

Mini Review

# Ethics and Deontology in Business

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## Abstract

Ethics is the study of morality and how to consistently practice perfect character formation and behavior. Deontology is a way that people judge the morality of other based on a set of rules.

Not only should the individual person have an ethical framework but also business owners, company CEO's, and boards members, because a good frame can shape an entire organization.

How to solve ethical issues? By clarifying one's values at time, we all lose sight of the main road, and need to stop and reassess our values.

This is true for all business owner and not. One of the most effective exercises is to write down the 10 most important values which you will chose to guide yourself and your business in an ideal society. We need always to keep in mind that the center of the business is the customer and the society.

We realize that it is extremely difficult to implement ethical principle in business where all that is important is time and money. On the other hand, what business owners might not understand is that customers will also eventually price the morality of the business.

The best action will be implementing ethics and deontology courses in colleges and in master programs related to business.

Only by setting your business with ethical boundaries will help to grow and flourish; fraud, mistreating employees, and managing finance irresponsibly will soon become apparent and the business will fall like a "house of cards."

**Keywords:** Business; Ethics; Deontology; MBA school; Goodwill; Ethics frame; Costumers; Moral; Business owner

## Introduction

### The philosophers

Ethics is a major part of life for everybody. From the individual working person to the successful business, ethics plays a daily role. Ethics are the principles of morality and are consistent in belief and practice. They show in every day behaviors and are the perfect character indicator when choosing what is right or wrong, good or bad.

The initial source of ethics comes from family, religion, life, experiences, historical perspective, personal training and education. The line of conduct was initially illustrated by Freud [1,2] combining self-effacement, self-sacrifice, compassion, and intensity of action.

Deontology is the way people judge the morality and the actions of other based on rules. Initially people learn the rules within the family structure. Philosophers have helped to generate a greater understanding of ethics and the making of rules. In 1930, C.D. Broad [3] described the "five types of ethical theory" in his book of the same title. In it we found the concept that it is a duty and obligation to obey codes of conduct; and every action has consequences. This is where the word "consequentialism" was derived. So if morals and duty exist, a consequential judgment of those actions is always behind them.

Immanuel Kant [4] expressed the concept of morality as the individual's duty to do the right thing. A bad outcome being a

product of a bad moral choice is based on the motive of the person and not on result. Therefore, he was suggesting the highest good for everybody, keeping in mind that which is good for everybody is good for the society.

When it is good only in and of itself, it does not have morality. Intelligence, pleasure and perseverance aren't simply moral by themselves, if they aren't good for everybody. Pleasure is good for the person that enjoyed it; however it has no moral qualification by making it good for everybody. This means that the only good for all (moral action) is the goodwill that we can have for everybody.

Kant was suggesting that even if the things we do go wrong, but the motivation was for the goodwill of all they are still moral. We can practice good or bad will inside or outside the law. Therefore, what should be pushing us towards an action is the motive, the good will and not duty to authority. This is an interesting concept particularly if we apply this in the business world. We will discuss it more shortly.

Summarizing Kant's vision we must: 1. Act towards a universal good. 2. Treat others like family, with a simple and positive mean 3. Act as you feel would be best for humanity. There is no absolute right or absolute wrong. There is intention and action which brings consequences. Even a lie could be good if the motive is the good of all.

Deontology did not come from religion, nor does it follow God's commandments. It was only after deontology became a study that

religion had any influence on it.

Frances Kamm [5] in 2006 published the book *Intricate Ethics*, in which she described new theories. She started with the premise that it is seen as bad to harm a person. She went on to illustrate how harming one person in the name of saving many people can be seen as good. Her point was to illustrate the relative nature of morality.

Iain King's book [6], "How to make good decisions and be right all the time" modifies some of the deontological principles which are compatible with ethical virtues and consequences. He judges the morality of the action based on the consequences of the action which is different from what Kant and Kamm were doing [7-10].

### How to solve ethical issues

The appropriate response to ethical concerns is clarification of the values held by the people and by the organization. If not revisited frequently, an ethical code can be forgotten and strayed from.

Ethics committees generally convene to help in framing some of these issues appropriately. But, as they only work on demand, they cannot be expected to maintain the culture of safety. That is not their purpose.

To be successful, an ethical framework should have been created when the organization first started. For an administrator a good starting point is to write the ten most important values which will guide the organization in an ideal society.

Respect for human life, honesty and fairness are the most common values chosen. This is what we call the subjective ethics. While exploring subjective ethical standards, flaws in thought and pattern will show. This is the time to explore those flaws and create better subjective standards for the organization.

Change is tough. When there is a conflict of interest or conflict of ethics with other, ethical principles of moral courage must be discussed. Constraints are imposed by daily practice, by corporate structure, by politics, by authority; effectively an unhealthy culture can creep in. A good organization should represent the open answer and not the constriction.

