The Canons of Business Ethics

Compliance and Ethics


RIGHT WAY
WRONG WAY


RIGHT WAY
WRONG WAY

CHEAT SHEET

- ***Conflicting interests.*** Many decisions about how corporate resources will be allocated present difficult moral questions regarding the degree to which competing ethical and legal obligations will be honored.
- ***Self-interest.*** When it comes to moral traps, no one is invincible — key features of human behavior can handicap our ability to make sound, ethical decisions.
- ***Simplicity.*** For decision-making processes, what is most practical and most widely embraced is usually short and easy to remember and uses common vernacular.
- ***Values.*** Learn how to give voice to your values without minimizing your ability to have a meaningful impact.

So you've decided you want to be an "ethical" business professional. You're appalled by business leaders who have made the headlines in recent years for their unethical or illegal conduct, and you're committed to avoiding the same mistakes. You're also aware of decades of research showing the superior financial performance of corporations that build and sustain strong ethical cultures. Simply put, you're a conscientious business professional who wants to do the right thing not just because it's "right" but also because it's a sound strategy to achieve an enduring competitive edge.

But what is the "right thing"? What makes you better equipped to find and pursue this lauded object of moral rectitude than thousands of others who have tried and failed? What character strengths or powers of moral discernment do you have that they didn't? What's your strategy for charting a principled course in the face of the enormous, ever-present, existential pressure to make your numbers? If asked, could you confidently identify the essential elements of an ethical business decision?

These are not just academic questions. Your fate and your company's fate depend on whether you and your colleagues have adopted and mastered a practical approach to navigate a complex moral minefield where one misstep can end a brilliant career. Moreover, firms that successfully integrate moral considerations into their decision-making processes lower their enterprise risks and optimize business performance over the long term.

Operating in the moral minefield

Pick up *The Wall Street Journal* on any given day and you're more likely than not to find a story on the front pages about business professionals getting beaten like a Cinco de Mayo piñata for alleged legal or ethical transgressions. Although the details of the infractions vary from case to case, they all have one thing in common: The pain they are experiencing is a consequence of failing to meet stakeholder expectations.

Government regulators, consumer groups, shareholders, customers, employees and competitors, who collectively comprise the "marketplace," all scrutinize and pass judgment on the actions of other market participants. When these judgments are unfavorable, the penalty can be very heavy indeed. There are thousands of shattered reputations, promising careers cut short and spectacular flameouts resulting from the withering fire from a marketplace spurned.

Sometimes, people and companies find themselves under attack in response to deliberate malfeasance. Bernie Madoff comes to mind as someone who falls into this category of bad actors. But I think the vast majority of those who find themselves being roasted alive for alleged misdeeds are decent, conscientious business professionals or firms that find themselves in a painful place they never intended to visit. Whether it's a burning oil platform in the Gulf of Mexico, a mine explosion in West Virginia, a nationwide recall of tainted food, a supply chain comprising sweatshops, a failure of financial controls, a major chemical spill, a criminal action for off-label drug promotion or the myriad other catastrophes that befall firms on a fairly regular basis, these were not intended outcomes. They are, instead, the consequence of suboptimal navigation through the marketplace's moral minefield.

The fact that so many good people and firms have been "wounded" or "killed" as a consequence of ethical lapses is testimony to how challenging it is to achieve commercial success while simultaneously managing legal and ethical risks. There are at least three reasons why this is so.

Conflicting obligations

We live in a world of scarcity where resource allocation is a zero-sum game. No matter how ethical and well intentioned you might be, you can't please everyone. Resources devoted to environmental controls cannot also be devoted to employee benefits, shareholder dividends, bonuses, plant expansion, acquisitions or satisfying your firm's many other legal and ethical obligations. Like it or not, stakeholders' interests often conflict. As a consequence, many decisions about how corporate resources will be allocated present difficult moral questions regarding the degree to which competing ethical and legal obligations will be honored. This is the principal reason the oft-stated command to "just do the right thing" may express a laudable sentiment but provides no guidance regarding the appropriate balance that should be struck among multiple "right things" that present themselves at each decision point.

