



# **ETHICS AND FINANCE**



**Ethical Trainee  
Development**

# Sustainability and Intrinsic Value in Trainee Development

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## *Keywords*

*Moral Development, Moral Education, Trainee Development, On-the-Job-Training, Sustainability*

In our paper, we identify moral development as a great opportunity to improve the Deutsche Bank's current trainee program. The program has not yet been able to fully meet high potentials' growing demand for ethically outstanding employers- a decisive feature in the war for talent. Since morally educated professionals perform better, there is a positive effect on the bank's revenue and business performance. On the back of Lawrence Kohlberg's groundbreaking work on moral psychology and based on recent studies on moral education, we suggest modifications to the Deutsche Bank's trainee program.

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## *1. Introduction*

“The Times They Are A-Changin” Bob Dylan was singing in 1963. Many things in this world have changed since then, but one thing has constantly remained true: Those who adapt to changes persist. Animals that adapt their diets to climate change are more likely to survive (cf. American Friends of Tel Aviv University 2010) and similarly, companies adapting to future challenges stay in business. The sooner they make adjustments to new challenges, the less painful the change will be. But what are upcoming challenges for a company in the 21st century?

Globalisation connects branches and actors that have never worked as closely together as they do today, and progress in information technologies has generated a more dynamic and faster process of decision-making. With an increasing transparency of business transactions, the group of stakeholders is growing day by day. All these aspects increase the complexity of successful leadership and leaders need new anchors and approaches. Especially among the generation that entered the workforce after 1 July 2000, the so-called millennials, there is a growing demand for moral values as a substitute for experience and detailed knowledge of previous generations (cf. Leipprand et al. 2012: 9 f.). While detailed knowledge is still of great value, when decisions about right and wrong have to be made in a matter of seconds, they have to be based on moral intuitions. In their recent study on a new conception of leadership, Leipprand et al. (2012) identify employees’ insufficient reflection as one of the future’s most important problems. Long-term thinking is difficult due to various challenges in day-to-day business. Leaders leave too little space for reflection. Values are needed as a compass to navigate through this increasingly complicated world. These very same values are demanded by young employees in their work environment. Deutsche Bank’s trainee program has not yet been fully able to meet high potentials’ growing demand for ethically outstanding employers – a decisive feature in the war for talents. Since morally educated professionals perform better, an additional positive effect on the bank’s revenue and business performance can be achieved as shown by a study by Deutsche Bank itself.

This study reveals that Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) factors produce, among other positive results – such as an improved public reputation, higher customer satisfaction or environmental protection – mark a beneficial effect on the cost of capital. Examining over 100 academic studies of sustainable investing, the study concludes that “100% of the academic studies agree that companies with high ratings for CSR and ESG factors have a lower cost of capital in terms of debt (loans and bonds) and equity [...].

89% of the studies [...] show that companies with high ratings for ESG factors exhibit market-based outperformance” (Deutsche Bank 2012: 5). This leads us to believe that there is a need to strengthen the trainees’ awareness of sustainable investment options and their concrete advantages. Here, moral behaviour and financial gain go hand in hand.

In our paper, we identify moral development as the key element to meet trainees’ expectations. The theoretical foundations of moral development according to Aristotle and Kohlberg will be revised. A trainee program that is enhanced through a component of moral development is something new in the world of corporations that not only attracts high potentials and future leaders, but also satisfies their demand for such a component. Our expectation is that those more satisfied trainees are then more likely to stay in the corporation. No such trainee program exists in the German market yet and we believe that these improvements should be established in the current programs. As Deutsche Bank will be a pioneer in implementing this program, it will set the benchmark for other companies.

Many articles, like “Die Zocker AG” (Hesse et. al 2012), with critical connotations suggest that the financial sector has been developing an increasingly bad reputation since the beginning of the financial crisis. The current focus of trainee programs fits perfectly to the requirements of “pre-crisis” business but the stakeholder perception of financial business has changed radically, as can be seen in the title of the Spiegel article or in new populist terms like turbo-capitalism, which criticize the established system of financial business. Implementing moral analysis in trainee programs helps banks show society that they take worries seriously.