It is important for a system to frame their business in a way that the whole organization can follow certain principles. Therefore a consistent ethical code needs to be applied by the system towards the costumers and the people that form the system. This helps ensure a consistent discernment for greater mutual understanding and organization.

### Subjective and objective approach to business and ethics

The traditional deontology and ethical theories are based on consequentialism. They focus on doing well for the greatest number of people. This should be the rule that accompanies all the professionals. Not only should the individual person should have this ethical framework, but business owners, company CEO's, and board members should too because a good mindset can shape an entire organization.

**There are usually two important parts that need to work together:** subjective and objective perspective of the business model. The "subjective" is the way you grow up and how you deal with money and with people. This is due to owns cultural upbringing. The

subjective belief must be evaluated by understanding how one would like to shape his/her business and how that will affect the business itself.

The objective part is how you can incorporate policies and procedures, in other words, the best practices into your business, and how you can incorporate the other people around you even if they have different subjective views. This concept needs to be applied also to your customers who first need to buy into your philosophy before they buy into your business.

### Society's needs

Temptation to commit ethical compromise will always be a part of society. Temptation can prove a test of one's values and even of one's faith. It may sound religious, but all religions deal with temptation as a tool for strengthening one's faith.

There are always a few owners or employee who become a kind of superstar in their field. Their dedication and passion carry them far about the average. Seldom do they arrive in such a lofty position because it was their goal. They simply wanted to be the best they could be at what they do. This can have a negative impact on those around them.

Many lack the courage to stand up and work within the guidelines set by the board. If there is no consistent ethical framework established at the administrative level, it is difficult for those employees to do the right thing. If we build an ethical framework for our practice, if we learn how to deal with ethical issues, we can support those employees and gain the loyalty of our customers. Without such a clear structure it becomes difficult for most employees to effectively carry out their duties.

Increased errors, which can go from investment to paperwork, decrease the safety net of our society. Sometimes senior partners or administrators will respond to ethical dilemmas with abuse. This becomes destructive. Professional growth for all in the organization directly correlates with the moral and ethical conduct of those in charge. Three strikes and we lose.

It is not about the bylaws of the business. It is about the boundaries within which the business can safely grow. We hear the phrase "safety first" frequently. But how often do we think of it in an ethical framework? Only by working toward the good of all will we achieve success. Only through consistent ethical practices, as per Immanuel Kant, can a business and a practice grow and prosper.

### How we solve ethical issues

How to solve ethical issues? One answer: by clarification of your values. At times, we all lose the main road and need to stop and reassess our values.

This is true for business owners and students. One of the most effective exercises is to write down the 10 most important values which you will use to guide yourself and your business in an ideal society.

Most of the time, respect for human life, honesty, and fairness are chosen. If you can make objective choices, then your employees cannot do that too. If you discover flaws in this process, then you have a problem and perhaps your costumers have identified the problem

before you, and that is why you are losing them.

Principle or moral courage is extremely important because when you have a conflict of ethics only your courage can bring you to discuss it.

Many examples have been reported where people with impeccable moral ethics act accordingly under the pressure imposed by corporate structure, authority, and politics. At times, many businesses make unethical requests and saying “no” could pose a risk.

### **Ethics must be introduced in any business-related school**

Ethics should be introduced in every business. Ethics should also be introduced in the curricula of business related colleges. This empowers students, the tomorrow’s professionals, to make better decisions about their role. A greater understanding of ethics can help them in their administrative role.

Each student comes with the ethics and morals they learned at home. If they were lucky they would end up working with senior partners who showed a healthy ethical focus as well. But this is uncertain at best. A culture of safety instilled in the students before they enter the work world should be necessary. Only through a consistent ethical code, a strict deontology taught we might be able to create this culture of safety.

We must provide students with a conceptual tool to navigate through the ethical issues that they will encounter in clinical practice. Basic steps need to be taken during their training to focus on discussion, example, and basic principles. By teaching the student’s ethics from the start, they become more aware of the ethical and deontological principles.

A proper learning experience can influence and encourage students to explore and develop their own moral ethics. They can develop their boundaries and most importantly they will be not afraid to say “no” because they know where to draw the line.

The student would be hard-pressed to find a suitable learning experience on their own. Deans, professors, etc. need to think of themselves as ethical leaders who habitually demonstrate ethical values. They need to be models of ethical conduct. They need to hold community members-faculty, staff, and students-accountable for their actions.

Therefore, new academic policies need to be written, to make school an integral part of ethical teaching and living.

## **Conclusion**

We realize that it is extremely difficult to implement ethical principle in business where all that is important is time and money. On the other hand, what business owners might not understand is that customers will also eventually price the morality of the business.

Only by setting your business with ethical boundaries will help to grow and flourish; fraud, mistreating employees, and managing finance irresponsibly will soon become apparent and the business will fall like a “house of cards.”

The best action will be implementing ethics and deontology courses in colleges and in master programs related to business. Investing in student is the most reasonable investment of all!

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