

STEP-BY-STEP GUIDELINE FOR ETHICAL REASONING IN BUSINESS CASES*

1. Exactly what kind of conflict seems present?

- Is the problem stemming from a collision between **two different practical domains**? For example, does it seem like the ethically right thing to do is illegal? Is your professional code of ethics not aligning with your obligations to society more generally? Does your professional code forbid you from doing something that appears crucial to your own advancement and career? Does what is financially beneficial for your company do positive moral harm to another stakeholder, or perhaps just not leave other people better off than they would be otherwise?

- Or, do you have conflict that occurs within a **single practical domain**? For example, regarding your professional obligations, are you experiencing as a conflict of interest between two valued clients or employees? Or are you uncertain whether your happiness requires throwing yourself into your job or striving for better work-life balance? Do you feel that two different community stakeholders have valid claims, but that you cannot satisfy both?

2. Establish the relevant facts

- What are the relevant facts of the case? What facts are not known? Can I learn more about the situation? Do I know enough to make a decision? Can I wait until I have more information, or would that be detrimental?

- What individuals and groups have an important stake in the outcome? Exactly what are their concerns? Are some concerns obviously more important than others? Why?

3. What alternatives are available?

What are the options for acting? Have I consulted all the relevant persons and groups? Have I tried to be as imaginative as possible? Have I sought legal advice? Have I asked a trusted mentor for help?

4. Evaluating Alternative Actions

Use Kantian, Utilitarian, Rawlsian, and virtue-ethical reasoning to evaluate the options available. Under these moral theories, you will ask:

- Is this action sincerely in the interests of the greater good? Recall that **utilitarians** allow deviations from established rules of justice only when human lives are unquestionably at stake. Even if doing the right thing will cost you your job or your firm its livelihood, that is no valid excuse for breaking the law, according to utilitarian principles. Also recall that utilitarians don't believe that "anything goes" with respect to what constitutes the greater good. Our greatest good consists of those pleasures appropriate to the finer elements of human life. A lot of people may well like a product or demand a market for something – for example, alcohol or sex – but no utilitarian will approve of a line of reasoning that says that since people want a market for sex, prostitution is part of our greater good. However, since autonomy is also an important part of the human good, a utilitarian has to balance what is in our best interests with the human need to feel in control of our own lives.

- A **Kantian** demands that our actions are such that could function as universal laws. For example, if you are considering lying to save your reputation, you have to imagine a world in which everyone knew of and acted on such a policy. Kant thinks it's pretty obvious what would happen if everyone tried to pull this off: no one would put stock in the other peoples' reputations,

and we would thus be left with a highly inefficient and untrustworthy world. Truthfulness and transparency are paramount for Kantians, though they also believe we have to endorse principles of mutual aid and beneficence (for if we never helped other people, no one would offer us help; this is again bad for those who want to live in either an efficient or trusting world).

- A **virtue ethicist** will also you to consider what sort of person you would be if you endorsed a certain course of action. A virtue ethicist recognizes this is a hard question because you play so many different roles - you are a member of the college community, a New Yorker, a parent, a worker, and a member of humanity in general, which has no geographical boundaries. But you should nonetheless strive for holism. You should pick a personal life, career, and company that are harmonious with one another in order to ensure that your virtues in one domain don't count as vices in another. Being a good salesman shouldn't require the kind of ruthlessness that dulls your compassion more generally, and living up to your professional obligations should not come at the expense of your community responsibilities. And so when evaluating a specific course of action, ask yourself: Do I maintain my overall integrity in adopting this policy? Does careful judgment reveal that I am living up to the spirit of my professional obligations, even if I am breaking from the letter of them? Am I pursuing excellence and pushing myself in adopting this strategy, or am I taking the easy way out of a tough situation?

- A **Rawlsian**, or **justice-inspired**, approach is straightforward: Ask yourself if a course of action is for the benefit of those worst off in society. A Rawlsian is humble - she realizes that anyone could be in the position of those worst off. Rawls argues that when we are thinking of the right laws and policies to live by, we must ignore how we are actually doing in this life and ask ourselves, hypothetically: "What would I want for myself and others if I put on a veil of ignorance? If I know nothing at all about whether I will be lucky, or how I will fare in the natural lottery, what policies or proposals would those of us under the veil of ignorance put forward?" It is only rational, Rawls argues, to think that the policies we would put forward would always have to benefit the worst off in society. Inequalities are allowed - for example, some people may have higher salaries than others. But this is justified only if such inequalities are proven necessary to better the position of the poor and disadvantaged.

5. Choose and Act

Ask yourself what the drawbacks of each alternative are, and if reparative action is applicable to some of these drawbacks. A course of action may have certain disadvantages, but perhaps these can be remedied through future efforts. Moreover, try to achieve a convergence - in other words, try to find a course of action that is acceptable under each possible interpretation of morality (this will happen far more often than we think, though perhaps less than we would like). Finally, make sure you implement your action with the greatest amount of care and delicacy possible. This is often what makes all the difference - for example, while layoffs may be necessary, consider very carefully how to deliver the news and the actions you can take to cushion the blow.

6. Reflect and Repair

Follow up by asking if things went as planned, and what you learned post-facto that would make a difference in similar, future deliberations. Moreover, take extreme care to manage any possible fall-out and whatever new, ethically charged situations are following on the heels of your action.

* Some of the content (namely Steps 2 and 3) is based on Carnegie Mellon's Arthur Andersen Case Studies in Business Ethics and Santa Clara University's "Making an Ethical Decision." The Arthur Anderson case studies and teaching notes all fit very tightly with the ethical reasoning guidelines offered here. See <http://web.tepper.cmu.edu/ethics/aa/arthurandersen.htm>