What we attempt to do in this paper is to show how companies, and in particular Deutsche Bank Private Wealth Management, can advance their trainee programs to improve the soft skills of its future leaders. With our ideas, we will try to satisfy the demand of the millennials for moral integrity and socially responsible employers, and we will identify options to implement moral values as an explicit part of corporate culture. This will not only lead to more satisfied employees but also to more integrity and intentionally moral behaviour in corporations. The results of this process are first and foremost a strengthened intuition for moral conflicts and choices in everyday business, and an improved relationship between employer and employees. In this respect, the focus of the study lies upon Deutsche Bank Private Wealth Management. Especially in this business, it is important to serve customers’ demands for trust and integrity – the core values of this business (cf. Deutsche Bank – Private Wealth Management 2012).

We seek to implement a better understanding of moral conflicts, moral intuitions and the importance of values on the job into the existing program. This method is less radical than creating a completely new program and allows for a less labour-intensive implementation of moral aspects into existing structures. Our focus on trainees is based on the idea that a bottom-up approach, starting with the next generation leaders, is the best way to raise awareness of the issues of morality inside the corporation. Additionally, moral theory shows that trainees are at the ideal stage in life to further develop their moral judgment skills.

## ***2. Challenges for Deutsche Bank Trainee Program***

### *2.1 The Target Group*

To become a Deutsche Bank trainee, excellent analytical skills, strong decision-making abilities, excellent communication and relationship-building skills, resistance to pressure and many more skills are required (cf. Deutsche Bank 2012). All of these competences are plausible and well-established, and all of them will be strengthened in the program. Our approach adds one aspect that has not yet been in the focus of trainee programs which is important for employers as well as for employees: Employees' integrity and social responsibility play a major role for any institution that entrusts its employees with billions of euros in the hope that it will be well invested. Both the company's and the customers' trust establish the basis for successful dealing.

DB Private Wealth Management is in charge of wealthy customers with high and ambitious demands. A sustainable and intrinsically valuable advisory process is very important. We claim that this continuous sustainability can only be attained if Deutsche Bank implements the possibility of moral development in its private wealth management program. The need for this development is already given, since as DB Research claims "the market for responsible investments has seen a huge increase in recent years. Demands from (public) institutional investors and high-net-worth individuals have been among the main driving forces behind this development" (Deutsche Bank Research 2010: 1). Additionally, the investors will be "placing greater weight on ESG (environmental, social and governance) criteria, corporates and sovereigns will be pressured to adhere to higher standards" (1). In connection to the trainee program, this means that a program is needed

that enables professionals in the financial market sector to combine moral values with a mastery of complex and perpetually changing facts.

## *2.2 Young Professionals Seek Values at Work*

A study by PricewaterhouseCoopers (2007), PwC hereafter, reveals the millennials' wishes. For the survey, conducted in 2008, recent university graduates (4,271 from 44 countries) who were due to begin working for or were already working for PwC were interviewed. Out of these, 88% said they will choose employers who have CSR values that reflect their own and 86% would consider leaving an employer if CSR values no longer matched their expectations. It is interesting to note that despite these figures, only 7% would choose to have time off to do social or charity work as one of their top three benefits. From this, we conclude that millennials want the primary focus of CSR values to be situated in the company itself – moral actions should be part of their working lives and not only of their private lives. Apart from values, another wish is noticeable. Of all employee benefits, training and development is the most highly valued. The number of millennials choosing training and development as their first choice of benefit is three times higher than those who chose cash bonuses. Antithetical to this is the fact that younger workers receive vocational and educational training opportunities, while coaching and mentoring are mostly offered to senior employees. Trainees are educated – what they need is further advancement of their skills and identities. We seek to connect these major demands – the demand for CSR values in the company with the demand for further development and self-improvement. By further improving the values in the trainee development process, we hope to attract those individuals who will choose employers with CSR values reflecting their own, keep them in Deutsche Bank and convince them by means of a holistic program, the likes of which have never been seen.

