## An Introduction to Ethics

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## AN INTRODUCTION TO ETHICS

You are a senior executive in the sales department of a large manufacturing company. A competitor's technological innovation has disrupted your company's production and has plunged profits into the red for the last three quarters. Your boss has made it very clear that if you do not make your profit projections for this quarter, you will be out of a job. One of your staff members makes a suggestion to you about investing in new equipment to better monitor and service clients. After some research you realize that this investment, if enacted quickly, could increase sales and help the overall health of the company. Each quarter that you wait to implement this equipment will reduce its positive impact, but investing now will cause you to miss your profit projections and lose your job. What do you do?

Most people have one of two reactions after reading a case like the one above. Either they have a strong moral intuition toward one of the options, or they experience conflicting moral intuitions and cannot decide between the two. Moral intuitions or sentiments (as Adam Smith called them) are our gut reactions to a situation as to what is right or wrong. They are developed over time from our past experiences and social interactions. We may regret decisions that are based just on moral intuition when we find they missed the mark. It is only when we do the hard work of analyzing a case and meshing intuition with reason that we can be confident that we are making better choices. This is because our intuitions are determined by past experiences, which may be of little help in new moral dilemmas. In addition, apart from following the stronger moral intuition, we cannot decide between two conflicting intuitions without a standard or some criteria for what is better or worse. In both of these cases, we need to turn to ethics.

## What Is Ethics?

Translated from ancient Greek, ethics means "theory of living." In answering the question "How should we live?" one engages in a consideration of ethics—thinking about what is right and wrong. Ethical deliberation is the process of consciously reasoning about what is right and wrong and giving defensible reasons for actions that reach far beyond one's initial moral intuition. Ethics requires that we engage others in conversations regarding our concerns,

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and offers a check on our moral intuitions as well as an opportune action and thus find better ways to live. The process of moral judgment—deciding what is right and wrong and refining moral intuition—ultimately affects the way a manager will act in a given situation. Obviously, if a manager thinks an action is good (or at least not bad) he or she is more likely to do it.

It is important to point out that ethics is more than an individual's own appraisal of a situation; it is also cultural—whether that culture is an organization, an industry, a community, a nation, or a fundamentally human consideration. Ethics is about how one should live as an individual as well as how to live with others—who may be significantly different. Ethics assumes that people are accountable for their actions. Every day, managers make decisions that can affect customers, employees, financiers, partners, the community, and the world in powerful ways. Since managers are accountable to these groups, they must have morally defensible reasons for their actions that go beyond mere intuition.

## **Disagreements in Ethics**

People see the world in different ways. These differences can lead to disagreement about what is right and wrong. To offer morally defensible reasons for an action one must understand where disagreement occurs in the conversation about morality. People can disagree about the facts of a case, the values and principles involved, or about the language and framing.

In the case that introduces this note, one might doubt the claim that investment in the new technology will increase sales. This is a disagreement about the facts of the case. Believing or not believing this information can drastically change the options that one would consider. There may also be critical pieces of information missing from the case. In addition to clarifying the facts about which there is disagreement, it is important to clarify what facts there is agreement on, since these can provide a starting point for a constructive solution.

Even if there is agreement on the facts of the case, there may still be disagreement about what one should do. This is disagreement about values and principles. In the above case, even if one accepts all the factual parameters, it can still be debated whether one should implement the technology or not. One might base the decision on self-preservation—for example, implementing the technology would result in being fired; therefore, one should not do it. Someone else might anchor his or her decision on loyalty to the company: Implementing the technology could save the company; therefore, one should do it. The disagreement here is about which values (self-preservation or loyalty to the company) take precedence in this context.

Finally, there can be disagreement on the framing of the case. One might question the either/or framing of the case. Would one really be fired if he or she implemented the technology? Couldn't one reason with the boss? It might be that the boss is amenable to the ideas, and there may be a way to satisfy both the values of self-preservation and company loyalty—or not. How a decision is framed delimits the options and considerations given to it. Is this a case about duty to the shareholders or about duty to oneself? Each framing guides the manager toward certain