



DOING THE RIGHT THING: BUSINESS ETHICS, MORAL INDETERMINANCY & EXISTENTIALISM

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Introduction

Business ethics is a subject of growing interest to academics and practitioners alike. But can moral theory really guide business decision-making? And, can it do so when it matters? i.e. when those decisions get difficult.

Difficult managerial decisions have many characteristics. They are important, often hurried, sometimes contentious. But, perhaps above all, they are ambiguous. We are unsure what is the right choice. Imagine the following...

Arlette, an executive in a foreign-aid charity, needs to get vital supplies across a frontier to refugee families with children nearing starvation. Her agent on the ground is asked by border guards for a \$5,000 bribe, some of which they will pocket personally and the rest of which will help fund a terror campaign. False, dishonest and illegal accounting will be required to disguise the use of the funds from donors and regulators. Arlette is coming up for promotion. She tries to explain the problem to her superior. He is impatient and just tells her to get the job done.

Should Arlette allow the agent to pay the bribe? Moral theories struggle to resolve this kind of ambiguity, because they prove indeterminate in one of two ways: either they advocate a single, 'monolithic' principle that is all but impossible to apply in complex situations like the above; or they offer an array of principles that individually are more easily applied, yet conflict with each other. Certainty is allusive and moral judgement is called for. But, in conditions of ambiguity, such judgement can easily be swayed by implicit bias and self-interest. To rise above these prejudicial influences requires a premeditated, settled state of mind that is conscious of 'what I stand for' and which reflects some of the French Existentialist thinking of the 1930s and 1940s.

Single-Principle Moral Theories

Moral theories based on a single source of moral value offer the theoretical promise of determinacy, but can be impractical to apply, when faced with complex, ambiguous moral choices. Let us take the three mainstream moral theories in turn.

Act consequentialism, whether based on Benthamite pleasure, Millian happiness or Hare's preference satisfaction, requires an estimated computation and weighing of future consequences that is frequently beyond our capabilities. As Lenman puts it, "we do not have a clue about the overall consequences of many of our actions" (Lenman 2000:349). In the case above Arlette must weigh the future 'interests' (however defined) of suffering refugees against those of future terrorist victims, disillusioned donors, other charities frustrated by entrenched corruption, and a society that may have lost faith in the integrity of foreign aid? How does she calibrate the happiness of a single child against the long-term damage to the integrity of the charitable sector? These things, in practical terms, are incommensurable.

Deontological theories face an equal, but different, challenge: one of interpretation rather than computation. Kant's categorical imperative, in one of its most enduring forms, insists that we treat others never as a mere means, but always also as an end (Kant 1785:95-98). Yet, in difficult situations, where interests conflict, someone's interest must be compromised in the interest of another. In Arlette's case, some party – refugees, other terror victims, donors or other charities –

must suffer as a means to improving the lot of others. The priority of the 'conflicting imperatives' is far from clear.

Meanwhile, the virtue ethicist typically defines right action as the one that a virtuous person would pick, but this just replaces one question with another. How does Arlette know what a virtuous person would do? She could perhaps define right action as that which leads to *eudaimonia* or 'flourishing', but as Annas argues this would reduce virtue ethics to little more than a "trivialized" variant of consequentialism (Annas 2006:529) – what has been coined "virtue consequentialism" (Copp & Sobel 2004:515). In that case, Arlette would face all the same computational problems as under act consequentialism, with arguably an opaquer notion to maximise: that of human flourishing.

Multi-Principle Moral Theories

Theorists from all three schools – consequentialists, deontologists and virtue ethicists – have responded to these challenges in a similar fashion. They have sought to develop a suite of more particular, more easily applied principles, whether these be rules, duties or virtues - what Hare called "level-1 principles" (Hare 1982[1976]:30-37). Going back as far as Mill and Sidgwick, act consequentialists have endorsed the use of 'rules of thumb' to aid practical, everyday decision-making; while modern rule consequentialists, like Hooker, have gone a step further and endowed the rules themselves with a value of their own. Similarly, pluralist deontologists, most notably Ross, have advocated an extensive list of specific duties, which stand independently of each other. And over two millennia ago, Aristotle in his 'Nicomachean Ethics', the canonical text of virtue ethics, itemised at great length what he saw as the individual virtues, poised at the 'Golden Mean' between deficiency and excess (Mill 1861; Sidgwick 1874; Hooker 2000; Ross 1930; Aristotle c350 BC).

