Business Ethics

The Basics of Ethics

1. There are two basic theories in modern moral philosophy:

    a. the theory that acts are intrinsically right or wrong and that this is expressed in duties (this position has the technical name of *deontology* and is most commonly associated with Immanuel Kant (1724–1804));

    b. and the theory that right and wrong are to judged according to the surplus of good over evil produced or the sum of good consequences (the best known form of this consequentialist theory is called *utilitarianism* and is most commonly associated with John Stuart Mill (1806–1873)).

    The classic phrase used to sum up deontology is "respect for persons"; another is "the ends don't justify the means". The worth of persons is infinite and cannot be traded off for other benefits eg. evicting a minority group from, say, a mining site because the majority will gain.
    The classic phrase still widely used to sum up utilitarianism is "the greatest happiness for the greatest number". Unfortunately, this phrase would seem to leave individual and group rights at the mercy of the majority. For example, economic policy might dictate that mining in a certain area would be beneficial to most people, but a small Aboriginal group might lose a sacred site. Is this justifiable?

2. There is a kind of middle way which has recently become popular in ethics, and that is one that focuses on character or human virtue. This stresses the achievement of excellence in human activities. It is a kind of middle way because, although it does not have the rules and duties of position (a) or the calculation of consequences of position (b), it does hold that some things are intrinsically good — excellences — and it holds that the virtues perfect human nature — being a good human being is an end. Precisely because virtue ethics takes human goods as valuable, it proscribes certain types of conduct eg. theft, killing, cowardice, selfishness, indifference, greed, disloyalty, dishonesty, lying. Unlike utilitarianism, it does not condemn these things as vices because they cause more people to be miserable than happy, but because the lead human conduct in ways that debase rather than enhance excellence. Such excellence cannot be the consumption of food, wine and good times, though these things are not to be despised. But they cannot comprise the sum of a virtuous (good) life.

3. To the question, "Why be ethical?", deontological ethics would reply, "Because it is your rational duty" (ie. your duty to yourself as a rational being). Utilitarian ethics would reply, "Because this will increase the sum of good in the world." Virtue ethics would reply "Because that is the most fitting way to be a person".

4. These are the major *theories* about ethics in the West. They do not mention religion or tradition or custom. They are about rational justification of moral positions. This is a limitation and a strength. The limitation is that they do not capture all that is important in human life. The strength is that they can be adapted to public life more readily than ethics deriving from one religious tradition, although it must be admitted that in the West, Judeo-Christian morality has a very strong hold of our thinking.

5. Professional ethics (and this includes business ethics) is an extrapolation from these theories to the workplace. It has several generic aspects (ie. principles that apply to all professions):

beneficence	doing good
non-maleficence	not doing harm
confidentiality	respecting the privacy of clients
conflict of interest	keeping private interests separate from those of clients
respectability	behaving in ways that do not bring the profession into public disrepute
public duty	advising policy makers or the public in areas where one has special responsibility or expertise
competence	keeping up with the latest developments in one's profession

6. Note that we have moved from *theories* to *principles* in section 5. Too frequently text books do not mark this transition from theories to principles. A theory is a general account of morality. Principles comprise a theory, but might be shared by more than one theory. More importantly, they occupy different roles: theories are accounts of morality; principles are the stuff that is used in moral reasoning; but neither will do the job of moral reasoning for you.

7. Moral reasoning might be about issues in general, eg. euthanasia or war, or about specific cases. In general moral reasoning, it might be relatively straight forward to apply principles and to take a position: I am a utilitarian and support euthanasia; I am a pacifist and oppose all war. Specific moral reasoning involves personal decisions which issue in action: what should I do? Here case reasoning is important, not just the elucidation and application of general principles. So we have reached a third level of ethics more specific than theories and principles: case reasoning or *casuistry.*

8. So what does the job of casuistical moral reasoning involve? In cases, principles are applied, but the mere application of the correct principle will not solve an ethical problem. The manner in which principles are used is very important. The following questions about setting ethical priorities in professional practice indicate some of what moral reasoning involves. They may be related to the theories and principles outlined above. They could form the basis of an ethical decision model.

    1. Is this act just? Are benefits and burdens shared equitably?

2. Does this act directly and intentionally hurt others? Am I using others merely as means to my ends?

3. Have I consulted affected parties and obtained their informed consent where necessary? Have I respected their autonomy and sought their consent?

4. Are the risks acceptable and have I minimised avoidable risk? What measures have I taken to compensate for adverse consequences?

5. Have I provided safe exits in the event of failure?

6. Would I do this act if it were a personal decision, not a professional one? Would I be prepared to exchange places with affected parties? Am I hiding behind my role or do I take account of Stakeholders?

7. Does my decision (or that of my organisation) conform to the profession's code of ethics and declared professional standards?

8. If the decision is mine, do I have a conflict of interest?

9. Am I willing to take *responsibility* for the consequences of this decision and to be publicly *accountable* for them?

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