## **3. Can Moral Judgement Be Developed?**

### *3.1 Theoretical Foundations*

As Aristotle said, “it makes no small difference, then, whether we form habits of one kind or of another from our very youth; it makes a very great difference, or rather all the difference” (Aristotle:

Nichomachean Ethics, book 2, ch. 1), meaning habituation to moral values will eventually form a person's character, inevitably resulting in morally good behaviour. Since these values crucially depend on the environment, and employees spend the greatest part of their professional life in their job environment, it is important that the place of work contributes to the enhancements of these values. The philosopher's approach has since been affirmed by several moral psychologists, the most prominent being Lawrence Kohlberg and Jean Piaget. Even though their findings date back to the last century, they "laid the groundwork for the current debate within psychology on moral development" (Nucci 2008). We will base our suggestions for Deutsche Bank upon their findings. Kohlberg's theory of cognitive moral development is divided into six stages, each leading more closely to aptly respond to moral dilemmas. Aware of the fact that the stages of moral development are value-biased, Kohlberg states that the ideas comprised in the definitions of the stages originate from the subjects in his empirical studies (cf. Kohlberg 1996: 30). Despite this lack of neutrality, he claims that the stages are independent of the cultural environment (cf. Garz 2008: 101). Empirical evidence is provided by Gibbs, affirming that "apparently, moral development is not entirely relative to particular cultures and socialization practices" (Gibbs 2010: 51).

Based on this background, Kohlberg develops three main levels of moral development: the pre-conventional, the conventional, and the post-conventional level. They constitute stages of cognitive moral development. This cognitive aspect is defined as the structure of one's behaviour with regard to certain moral principles (cf. Lind 2000: 53). On the pre-conventional level, moral decisions are based on the material and hedonistic consequences of actions. On the conventional level, moral decisions are grounded on conformity with the expectations of the social environment and on securing the social order in the individual's society. The post-conventional level enables the individual to make decisions inconsistent with the society's view if they stand in contrast to his or her own principles which are typically marked by the basic human rights.

It is important to note that Kohlberg assumes four specific features of the stages: (1) qualitative differences in the way people think; (2) an invariant succession of the stages of development, so that there may well be differences in the speed that they are reached, but not in their order; (3) a structured whole of every stage, meaning that on each stage, a consistent response-scheme occurs that cannot be viewed as a solely learned reaction; (4) hierarchical integration, so that earlier-stage structures are retained and integrated into higher-stage structures (cf. Kohlberg 1996: 85 f.). The qualitative improvement and the assurance that steps can only lead up-, but never downward, indicate that moral development cannot have negative effects.

These three levels each consist of two stages (see Figure 1). The pre-conventional level includes: first, obedience and punishment orientation as well as, second, self-interest orientation. On the conventional level, third, interpersonal accord and conformity; and fourth, authority and social-order maintaining orientation succeed them. Finally the post-conventional level includes, fifth, social contract orientation as well as, sixth, universal ethical principles orientation (cf. *ibid.* 51 f.).