The double effect

Despite the frequent black eyes they get in the press, businesses are a tremendous force for good. Today, businesses feed, clothe and house the world. They produce the medicines and medical devices that save and enhance the lives of billions of people every year. Businesses produce and deliver the energy we need to light and heat our homes and our cities. They have created instruments that have helped us explore the universe on both large and small scales and understand our place in it. They develop and provide humanity with spectacular forms of communication and transportation that bring people together and enhance commerce. Even the oft-pilloried banking industry provides individuals with the access to capital required for them to buy a house or car, pay for their education, start or sustain a business and realize their dreams. Businesses are chiefly responsible for generating the wealth that has raised a significant portion of humanity above the subsistence level for the first time in history. On the whole, I think businesses have made a contribution to human flourishing unrivaled by any other institution.

Even though, on balance, business is a force for good, it is also responsible for a significant amount of harm. Businesses have engaged corrupt practices scamming customers, corrupting governments and defrauding shareholders. Hundreds of millions of people have been killed or injured by defective products. Hundreds of millions more have been killed or injured on the job or in industrial accidents. And, businesses have caused damage to the natural environment on a global scale.

As much as we business professionals would prefer to dwell on the "good" we do and ignore the associated "bad" effects, the reality is that it is impossible to have one without the other. There simply is no conceivable way to produce goods or services without some harm — or risk of harm — to human wellbeing or the environment. Whether you're in the business of growing tomatoes, manufacturing heavy equipment, lending money or anything in between, there is no risk-free path. Every commercial operation — large or small, well run or poorly run, high tech or low tech — presents nonzero risks.

Take, for example, the honorable and essential business of farming. One effect of farming is to produce food required to sustain human life. But pursuing this "good" presents unavoidable risks to human well-being and the environment. Farming necessarily disturbs the balance of nature and displaces natural fauna. It threatens soil quality and consumes water resources in ways that can and often do harm aquatic life in lakes, streams and oceans. Shortsighted or poor farming techniques can and have resulted in aquifer depletion and caused massive environmental harm (e.g., the Dust Bowl of the 1930s). Farmers using pesticides and fertilizers to increase yields harm or present a risk of harm to human health and the environment. Moreover, farming is one of the most dangerous occupations, killing and maiming hundreds of thousands every year. Similar double effects can be identified in every business activity.

The upshot of this reality is that all business operations have the unavoidable double effect of causing harm or risk of harm along with the good they seek to produce. This is not an argument against business. Instead, it is a stark illustration of the ubiquity of moral considerations in business decision-making. Simply put, to be an ethical business professional, you must find a means of effectively managing your firm's unavoidable double effects.

We are frequently irrational and driven by self-interest and social dynamics

To improve our ethical performance at work, we must also take into account some key features of human behavior that often handicap our ability to make sound, ethical decisions. It is well settled in the behavioral sciences that, generally speaking, we human beings do not always behave rationally, have a tendency to cheat up to self-imposed limits and are prone to ethical blindness (an inability to see the ethical dimensions of our decisions). Worse yet, research shows that our tendency toward dishonesty and ethical blindness is exacerbated by circumstances that are common in the business environment, such as conflicts of interest, stress and the distance between the decision-maker and those affected by the decisions. Our behaviors on the job are also powerfully shaped by three key social dynamics that don't always set us on the most ethical course: response to authority, conformity to social norms and the passive bystander effect.

Even though it's difficult to acknowledge these common human weaknesses in ourselves, they have an undeniable influence on both our ethical intuition and our behavior. We have all felt pressure to compromise our principles to achieve business objectives, please a boss or go along to get along. Even though we may have succeeded many times in standing up to this pressure, it's the rare business professional who can claim a perfect record on that score.

The fact that thousands of mortgage originators, house appraisers and loan officers across the United States engaged in self-serving fraudulent activities to help get people into homes early in this century is not an example of some uncommonly rare form of moral depravity. Instead, it's a manifestation of how normal, everyday, decent people tend to behave when the circumstances are right, and such circumstances abound in every business.

