

Introduction to Business Ethics

Welcome to Business Ethics! So, a *business* is any organization or entity whose primary objective is to provide goods or services for profit. Meanwhile, *Ethics* is the study of morality. In short, in this class, we'll be assessing the moral status of the sorts of decisions that are made in the context of buying and selling goods and services.

But, what is the nature of **morality**? We'll focus on that question in unit one. In unit two, we'll explore the question, How does morality apply to **businesses**? Everything after that will be an examination of the synthesis of these questions, and we will look at a bunch of specific issues regarding morality and business.

It's common to hear someone say that "business ethics" is an oxymoron—in other words, a contradiction of terms. "What a laugh!" they might say. "Businesses don't HAVE ethics!" But, this is simply not true—or, if it IS true in some sense (say, because lots of businesspeople never stop to think about ethics, or else because they believe that morality does not apply to decisions made in the name of business) then it is something we ought to work to fix. For, **any decision that affects some individual in a positive or a negative way is a MORAL decision**—and decisions made by businesses are among those that affect individuals the most! That being said, anyone who owns, or runs, or works for a business—in short, almost ALL of us!—needs to be in the position to know which decisions are the morally right ones, and which are the morally wrong ones.

So, let's begin by getting some things straight about morality:

1. Morality is not merely etiquette: What is morally right and morally wrong is not merely a matter of public opinion. Morally right actions are not synonymous with whatever is considered appropriate by society at the time. Sure, there ARE certain things we "ought" to do MERELY because they are considered appropriate by society—for instance, in certain cultures, you "ought" to bow when greeting someone—but those sorts of things aren't MORAL issues. The reason you ought to bow to someone in some circumstances is not because you have a *moral* obligation to do so; rather, you ought to do so because the people of that society have deemed it the traditional thing, or the polite thing to do.

Bowing is a matter of what we call proper "**etiquette**". Truths about proper etiquette change over time, and they are MERELY social conventions (i.e., social constructs, or "stuff we just made up"). The rules of etiquette are made up by WE, the people. By contrast, facts about **moral obligations** do NOT change over time. What is wrong is wrong for ALL TIME, and for EVERYONE always. Facts about morality are NOT made up

by we, the people. They are true independent of what any person or society thinks (or so we will argue during week 2).

For instance, consider the issue of racial segregation. This is a moral issue. Though at one time it was CONSIDERED appropriate by many people to segregate individuals of different races and grant different sets of rights to them, it has ALWAYS been morally wrong to do so. In other words, though the ETIQUETTE regarding segregation has changed over time (such that what was once largely considered proper is now considered improper), the MORALITY of the issue has not changed at all (it was just as morally wrong then as it is now).

2. Morality is not identical to the law: As we have just seen, "morally wrong" is not synonymous with "proper" or "customary"—but NEITHER is it synonymous with "illegal." Many people confuse this. They claim that something is "wrong" because there is a law against it. But, "wrong according to the law" does not mean the same thing as "wrong according to morality."

Consider: If the moral laws were just the same as the state and federal laws, then there would be no basis for arguing that we ever ought to CHANGE those laws. For instance, if it is LEGAL to own slaves, and "legal" means the same thing as "moral," then it would not make sense to say, "Though slavery is legal, it is still wrong, and we ought to work to try to make it illegal." For, if "legal" = "morally permissible", then it would be IMPOSSIBLE for something to be both legal and morally wrong at the same time.

But, the fact that morality and legality are distinct is illustrated very clearly when we consider the following:

- (a) Some illegal things are morally permissible: There are many actions that are illegal which do not seem to have anything to do with morality. For instance, it is illegal to drive one mile per hour over the speed limit. Yet, there does not seem to be anything MORALLY wrong with doing so (especially if the driver is being safe about it, etc.). Similarly, it is illegal to operate certain machinery without a license, but there does not seem to be anything MORALLY wrong with doing so.
- (b) Some legal things are morally wrong: There are lots of things that many of us consider morally wrong, and yet the government does not forbid them. For instance, most think that lying is wrong—but in most cases it is not illegal to lie to someone. Similarly, it is very plausible that adultery is morally wrong, and yet there is no law that forbids adultery.

Note: Each week, I will suggest several topics for discussion. You are, of course, encouraged to ask questions or generate discussion topics of your own. But, I will provide topic suggestions with every lesson.

Discussion Topic #1: Consider Cicero's question (pg. 8) from the first century B.C.:

- **Food shortage:** Imagine a city with a severe food shortage. You arrive with a lot of food, and you know that if you sold all of your food immediately, you could make a small fortune (they will probably be willing to part with their life savings just for a single meal). However, there are a thousand truckers on their way who will arrive in town in a few hours to re-supply the town with food—so much food, in fact, that the starving citizens will no longer be willing to spend their life savings on a single meal. You have two options: (1) Do NOT tell the locals about the incoming trucks and sell your food at extremely high prices. (2) DO tell them about the trucks and almost certainly forfeit those huge profits.

**Before studying Business Ethics, do you have any intuitions about this matter?
What do you think is the morally right thing to do?**