfer of the ethical pitfalls, this study found similar ethical pitfalls between the GFC and the SDA Church. Besides that, ethical pitfalls can be avoided. A virtuous personal example and spirituality are the two starting points

that individuals may embrace to foster ethical behavior. To conclude, as one participant held, “we should try to see if I am doing the right thing, not because others are watching but because the Lord asks me.”

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