Thinking that you can avoid falling into such moral traps because you are different or are somehow immune to forces that might steer you in the wrong direction is not a reasonable strategy — it's a false hope. Not even the most pure among us is immune to his or her own nature or to social dynamics. Instead of denying this fact, our best strategy to avoid succumbing to our weaknesses is to openly acknowledge them and craft effective countermeasures.

Taking into account conflicting obligations, businesses' double effect and the characteristics of our human nature mentioned above, it's not hard to see why so many decent firms run by decent people find themselves being accused of moral transgressions of varying magnitudes. Taking this reality into account, what can responsible, conscientious business professionals do to avoid or at least reduce the frequency of such unintended consequences? I think an encounter Bowen McCoy had in the 1980s with an Indian holy man can point us in the right direction.

The parable of the sadhu

In his 1983 *Harvard Business Review* classic, "The Parable of the Sadhu," Bowen McCoy recounts an ethical dilemma he and his fellow travelers confronted while engaged in a dangerous trek over a high mountain pass in the Himalayas. On the morning of their ascent, 15,500 feet above sea level, McCoy and his friends encountered a half-naked Indian holy man (a "sadhu") who was freezing and in bad physical condition. After rendering immediate aid to the sadhu with gifts of clothing and food, McCoy and his traveling companions left the sadhu on his own in the wilderness to fend for himself. They never learned the man's fate, but at least one of McCoy's friends supposed that he likely did not survive.

One of the reasons this parable is frequently used as a case study in business schools is that it clearly illustrates the interplay of all three of the ethical business challenges outlined above. McCoy and his fellow climbers faced conflicting obligations among the sadhu's well-being, their own safety and expedition objectives. There were both "good" and "bad" effects associated with all reasonable options presented in the circumstances. And finally, in reflecting on the role he played in abandoning a man in the wilderness to die, McCoy observed that he had succumbed to human weaknesses that we all share. Specifically, he wrote that he "walked through a classic moral dilemma without fully thinking through the consequences. My excuses for my actions include a high adrenaline flow, a superordinate goal, and a once-in-a-lifetime opportunity — factors in the usual corporate situation, especially when one is under stress."

In his post-hoc analysis of what happened on the mountain, McCoy put his finger on a primary root cause of their failure to render greater aid to the sadhu: "One of our problems was that as a group we had no process for developing a consensus. We had no sense of purpose or plan. Not every ethical dilemma has a right solution. Reasonable people often disagree; otherwise there would be no dilemma. In a business context, however, it is essential that managers agree on a process for dealing with dilemmas." (Emphasis added.)

The time for answering McCoy's challenge has come, and the stakes are high. The breathtaking ethical lapses in the business community early in this century clearly demonstrate that our current decision-making processes in business are not up to the task. Moreover, we cannot reasonably expect a different result in the future absent a fundamental improvement in the way we business professionals deal with ethical challenges.

Governmental responses to corrupt business practices may help, but as history has shown, they are unlikely to avert the next wave of scandals. Regardless of how effective new regulations may be, the responsibility for improving performance sits squarely on us as business leaders. There may be no better way to shoulder this burden than to develop and institutionalize processes to more effectively incorporate ethical considerations into our decision-making.

An answer to McCoy’s challenge

If we were to devise a process to more effectively manage ethical challenges in business, what would its key characteristics be? At the least, I think that a process for dealing with dilemmas in business should be simple, ensure that decision-makers are reasonably well informed and provide meaningful guidance in dealing with the challenges presented by our human nature and the unavoidable double effect of business operations.

Simplicity

The last thing most business professionals are likely to try, let alone embrace, is a complex decision-making process requiring an advanced degree in moral philosophy. As a consequence, I think any decision-making process in response to McCoy’s call to action should be short and easy to remember and use common vernacular. What such a process might lack in philosophical purity and completeness would be amply compensated for in its practical utility.