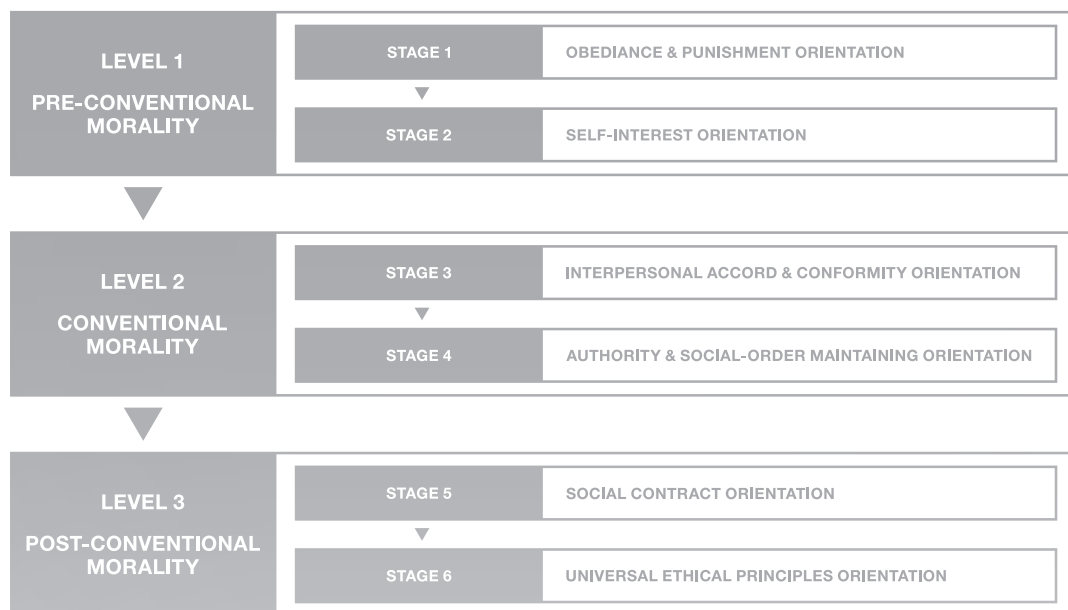


FIGURE 1: KOHLBERG'S STAGES OF MORAL DEVELOPMENT  
(BASED ON. KOHLBERG 1996: 128-132)

Kohlberg created his cognitive model in accordance with Jean Piaget's theory of moral development (cf. Piaget 1971), which we will not explore in detail in this paper. He thought it to be his task to connect Piaget's cognitive-structural model in which experiences promote development with a model of adults' experiences (cf. Kohlberg 1996: 102). However, it is interesting to note that Kohlberg drew parallels between Piaget's stage in logical development and the moral stage an individual is at, so that, e.g., those incapable of abstract thinking cannot overcome the pre-conventional level.



According to Kohlberg, logical development is a necessary, but not a sufficient condition for moral development, which requires more than clear thinking. We assume Deutsche Bank's trainees to have the necessary abstract thinking abilities and therefore think that all pre-conditions for a successful moral improvement are met (cf. *ibid*: 31). In addition to logical development, the environment plays a decisive role for an individual's moral development (cf. Kohlberg 1996: 31). The interaction between an individual and its environment strongly influences the individual. Thus, the place of work is an important factor in positively affecting moral judgment (cf. Kohlberg 1984: 8).

But Kohlberg's work has also encountered criticism. As Fraedrich, Thorne, and Ferrel underlined, "(t)he most common criticisms relate to disguised value judgments, gender-bias, and the invariance of stages (...) The theory was developed using an all-male sample and does not allow for vacillation between the stages of development" (Fraedrich et al. 1994: 3). Although they advise caution, they admit that "(t)here is general agreement that cognitive moral development is one variable that can assist in predicting ethical decision-making in business" (*ibid*: 7). Thus, in combination with the more recent studies already mentioned, the Kohlberg framework seems highly plausible to rely on.

### *3.2 Achieving Moral Development*

Moral development cannot be attained by studying textbooks. As Piaget noticed in the early 1980s, "it is obvious that affective factors are involved in even the most abstract forms of intelligence. For a student to solve an algebra problem or a mathematician to discover a theorem, there must be intrinsic interest, extrinsic interest, or a need at the beginning" (Piaget 1981: 2-3). But what does this imply for trainee development? How can interest in moral issues be kindled and maintained?

Education is a possible answer. Kohlberg (1985) has shown that education can accelerate moral development. Examining this claim, Kavathatzopoulos (1993) conducted a study to test whether simple instructions promote a shift in the individual's ethical function towards the autonomous phase of development. In Piaget's model, this autonomous phase is the one following the heteronomous phase, in which one is governed by oneself and makes independent moral decisions. While heteronomous decision makers refer to general moral principles, autonomous decision makers succeed in focusing on a concrete situation and critically assessing it (cf. Piaget 1932). The subjects in Kavathatzopoulos' study were asked to solve business ethics problems. Kavathatzopoulos showed that the instructions had a very strong effect on the shift from the heteronomous to the autonomous ethical phase. Thus, there is a need to consider the "significant difference in the effect

of two disparate teaching methods upon ethical attitudes and perceptions” (Kavathatzopoulos 1994: 1). The author emphasised that discussions of specific business scenarios are much more powerful than lectures on basic ethical principles (cf. *ibid*: 1-2). He showed that “acquaintance with various general philosophical methods alone is not sufficient to cause changes in the individual’s attitudes towards moral issues. Concrete training was found to be more effective” (*ibid*: 2). Even though this study was conducted using Piaget’s instead of Kohlberg’s framework, it covers all the necessary aspects. Consequently, while simple instruction cannot replace active involvement of the participants, it can very well have a positive effect.

