**Introduction to Business Ethics**

View the following video on universal ethical standards expected whenever people work together:



TrainingABC (Producer). (2017). *Workplace Ethics Made Simple* [Video file]. Retrieved from the Trident Online Library, Academic Video Online: Premium database.

Is it always that easy? Telling people what to do and what not to do? Of course not. This is why studying ethics is important. Why care about ethics in our lives, our business practices, and our professions?

Let’s continue by reading:

Byars, S., & Stanberry, K. (2018). *Business Ethics*. Rice University, OpenStax. Retrieved from [*https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/BusinessEthics-OP.pdf*](https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/BusinessEthics-OP.pdf). pp. 7-22. CC BY 4.0 license

As you read this book, be sure to click on the links in the “Link to Learning” sections. This will help add depth to the subject you are reading about.

We learn from Byars and Stanberry (2018) that ethics matter because being a professional of integrity matters. It also matters that organizations remain profitable and have ethical standards to follow.

“Ethical business conduct permits us to sleep well at night.” (Byers & Stanberry, 2018).

As we have mentioned, ethics has philosophical underpinnings. Let’s take a look in more detail at four different normative perspectives that Byars and Stanberry mention—utilitarianism, deontology (duty), virtue, and justice ethics. (Normative simply means establishing a norm or standard.)

First, read the following, which is the textbook we will utilize throughout this course. We will only read parts of the text, but you may also find the rest of the book of interest.

Byars, S., & Stanberry, K. (2018). *Business Ethics*. Rice University, OpenStax. Retrieved from [*https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/BusinessEthics-OP.pdf*](https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/BusinessEthics-OP.pdf). pp. 40-58. CC BY 4.0 license

**Utilitarian Ethics**

Utilitarian ethics is also referred to as utility ethics or consequentialist ethics. Utility ethics is the theory that “an action is morally right if and only if it produces at least as much good (utility) for all people affected by the action as any alternative action the person could do instead” (Audi, 1999, p. 824).

Source: Audi, R. (Ed.). (1995). The Cambridge dictionary of philosophy. Cambridge: Cambridge University Press.

Think of utilitarianism in terms of the benefit of the outcomes derived from a given action. This theory is largely concerned with the end result--doing the “greatest good” for the largest number of persons.

Utilitarianism ethics is often criticized as being “the ends justify the means.” This is because it is concerned with the outcome of a decision or action rather than whether or not the action is ethical in itself. For example, would you lie to avoid hurting your friend’s feelings, or is lying always wrong? Is it wrong to needlessly harm one person to save two other lives? Under this philosophy you examine these dilemmas strictly by looking at the consequences of these types of actions and not whether it is wrong to lie or wrong to needlessly harm.

View the following video to learn more about utilitarianism:

CrashCourse. (2016, November 21). *Utlitarianism: Crash Course Philosophy #36* [Video file]. Retrieved from [*https://www.youtube.com/watch?v=-a739VjqdSI*](https://www.youtube.com/watch?v=-a739VjqdSI.).

**Deontology (Duty) Ethics**

The next video is about deontology or often called duty ethics:

Duty ethics are rooted in the maxim that a person must act in a certain way for no reason other than because it is the right way to act - in essence, I should act this way because it is my duty to do so.

The following short video does a very good job categorizing the ethical theories.

Carneades.org. (2017, May 21). *What is deontology? (normative ethics)* [Video file]. Retrieved from [*https://www.youtube.com/watch?v=qMCeaXyrl7k*](https://www.youtube.com/watch?v=qMCeaXyrl7k.).

Immanuel Kant, well-known deontologist, provided a new way of looking at the nature of the human mind. The mind has an inherent and unconditional duty to act ethically. There are no contradictions—character and being a good person counts.

Kant’s Categorical Imperative, requires that an act is ethical only if we can consider that act as being acceptable by everyone everywhere (a universal law). In this context, murder is wrong because we would not will the act of murder to become a universally acceptable behavior. Therefore, Kant would say that it is my duty not to murder another person. To do otherwise (i.e., to actively harm other people knowing that it is my duty not to harm them), according to Kant, is irrational - and it is unethical.

To learn more about Kant’s deontological thinking, view the following video:

Philosophy Tube. (2016, June 10). *Beginner's guide to Kant's moral philosophy* [Video file]. Retrieved from [*https://www.youtube.com/watch?v=mQ2fvTvtzBM&t=127s*](https://www.youtube.com/watch?v=mQ2fvTvtzBM&t=127s).

Also read:

Duty-based ethics. (2014). BBC. Retrieved from [*http://www.bbc.co.uk/ethics/introduction/duty\_1.shtml*](http://www.bbc.co.uk/ethics/introduction/duty_1.shtml)

**Virtue Ethics**

And the next-to-the-last normative theory we will look at is virtue ethics, a moral theory. This line of thought goes back to the great ancient Greek philosophers Aristotle and Plato but is still widely applied in the study of business ethics. Viewing this video will help you understand virtue ethics and how to apply it to real-world business situations:

CrashCourse. (2016, December 5). *Aristotle & virtue theory: Crash course philosophy #38* [Video file]. Retrieved from [*https://youtu.be/PrvtOWEXDIQ*](https://youtu.be/PrvtOWEXDIQ).

**Justice Ethics**

In this video we will learn about John Rawls and his universal system of fairness—taking care of the most disadvantaged. For example, should you have to pay into a system that provides medical coverage to other people less health conscious than you?

CrashCourse. (2016, December 19). *What is justice? Crash course philosophy #40* [Video file]. Retrieved from [*https://youtu.be/H0CTHVCkm90*](https://youtu.be/H0CTHVCkm90).

Your exposure to the different philosophical perspectives should come in handy in the rest of this course. Since ethics is all about “behaviors,” that is what we focus on. Ethics philosophy is just the tip of the “business ethics” iceberg, so keep up your momentum and look at ethics dilemmas and how the theories might help guide (or at least categorize) our thinking.

Francis and Murfey (2016) provides these examples of ethical problems business encounters today:

* If I don't have to pay tax in the countries where I do business, should I? And if so, how much?
* What are the impacts on the consumers of the product?
* What are my responsibilities to suppliers? Do I drive a hard bargain without regard for their profitability?
* Do I need to be concerned about the employees of a subcontractor in a developing economy?
* What are the environmental impacts of this decision?
* How do I balance my values with the very different values of a business partner from another culture?
* How much do I sacrifice profit for something that is perceived as a social good? What is the balance between profit and responsibility to the wider community?
* How do I create a culture of integrity and set standards for employees?
* How do I deal with informers (whistleblowers) who are ethically right but an embarrassment to the company?
* How do I deal with a problem of ethnicity in the workplace without seeming to be racist?
* Under what conditions is it all right to accept gifts?
* How should I deal with sexual impropriety by employees?
* If national espionage is acceptable does that make it all right to indulge in industrial and commercial espionage?

Source for the information above: Francis, R. and Murfey, G. (2016). Global business ethics: Responsible Decision-Making in an international context. Available from the Trident Online Library, Skillsoft Books, 24x7.