Reasonable understanding of relevant circumstances

No matter how well intentioned you might be, you can’t reasonably maintain you are acting ethically when you act in a state of deliberate or reckless ignorance of relevant circumstances. This means that any process for dealing with difficult business decisions should compel us to seek an understanding of relevant facts, obligations, options and the likely consequences of those options. However, since a perfect understanding of all relevant circumstances is a practical and economic impossibility, this mandate should compel only that reasonable measures be taken to become well informed enough to act responsibly.

Meaningful guidance

For a decision-making process to be useful in helping us resolve ethical questions, it must provide practical guidance specifically designed to focus decision-makers’ attention on the key ethical questions at play in making important business decisions. In so doing, such a process would put business professionals in the best position to make ethical choices and to defend their decision in response to those who prefer that a different choice had been made.

An introduction to the “Canons of Business Ethics”

The following is a “process” that satisfies the above criteria. It was developed based on many years of experience in helping multinational corporations navigate the moral minefield. Because this process sets forth the essential elements of a business decision, I have dubbed this process “The Canons of Business Ethics” (hereinafter, the “Canons”).

The Canons read as follows:

Prior to making important business decisions, business professionals shall devote reasonable time and resources commensurate with their means and the gravity of the circumstances to undertake the following actions in good faith and with a genuine interest in discerning an ethical course:

1. Determine the facts.
2. Identify relevant moral obligations.
3. Recognize conflicts among relevant moral obligations.
4. Determine reasonable options.
5. Consider the likely consequences of each option.
6. Select an option that, at a minimum, has the following attributes:
   • its intended purpose is to pursue a good end,
   • it pursues the good end with ethical means,
   • it takes reasonable measures to mitigate harm, and
   • the intended good is in due proportion to harm that may be caused by the chosen option.

At first blush, the Canons may appear to be a fairly unremarkable recitation of common sense. They are, indeed, rooted in common sense. But this feature strengthens, rather than diminishes, their potency in assisting you to find practical answers to complex real-world business questions. The Canons are not so much a new invention as a codification of factors you and other conscientious business professionals have likely been taking into account either wittingly or otherwise for many years. Rather than compelling you to take extraordinary actions for “goodness’ sake,” the Canons merely require you to take a systematic approach to making commonsense an everyday practice by doing what has always needed to be done to responsibly manage shareholder assets and conduct business in an ethical manner. A discussion of some of the additional characteristics and the utility of the Canons follows.

The Canons’ additional characteristics

Commercial reasonableness

Businesses are not debating societies; they exist to generate wealth by serving human needs. This fact, coupled with the ever-present constraints of finite resources (e.g., time, money, people, expertise), means that any plausible framework for making ethical business judgments must be grounded in the concept of “commercial reasonableness.” The Canons do this by mandating that business professionals only “devote reasonable time and resources commensurate with their means and the gravity of the circumstances” when making important business decisions. This feature of the Canons is premised on the notion that we have an ethical duty, among other things, to responsibly manage our firms’ commercial viability.

You shouldn’t spend millions to choose a paperclip style for the office. Conversely, you should invest significant resources in deliberations associated with a business opportunity that poses substantial risks to shareholder assets, human health or the natural environment. Similarly, the Canons mandate that a cash-flush multinational corporation devote greater resources (in absolute terms) to responsibly manage its affairs than a struggling small family business. Where large wealthy firms may be requi Or red to invest in sophisticated compliance and enterprise risk management systems, smaller, struggling firms may be able to afford only less costly means of achieving the same objectives. Resource limitations do not excuse you from following the Canons when making important decisions, but they do excuse you from engaging in the demonstrably unethical act of paralysis by analysis and spending beyond your means.

Neutrality

The Canons are not drafted nor are they intended to advance any particular social or religious agenda. Instead, they merely set forth factors central to any important business decision. In so doing, the Canons fix the burden of discerning an ethical course where it belongs — with those of us who have the best understanding of all the relevant circumstances and who have been charged with the responsibility for making the call. Moreover, instead of attempting to legislate a particular brand of morality, the Canons provide you the tools you need to integrate key moral considerations into your decision-making while affording you the flexibility to find a principled path that best fits your circumstances.

