Moral Theory, Frameworks, and the Language of Ethics and Business

The Language of Ethics

Since ethics is an integral part of management, it is vital for managers to become comfortable with the language of ethics, and to understand how it is inextricable from the language of business. We will examine key theories of ethics and how they apply to management decision making. These theories provide the content of ethics as we will use it in this course, as well as the terminology we can use to describe situations in ethical terms—both to see how ethics is part of the landscape and business and to provide resources for leaders to defend their choices.

There is a rich history and diverse range of ethical theory. While there are a variety of ways to frame this vast array of research, we can categorize them in terms of four different traditions we will use in this class:

1. Principles or standards of conduct—focused on the action
2. Character of the person or company—focused on the agent
3. Consequences of a particular action—focused on the outcome
4. Care extended within relationships—focused on relationships

Each of these strands of theory provides moral insight. They all capture important elements of the moral life, yet each has its limitations. For most people and most cultures, none of the four strands of ethics by itself provides a complete set of moral considerations to live by. Each raises important themes for decision making, and while all four strands are distinctive, there are often important tensions and interconnections among them in practice. The next sections take these themes and develop them further in a managerial context.

First Tradition: Principles and Standards of Conduct

This branch of ethical thought focuses on the actions people take and then tries to determine whether a given act itself is ethically acceptable. It discounts, or excludes, our focus on who is doing the action and the

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likely outcomes of the act. For example, if a manager is deciding whether to lie to someone, the issue is whether there are rules or standards about lying and whether what the manager is about to do constitutes a lie. If there are rules against lying, and the manager’s actions would constitute a lie, then it is clear that doing so would be considered ethically wrong from the standpoint of principles. In moral philosophy, the school of thought focused on this approach to ethics is known as deontology:

**Origins of Principles and Standards of Conduct**

Because actions are viewed as having inherently good or bad qualities (e.g., benevolence, murder), it is important to understand how we derive these norms. Deontological principles can arise from a variety of sources. For instance, they might arise from various influential religious and philosophical traditions. Much of Western morality is influenced by Judaism and Christianity, particularly the basic dos and don’ts that come out of those religious traditions, while Islam, Hinduism, Buddhism, and Confucianism have greatly influenced various cultures around the world as well.

Additionally, principles might arise strictly from the use of logic. They might emerge from a collaborative process explicitly designed to arrive at certain agreed-upon principles, or they may simply arise from cultural traditions. Deontological accounts maintain that there are certain standards of human decency or respect for the worth of others that apply to everyone and emerge out of any tradition. These standards rule out treating each other in certain ways (e.g., don’t lie, don’t cheat, don’t steal, don’t murder). Sometimes these principles are made explicit and codified in some way; other times the principles are simply understood and largely implicit. Principles often involve concepts such as rights and duties.

**Examples of principles and standards of conduct**

Principles are standards of conduct that provide directives for action. They specify which actions are acceptable (or obligatory) and which are condemned or prohibited. Familiar statements setting out right from wrong include the Ten Commandments (e.g., do not kill, do not lie, respect your parents); the golden rule (treat others as you would have them treat you); the United Nations Declaration (including basic human rights). While many of these rules are based on religious and philosophical traditions, they also exist in organizations. We will also talk about applicable legal norms as standards of conduct.

We will employ several widely used terms to discuss common standards of conduct. Examples include: keep your promises, don’t lie, don’t cheat, don’t hurt others, help others (or mutual aid), respect property, personal freedom/autonomy, be transparent, and ensure justice (or fairness). Each helps to capture the basic standards and expectations we have for human behavior and is frequently used in a business context to evaluate behavior.

**The importance of principles and standards of conduct**

For any society to function effectively there must be moral standards that are widely shared and observed. Similar arguments have been made about the importance of ethical principles to firms and to market economies because certain basic mores for behavior are necessary for them to function at all, and the kinds of moral standards used can help determine their efficiency and productivity.

Weaknesses: an ethical analysis that focuses solely on principles, can foster a detached and legalistic approach in which the rules are mechanically applied and turn a complex case with powerful emotional

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dynamics into a black-and-white logic problem. Over focusing on principles may also put undue emphasis on adherence to a given standard as the sole or primary reason for an action, rather than on a variety of other motivations, and may tend to crowd out other considerations. Finally, paying attention only to principles downplays the importance of outcomes, especially in cases where the results of following a given principle may be dire.

Key questions

1. What principles are relevant to this situation?
2. How do principles help clarify the moral tension I feel in this decision?
3. What principles do different stakeholders bring to this situation, and how does looking at this issue from their point of view generate new principles I may need to consider?

Second Tradition: Character

Ethics deals with more than rules and norms. It also addresses issues of character—the traits and qualities that define us (as people or as organizations) and shape how others see us. A person of good character is someone who possesses many important virtues (forms of human excellence), while someone with bad character has significant failings or vices (expressions of corruption or a lack of excellence). This branch of ethics, often described as character ethics or virtue ethics, focuses specifically on the “actor” or “agent,” whether a person or an organization. The primary focus is on how various patterns of conduct come to define the kind of people we are, how others look at us, and the larger notion of what it means to be a good person. Thinking about ethics from the standpoint of character involves examining our identity.

In deciding whether to lie to a partner, the character perspective focuses our attention not on the rule (don’t lie), but rather on how others will see us and how we will see ourselves: what kind of person are we if we lie to our partner? If our business partner discovers that we willfully misled him, he will likely have a very different view of us than he did before the discovery, and conclude that we are deceitful and untrustworthy. This is a judgment about one’s character. Character ethics is a perspective that asks us to evaluate actions regarding both their substantive and symbolic importance for defining who we are and who we want to be.

Origins of character

Notions of character emerge out of understanding what it means to live a good life, and how that notion fits within a larger community. The study of virtue dates back to Aristotle. Novels, films, and heroic legends all provide insights into how we generate understanding of both positive qualities (virtues) and negative traits (vices). Background narratives and organizational contexts (e.g., an investment bank versus an NGO) can powerfully shape what we think makes a trait positive (or negative). Character is something learned from childhood, from parents, friends, and community—ways of living that are encouraged and praised. Character is also something that takes great effort and hard work. We don’t become a good person simply by saying the right things. We must work hard to learn these abilities and make them a part of who we are. Athletes put in countless hours, and lots of sweat and effort, to become outstanding at their sport. Similarly, a virtue such as courage can only be learned by repeated efforts to face danger and respond courageously (rather than with fear or in a foolhardy manner).