

## What is ethics and how can ethical decisions best be made?

Too often business people speak about ethics without having a working definition of what the word means. Here are some helpful definitions:

“Ethicists...are concerned not with how people do in fact behave but with how they ought or ought not to behave. They are concerned with duty and obligation, right and wrong conduct, and good and bad intentions.”<sup>1</sup>

“Ethics is the rational determination of right conduct, an attempt to answer the question ‘How should I act now?’ Ethics is not just knowing; it is doing. And so it is necessarily a civic virtue, concerned with how we are to live in society; it demands an understanding of how our actions affect other people. There can be solitary sin – you can sit at home alone and covet your neighbor’s ox – but there is no solitary unethical behavior. If you want to be unethical, you’ve got to get up, get dressed, get out of the house, and actually try to con your neighbor out of his ox. That is, ethics isn’t ethics until other people are involved.”<sup>2</sup>

Some think that ethics has something to do with laws, but there is a significant difference:

Laws change over time. Laws vary from state to state. Most significantly, political and economic interests, and not the interests of the people, often determine what laws get passed and what is in those laws. Ethical standards, however, transcend time, place and the whims of politics.<sup>3</sup>

Since there should not be an ethical issue when consideration is given to something that is absolutely wrong, ethical people are therefore concerned with situations where there is right on both sides creating an ethical dilemma, but both cannot be right in the situation under consideration. For example, there are circumstances where telling the truth may not be appropriate, and yet most people like to think they are truthful. But do we all tell our children everything? Are there circumstances where to spare them, we tell a lie? Is it possible to have a way to make a decision in that case as to how to proceed? Do we always tell the truth when we negotiate?

How are decisions made in right vs. right situations – the true ethical dilemmas?

Some work out the ethical dilemma by resorting to something called “ends-based thinking” or utilitarianism – Another way to put it is to try to assess the arguments on both sides and resolve the ethical issue by doing what is best for the greatest number of people. This thought process often works out, but there are situations where what is best for the most people is really not satisfactory. For example, most people may view every issue from the perspective of a racist, but that does not make it ethical.

Rule-based thinking, which suggests that there are opportunities to act based upon what you think can and should be a universal law that works for everyone.

Care-based thinking works like the Golden Rule. In considering an ethical dilemma that has arisen, the best way to proceed might be to put yourself in the position of the people involved and decide the ethical dilemma as you would want it resolved if you were one of the persons involved.

The New York Times test or the grandma test. Businessman Warren Buffett, who has recently ordered his top managers at his company, Berkshire Hathaway, to crack down on unethical behavior, summed this test up aptly, by saying Berkshire should “start with what is legal, but always go on to what we would feel comfortable about being printed on the front page of our local paper.”<sup>4</sup>

<sup>1</sup> Steve Herman, Ph.D. *Everything You Need to Know About Philosophy*, New York, Pocket Books, 1999), p. 10, 11.

<sup>2</sup> Randy Cohen, *The Good, The Bad & The Difference*, (New York, NY Doubleday, 2002), p. 10.

<sup>3</sup> Bruce Weinstein, *What is legal and what is right are different*, Rochester Democrat & Chronicle, November 4, 2007.

<sup>4</sup> Richard Beales and Francesco Guerrera, *Buffett orders crackdown on unethical practices*, Financial Times, October 10, 2006.