The Canons do not seek nor do they purport to infallibly guide you safely to your destination. When properly used, the best the Canons can do is assist you in more clearly perceiving the broader moral landscape and where hazards and opportunities may lie. The choice of whether to take a safer or riskier path is left entirely in the hands of those leading the journey. But as with any journey, the choices you make will ultimately define both your character and your fate.

Why can’t we just let the law be our guide?

Because laws regulate virtually every aspect of business, why shouldn’t you just use such government mandates as your sole guide in making ethical business decisions and avoid the difficulties associated with addressing the issues raised by the Canons?

There are several reasons the “let the law be your guide” approach to ethical decision-making does not suffice. First, many of the ethical choices you will encounter are within a range of legal options. It may be entirely legal to invest in improved safety controls in your manufacturing operations or to choose to direct your limited resources elsewhere. In such circumstances, the law does not assist you in identifying the most “ethical” choice.

Second, although compliance with the law is an important moral obligation, it does not always trump other moral considerations. In fact, a slavish adherence to legal compliance in all circumstances can lead to demonstrably impractical or unethical results. For example, if an audit reveals that one or more of your business operations is not in compliance with the law, an absolute commitment to comply with the law, regardless of the consequences, would compel you to halt certain operations until the compliance issue is remedied. This may be a reasonable response in some circumstances, as in the case of a discovery that a manufacturing unit is emitting a toxic air pollutant into the workplace that presents a serious and immediate risk to worker safety. But it may not be a reasonable response in other circumstances.

Suppose, for example, an internal audit of hospital records revealed a violation of applicable accounting laws that cannot be immediately remedied. Few would maintain that such a finding would compel the hospital to halt all operations and immediately discharge their patients, even if this meant the hospital would continue violating the law until corrective actions could be developed and implemented.

Third, it is impractical and imprudent for you to ignore extralegal ethical obligations. To do so would doom you and your firm to crippling operational and reputational difficulties. For example, it may be legal to treat your employees with open contempt, but such behavior is likely to adversely affect employee loyalty and productivity.

The reality is that there is no avoiding the complexity of taking extralegal ethical obligations into account. The Canons can help you undertake this important work in a sensible and systematic way.

WHAT IS AN "ETHICAL MEANS"?

The basic concept of what constitutes an ethical means is simple enough. It is using means that are consistent with the fundamental ethical norms. These include such basic principles as respect for human rights, responsible environmental stewardship, lawfulness and promise keeping. Thus, on its face, the Canons' mandate to pursue good ends with ethical means would generally exclude means such as murder, threats of violence, slavery, child abuse, worker exploitation, wanton destruction of environmental assets, pollution of drinking water aquifers, property destruction, promise breaking, fraud, theft and law breaking.

However, applying this Canon's requirement is not always as straightforward as it may appear at first blush. First, there are the common difficulties of drawing lines in areas that often offer only uniform gray. When does advertising puffery to promote your product become deliberate consumer deception? When does pressing workers to do their best become abusive? When does taking risks with shareholder assets cross the line into a violation of your duty of care and loyalty?

Second, there are many cases in which fundamental ethical obligations conflict with each other, and you are unable to honor both. For example, what if you promised to pay two suppliers on time, but circumstances change such that it is impossible for you to keep both promises because you have sufficient funds only to pay one but not the other?

As these examples show, sorting out what constitutes an ethical means in running a business can be very difficult. Nevertheless, there is no avoiding the necessity of grappling with this challenge if you have a genuine desire to discern an ethical course.

When you encounter difficult questions regarding whether a particular means is ethical, you might benefit from engaging in a candid and open discussion with your colleagues with the object of applying the governing principles in a manner that achieves the best coherence with your collective beliefs. In so doing, ask each participant simply to complete the following sentence when defending his or her view on the matter: "The means I recommend to achieve our business objectives is ethical because … ." This approach will not guarantee success. But, it has the benefit of forcing all involved to lay on the table the values and thought process behind their positions that often remain hidden. Understanding these factors and openly discussing them will help you and your colleagues make an informed choice among competing options.