This view is supported by Georg Lind. As he successfully demonstrated, well-directed education can change the moral-democratic atmosphere in schools and promote students’ ability to make high-quality moral judgments in Kohlberg’s sense (cf. Lind 2000: 191). At the same time, he emphasises that moral development does not end with schooldays, since high school graduates are less geared to moral norms than college students (cf. *ibid*: 250). Studies like the “Defining Issues Test” (cf. Schlaefli et al. 1985) show that moral development programs have an even stronger effect on adults than on children and youths.

Measures of cognitive moral development, Kohlberg emphasised, are seminars, case studies, role plays and, in particular dilemmas: “(t)o make a formally-operatorically thinking adult come to moral reasoning, he must experience social and moral situations (...)” (Kohlberg 1996: 103). In this view, he is supported by Lind, standing in the tradition of Habermas, who stresses that

“It is especially significant that the situative threshold of a once expressed opinion on a concrete dilemma can in principle be overcome. It can be revised on the basis of moral arguments that could find consensus. Thus, the line of arguments does not only serve the ‘rationalization’ of this opinion, but also its critical assessment” (Lind et al. 2000: 31; cf. Habermas 1973).

In dilemma situations, different values conflict or seem to conflict. Assessing them in groups helps realise how to sensibly structure and eventually master them. In the case of the trainee program, a variety of dilemmas can be explored, both highly dramatic and regular, everyday situations. Even if some of the trainees never enter senior management, dramatic cases serve as “caricatures of business ethics issues which help to emphasize that management cannot be regarded as a purely technical process” (Maclagan 2003: 6). A dilemma situation in the area of banking might look like this:

John is a high net worth individual and wants to invest his money. He is also a socially very responsible person, so he decides upon an ethical investment and asks his private wealth manager Steven for advice. Steven works in the Private Wealth Management of Deutsche Bank. His colleagues suggest that Steven should invest John's money in the brand-new fund ET-1, which is the bank's first ethical fund. Steven takes a closer look at ET-1 and finds out that in the fund's summarized evaluation, important issues were left out, leading to the conclusion that it is a socially responsible investment. When confronted with his issues, the bank changes a few words in the summarized evaluation but comes to the same conclusion, which says that the fund is ethically correct. Should Steve advise John to buy ET-1 at the risk of losing John's trust or should he tell him that his bank can't currently offer John an appropriate solution at the risk of losing him as a customer of the bank?

One way to tackle a dilemma is to structure it by asking certain questions. A questionnaire for our purpose might look like this:

WHAT ARE THE MORAL ISSUES?

CAN WE IDENTIFY THE STAKEHOLDERS, ESTABLISH THE FOCUS OF RESPONSIBILITY FOR THINGS THAT HAVE HAPPENED AND FOR TAKING CORRECTIVE ACTION IN THE FUTURE?

IS THERE A DILEMMA?

DOES SELF-INTEREST ENTER INTO THE PICTURE, AND IF SO, IN WHAT MANNER?

IS THERE EVIDENCE OF PERSONS' FAILURE TO ACT ON THEIR MORAL BELIEFS?

ARE LEGAL ISSUES INVOLVED?

FIGURE 2: EXAMPLE QUESTIONNAIRE (CF. MACLAGAN 2003: 8)

This can serve as an initial guideline to evaluate the situation and realize the crucial factors involved in handling the problem. Of course, before a dilemma like this is realized in the context of the program, it should be best adjusted to the bank's organizational structure and address existing compliance measures.