The Canons' utility

Institutionalizing a common decision-making framework

Perhaps the chief benefit you may derive from adopting the Canons is the establishment of a common framework in making important business decisions involving multiple moral obligations. Absent some consensus about what factors should be taken into account in making business decisions, you and your colleagues are likely to struggle to find common ground. The resulting assortment of approaches may make it difficult for you to foster or engage in informed and productive discussions about critical ethical issues that confront your business. What may result in such circumstances is a test of wills, the dominance of position over the rule of reason and/or a failure to take into account significant moral implications of your business operations.

By contrast, if you and your colleagues adopt the Canons, you will be better able to zero in on the exact nature of disagreements that are likely to arise. Specifically, you will be able to see whether disagreements with or among your colleagues concern the relevant facts, obligations, options, consequences or the appropriate balance among competing interests. Such a critical insight into the root cause of varied opinions serves to enrich the dialogue and enhance the productivity of your decision-making process. Moreover, any approach that fails to systematically take into account relevant facts, moral obligations, reasonable options and their consequences is more likely to lead to suboptimal business decisions than one that does. As in crossing a minefield blindfolded, you and your colleagues might get to the other side unscathed. But you're more likely to do so with your eyes open and with an agreement about how you will all work together to systematically determine where the mines are located and how best to avoid them. The Canons can serve to optimize the quality of your deliberations when making important business decisions.

Regulating human nature

As mentioned above, our own and others' natural weaknesses and inclinations have a powerful influence on every business decision we make. It's likely that far more harm has been and continues to be caused by the inadvertence or ignorance of well-intentioned business professionals than from the deliberate, fraudulent or malicious acts of intentional wrongdoers. We don't intentionally spill oil into a river, but we fail to sufficiently monitor the condition of primary and secondary containment facilities. We don't intend to be reckless with shareholder investments, but we fail to perform adequate due diligence prior to an acquisition. We don't mean any harm to our workers, but we underinvest in building and sustaining a strong safety culture. Simply put, even when we don't intend any harm to these and other "sahdus" that cross our paths, because of inadvertence, fear for our own position, a strong desire to win or the many other motivations that drive our decision-making, we always run the risk of walking past them just as McCoy did many years ago without due consideration of our moral responsibilities in the circumstances.

In responding to McCoy's challenge to craft a practical "process" for dealing with the moral complexity of the marketplace, the Canons are not so much intended to prevent wrongdoing by "bad people" as they are to help all of us check our moral intuition and to ensure we can at least articulate to others a rational basis for why our recommended actions are ethical. This is not to say that the Canons are invulnerable to cynical manipulation by those bent on pursuing a predetermined goal for ignoble purposes. No deliberative scheme could reasonably make such a claim. However, by mandating that deliberations about important issues facing your business focus on relevant moral obligations, the pursuit of "good" ends, the use of "ethical" means and the mitigation of "harm," the Canons make it more likely that decision-makers will become more aware of the influence social pressures or less savory motivations may be having on them. This does not eliminate the influence of such factors, but it does put you and your colleagues in a better position to take them into account and, hopefully, better regulate the darker side of human nature when weighing available options.

Managing the unavoidable double effects of business operations

Dealing with the double effects associated with human activities has been a vexing ethical challenge for millennia. Not surprisingly, the debate concerning how best to cope with circumstances presenting double effects rages on in the philosophical community. Nevertheless, this longstanding debate has yielded some fruit that provides us meaningful guidance. One approach first proposed nearly 1,000 years ago is sorting out how to behave ethically in circumstances where good and harm are likely to arise from a particular action. It is called, as you might expect, the “doctrine of double effect.”

Although the doctrine of double effect is not without its critics, it has the benefit of centuries of refinement by some of humanity’s greatest minds. Regardless of its imperfections, it certainly provides greater guidance in charting a principled course than the typical formulations appearing in many corporate codes of business conduct (e.g., “the mirror test” or questions like “What would it look like in *The Wall Street Journal*?” or “What would your mother think?”).

The general objective of such ethics-code exhortations is sound: to discern the markets’ likely reaction to a particular activity. But they provide virtually no insight into how you might best select an option that satisfies these criteria. By contrast, the Canons’ sixth element, derived from the doctrine of double effect, is designed to serve this purpose. Specifically, the Canons’ sixth element assists you in sorting out permissible from impermissible options by compelling you to select only those options in which you can reasonably maintain that the answers to each of the following questions is yes:

- Is the intended purpose to pursue a good end?
- Does it use ethical means?
- Does it take reasonable measures to mitigate harm?
- Is the intended good in due proportion to harm that may be caused by the chosen option?

Although this is a fairly coarse filter in sorting ethical from unethical options, it is one that can help you set aside those options whose purpose is to accomplish a malevolent end. Similarly, it will help you root out options that require you or your colleagues to lie to customers or expose your firm or others to high, unmitigated risks or present risks of harm to your firm or others that are out of proportion to their associated benefits.

Nevertheless, you are likely to find that answering these questions in a particular circumstance will often be very challenging. There can and will be disagreements about what a “good end” is, whether a particular means is “ethical,” the reasonability of mitigation measures and the proper balance that should be struck between the good and the harm associated with your actions. However, the difficulty in answering these questions does not diminish the benefits you will realize by considering, rather than ignoring, these questions. The choice you face is whether to blindly march forward and take your chances in the darkness or to shed some light on the hazards that lay ahead. Application of the sixth Canon will provide you and your colleagues with the means of illuminating your path and charting a course that is consistent with your goals, your collective consciences and your risk tolerance.

Giving voice to values

In her book *Giving Voice to Values: How to Speak Your Mind When You Know What’s Right*, Professor Mary Gentile emphasizes how important it is for all of us to know how to effectively stand up for our values even in the face of workplace pressures to do the opposite. Gentile’s aim is to help us learn how to formulate and execute strategies to give voice to our values while minimizing the risks of hurting our career prospects or limiting our ability to have a meaningful impact. Given the many ethical challenges you will face throughout your career, this is a vital skill that should be developed and honed. The systematic adoption and application of the Canons in your firm may help you and your colleagues achieve this end in two important ways.

First, when confronted with a particular business decision that is at variance with your moral sensibilities, your initial and natural response is likely to be an intuitive, emotional one. Such circumstances can make you feel uncomfortable, concerned or angry. But before you can effectively give voice to your values, you need to sort out exactly where the problem lies. The Canons can help you and your colleagues do this important work by zeroing in on which essential element of an ethical business decision is lacking. Is there a problem with our understanding of the facts? Are we ignoring one or more important moral obligations or failing to fully appreciate a conflict between our obligations? Have we failed to consider all reasonable options or their likely consequences? Are we pursuing a good end with ethical means and taking reasonable steps to mitigate harm? Is the good we are pursuing too small relative to the associated harm? If you think the answer to one or more of these basic questions may be “no,” then you will likely have identified the source of your discontent. This gives you the insight you need to begin crafting a cogent rationale to explain your feelings before raising your concerns.

Second, if your firm were to adopt and institutionalize the Canons by incorporating them into the decision-making processes for important business decisions, both you and your colleagues would routinely “give voice” to your values because such conversations would become an integral part of the deliberative process. By making it easier for everyone to raise concerns relating to ethical issues in a systematic, rather than haphazard, way, you may both improve the quality of your deliberations and reduce the risk of making ethical blunders.

Conclusion

When seeking to make ethical business decisions, good intentions are not enough. Instead, what is required is the discipline to act in accordance with the Canons to help you squarely face unavoidable moral hazards and chart an ethical course. Adopting the Canons will not guarantee that you and your colleagues will always agree on a particular course of action, nor will it always produce business decisions that will be widely accepted in the marketplace. Given the nature of moral questions that arise in business, there is and always will be a wide range of views as to which “right thing” to pursue. However, if by adopting the Canons you and your colleagues develop the habit of systematically integrating careful factual analysis and ethical considerations into your decision-making processes, you will be taking a necessary and significant step toward effectively managing your enterprise risks and optimizing your business performance.

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