An additional aim of the program enhancement is to advance the trainees' guilt proneness. Through moral sensitizing, we seek to increase this guilt proneness which Cohen, Panter and Turan describe as "an emotional trait, referring to the anticipation of feeling guilty about committing transgressions" (Cohen et al. 2012: 2). A high disposition to guilt proneness is desirable for a bank, since it reduces counterproductive work behaviour, defined as "behaviours that harm or are intended to harm organizations" (ibid: 1). It has been confirmed by studies that people with high scoring guilt proneness make fewer unethical business decisions and commit fewer delinquent actions (cf. Cohen et al. 2011).

### *3.3 Effectiveness of Moral Training*

Empirical studies suggest that moral development is, as Kohlberg stated, not entirely bound to specific cultures (cf. Gibbs 2010: 49 ff.). While the specific society one lives in can have an effect on moving from one stage to another, the stages themselves are not culturally connected. Gibbs defines a stage of moral judgement "as a structure of moral justifications, that is, of reasons supporting a decision or evaluation in the context of the right and the good" (ibid: 46 ff.). Thus, a decision or evaluation refers to values (like telling the truth or helping others). Based on this definition, the Sociomoral Reflection Measure-Short Form (SRM-SF) for example has individuals "evaluate and justify the importance of specified moral values". Their answers are then compared with "inductively and deductively derived 'criterion' justifications found in the scoring manual" (ibid: 47) to assess the individual's stage of moral justification. Knowing that there are scientific methods of measuring moral judgement, we can focus on the benefits of moral training.

Jones (2009) studied the effectiveness of moral training, using a treatment and a control group. Participants were freshmen business majors, completing a test before and after the training. Controlling for pre-training levels of moral reasoning, his results showed that students in the training group have "higher levels of post-training principled moral judgment" compared to the students in the control group. The tests for this study were held before and after five 75-minute classes, thus controlling for this effect. This confirms Kohlberg's findings which stated that individual's moral

judgement tends to become more sophisticated over time. As Kohlberg (1964) and others have shown, development in moral judgment is positively related to moral behaviour. Thus, it ought to be every trainer's goal to support trainees in achieving the highest possible level of moral reasoning. The studies of Schlaefli et al. (1985) suggest that the effects of moral training are relatively weaker for people younger than 24 years of age. In Jones' study, participants were on average 19 years old. We thus assume that our program is applied at the right stage in life.

Other institutions have already recognised that their employees often have high individual moral values, but are not always able to put them into practice. Thus, some German Bundeswehr officers are currently undergoing moral training to improve their moral power of judgement. Chinese civil servants receive moral training to avoid moral laxity and to improve the "civil servants' loyalty to the country and people, as well as their sense of responsibility, honesty and fairness" (Wang 2011). The training consists of lectures as well as case studies where hypothetical dilemmas are discussed. The aim is to find a solution strategy based on moral principles as it is not possible to provide recipes that tell one what to do. Life is too complex for such instruction. These are just some examples showing an upcoming trend: Other institutions and branches are going to implement programs for moral development, but the financial branch has not yet reacted to the trend. That is why we suggest Deutsche Bank to be a pioneer in its sector.

#### ***4. Our Suggestions for the Improvement of Deutsche Bank's Trainee Program***

##### *4.1 The Program*

Since trainees join Deutsche Bank at a perfect age for further, intensive moral development and are already equipped with logical thinking abilities, we now suggest how to awaken the remaining potential. The problem with moral dilemmas is that they are often very complex, they include many stakeholders and, most importantly, there is no morally superior action to take.

In the course of the program, a few different philosophical approaches will be covered. The trainees will practice to apply them to different ethical issues and dilemmas that are likely to happen in their everyday business activities. As this reveals to the trainees new ways of thinking about these issues, we expect this to positively affect their moral reasoning. There are various conceptual links between philosophical approaches like Kant's conception of morality, the categorical imperative,

and stage 6 of Kohlberg’s theory, the universal ethical principles orientation. Dilemmas used in our program will always be typical business cases, based on everyday contexts. Consequently, trainees will perceive them as highly relevant for their education and willingly accept the challenges arising in the program.

A substantial amount of the program time will be used for discussions in groups about the dilemmas and scenarios. This is based on Kohlberg’s +1 logic: anyone (e.g., the instructor) at a more advanced stage of moral reasoning can pull up all the others one level higher. Group participation in every phase of the program and shared decision making are thus essential for developing higher levels of moral judgment.

In the following, we will describe a trainee program suited for Deutsche Bank. This approach needs about one year of time and can be seen as a basis in advancing moral behaviour. For the sustainable improvement of moral acting, a (work-)life-long process is needed. The main reason for such a trainee program focused on sustainability and intrinsic values is to give the participating future leaders and managers a tool to work with in morally critical situations as described in chapter 3.2.



FIGURE 3: OUR SUGGESTED PROGRAM (OWN ILLUSTRATION)

The core of this approach is a cooperation of trainees and students like those students from the Philosophy & Economics program at the University of Bayreuth. The development of moral awareness is based on four points: Enabling, generating, sensitising and rewarding – the EGSR Approach.

#### *4.2 The EGSR Approach*

The basis for the program is to enable the program members to consciously identify moral behaviour by participating in lectures and seminars on ethics. In a second step, program members have to apply the learned ethical basics to a situation in daily business which works as a generator for improved moral acting. In the context of enabling the program members to handle dilemma situations in a reflective and moral respecting way, it is important to sensitise the individuals to notice where moral behaviour plays an important and successful role. The last step is to honour the participants' efforts and reward them in attractive ways.

##### *Enabling*

The first step is enabling – we want the trainees, who are used to looking out for hard facts, to open their eyes to moral conflicts in everyday business. In practice, enabling means that the trainee program has to be complemented by seminars on ethics. Several programs connecting philosophical and business topics exist. The seminars could, for example, take place at the Institute of Philosophy at the University of Bayreuth. Here, the study program “Philosophy & Economics” (P&E) was founded over ten years ago and is a leader in connecting analytical, ethical, and economic thinking. In the seminars, trainees work together in tandems with P&E students. This will be done through visual presentations of both groups' knowledge and effectuate a win-win situation. While students contribute ethical knowledge, especially in economic and corporate ethics, trainees add the know-how of financial business, leading to a knowledge transfer. This agenda highlight has two functions. The first one is to bring the parties together so as to build teams. As an introduction, the aim is to motivate the members for the program and to create a network among them for the following knowledge transfer that has to be realised as a second function of the seminar.

In addition to this seminar, enabling will include activities to further kindle motivation and strengthen the program members' awareness for moral action. This approach should include a lecture by a leading figure in the field of economics and ethics three months after the seminar.

The social effect is that face-to-face relationships of the tandem partners will be improved which supports the team-building function, while the second function of knowledge transfer is served by the speaker through his lecture about connecting ethics and business.

### *Generating*

In the second stage, the focus on developing moral awareness rises, meaning that this approach will motivate the trainees to improve their skills from the inside. After the kick-off seminar, the real work process begins. An investment challenge will be established to connect moral acting directly with the everyday work of the trainees. Its aim is to show the benefits of moral acting not only in a social way but also in the financial, profit-oriented business.

The rules of this challenge will be different from rules of regular investment challenges that rank participants on the basis of the monetary return on investment; here, the new and most significant category is the social return on investment. Each tandem will get the same amount of money and the task to invest this sum as sustainably as possible. The monetary profit is not the leading approach but rather the idea of socially, ecologically and, as one of these three points, too, economically sustainable investments. This challenge will work as a “mind-opener”. The aim is to show trainees and students that sustainable investments are socially and economically rewarding. An important point that has to be made is that the investments are not supposed to be idealistic but hopeless investments in companies that cannot survive in a social market economy because their business plan is not workable. This has the effect that the tandems have to screen potential companies very intensely in the above-described ways of sustainability.

This kind of investment challenge is a challenge for the program members as well as for the experts that have to evaluate the performance of the tandems. A ranking for sustainability aspects of the portfolios has to be developed, and experts have to rate every company that appears in the different portfolios. In this new program, factors other than the standard financial ratios like EBIT or cash flows are of interest. Experts for this kind of rating are found in the Institute of Philosophy in Bayreuth as well as in the leaders of the participating company. Both parties have to install a committee consisting of managers and professors which evaluates the performance of the different tandems.



### *Sensitising*

Generating the power to act in a morally responsible and sustainable manner is the core of the approach. It will be accompanied by a measure to sensitize the trainees to the positive effects of their behaviour. Most human beings have an idea what moral behaviour looks like and live according to a certain value system, yet in most cases, this is exercised unconsciously. However, if moral skills are to be refined, it is important to see how moral theories are translated into practice. While the investment challenge is an active element of the program, fulfilling the need for sensitizing for conscious and unconscious acting, the lecture supports the passive part of sensitising. But the lecture by a well-established expert in the field only explains and highlights the connection of financial investments and moral behaviours. It is important for the participants to see how morality and self-reflection successfully work in real life and especially in the real economic environment. We suggest a visit to a social enterprise, succeeding socially and economically. Since this visit could be performed with the tandem partners, the relations inside the group will be strengthened as a side effect.

In addition to these points, the program has two evaluation meetings that have to support networking as well as knowledge transfer. However, the focus is on giving feedback to the investing students which strengthens the group from inside because exchanges concerning experiences lead to improved progress. The evaluations are an important module of sensitizing because while discussing their different investment strategies, the program members are forced to reflect on their decisions, a pause in time that is not necessarily available in business life.

### *Rewarding*

After one year of trading, company visiting and exchanging experiences amongst the group, it is necessary to draw a balance and see what has been the benefit of the program for every single participant as well as for Deutsche Bank. The outcome for the participants should be an open mind for moral dilemmas, and sustainable behaviour in social, ecological and economic ways. Experiences are made that hopefully lead to more reflective decisions and because of that, companies, especially in the service sector, strengthen their human resources as the future leaders have the skills to make morally sustainable decisions that serve both them and their company better. Since the demands of the PricewaterhouseCoopers study are met in the program, we dare hope for a decrease in trainee fluctuation after the end of their program as a result of better identification with the company.

Additional benefits we hope to generate are further improved employer branding and ameliorated stakeholder relationships.

The program will officially end in an awards ceremony, which could be incorporated into other important events of Deutsche Bank's schedule. This ceremony serves to celebrate the successful participation in the program in general and to celebrate the winning tandem of the investment challenge in particular. Each participant receives a certificate for his efforts and the winning tandem could win something of idealistic value, such as spending a day with the bank's CEO. Celebrating the program in public has benefits in two ways. The first one is the marketing action, to once again prove that bankers are able and willing to think beyond the short-term return on investment. The second one is the visible estimation of sustainable, reflective thinking and behaviour at Deutsche Bank. The obvious appraisal of these values is made present in all employees' minds.

We believe that after completing our program, trainees will more easily be able to identify the stakeholders involved in ethical dilemmas, as well as be able to apply various philosophical approaches to them. Being exposed to various approaches and levels of moral reasoning enhances their own capabilities of moral judgement. Furthermore, they will be better at recognizing an existing moral dilemma and their reasoning about it will be more sophisticated. As the dilemmas are inspired from everyday business activity, they will have a highly practical relevance for sustainable trainee development.

## ***5. Future Challenges***

Time will reveal employees' and clients' responses to this development approach. Possible key indicators for the efficaciousness of the program could be the number of applications to the program, the fluctuation of trainees after finishing, a possible downshift in days of sick leave, and the satisfaction of current employees with the changes to the regular program. Depending on the trainees' experiences, the moral development approach could also be integrated in an enhanced trainee program apart from the regular one, offered to the trainees on a voluntary basis. This might last longer by one year, but create extra value for both Deutsche Bank and the motivated trainees. Regardless which program will be implemented in the end, the longer or shorter version, Deutsche Bank will be the first to do so in the financial market and will be a huge step ahead of its competitors when it comes to sustainable trainee development.

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