By their very nature, these individual rules, duties or virtues can be more granular, more detailed, more tailored to specific moral circumstance, and therefore more easily applied. To take our case above: if Arlette is to follow the principle of aiding others in dire need, then clearly she should approve the bribe; if that of honesty, then she should not. Each principle is clear enough *in its own right*.

The difficulty with these multiple principles is, of course, that they all too often conflict *with each other*. Even the consequentialist Hooker admits there will be "cases of indeterminacy" (1996:546) - what Hursthouse and Pettigrove have labelled "the conflict problem" (2016:11). How then is Arlette to resolve this conflict? - between a consequentialist rule demanding she goes to others' aid and another demanding truthfulness; between deontological duties of beneficence and honesty; and between virtues of generosity and integrity.

Moral Judgement

In situations like this, there is "an ineliminable need for moral judgement" – to borrow from Hooker (1996:543), closely echoing Ross, himself a translator of Aristotle, who arguably originated the

concept with his term *phronesis* ('practical wisdom'). It seems that all three moral theories ultimately converge on this need for moral judgement.

No moral theory can *tell us what to do* when faced with the kind of decision confronting Arlette, but moral principles can still be *action-guiding*. They can at least provide a structure on which to exercise our mature moral judgement. This judgement will most likely seek to marry consistently-applied moral principles with our own most deeply-held intuitions, in what Rawls has termed a "reflective equilibrium". The test of this moral judgement is two-fold: (1) internal consistency of the principles applied; and (2) alignment with our most settled intuitions and convictions, following mature reflection (Rawls 1971:48-51; Hooker 1996:532-534).

This task is made the harder though by the tendency to base our moral judgement on *multiple* moral theories. Very few of us are *pure* consequentialists, deontologists or virtue ethicists. Few among us would feel bound by 'duty' or 'virtue' *whatever* the consequences; and equally few of us would pursue the greatest happiness of all, *regardless* of the impact on those 'near and dear'. Arlette is likely to consider a series of questions that will include 'what will be the result of my decision?', 'what are my obligations here?' and 'what would a decent, responsible person do in my shoes?', thus drawing on *all three* mainstream doctrines. Given this, she will need to apply her moral judgement not just to a single moral theory, but also to balance the competing demands of different theories.

The Problem of Bias

Arlette faces a further challenge. Her moral judgment is likely to be swayed by personal biases, of which she may not even be conscious.

Using the Implicit Association Test developed by Greenwald et al, researchers at Project Implicit have confirmed a strong human tendency, when making difficult decisions – especially complex, ambiguous decisions, under pressure – to abandon a more reflective mode of thinking ("System 2") in favour of a more reactive, spontaneous mode of thought ("System 1"), which tends to reflect implicit biases and misleading heuristic assumptions, that most of us harbour (Tversky & Kahneman 1974:1124-1131; Greenwald et al 1998:1464-80; Bertrand et al 2005:94-97; Kahneman 2011:19-105). Given this bias, Arlette might have to question her own implicit attitude - positive or negative - to refugees, children, foreign border guards, accountants, rich donors and her male boss.

A further regular bias, to which most of us are vulnerable, is self-interest. Gino et al have collated a series of psychological studies, illustrating people's tendency to interpret data and situations in ways favourable to their own interest, while apparently believing they are behaving morally – what the authors call "motivated Bayesian reasoning" (Gino et al 2016:202). Importantly this effect is accentuated under conditions of uncertainty or ambiguity i.e. in exactly those circumstances where moral judgement is most called for. Arlette must somehow ensure that her potential promotion, the threatened wrath of her superior and her resulting personal prospects do not unduly influence her moral judgment.

Towards a Solution: Existentialism

For such moral judgement to avoid the twin perils of personal bias and self-interest, requires convictions that are premeditated and embedded. Arlette needs to know 'what she stands for'.

This was very much the spirit of the French Existentialists. Sartre never delivered on the ethical treatise he promised in the closing sentence of 'Being and Nothingness', but throughout the work he implicitly identifies moral behaviour with 'authenticity' and its opposite with 'bad faith' - a position echoed by his long-time partner, de Beauvoir, in 'The Ethics of Ambiguity'. In his famous example of the son torn in time of war between duty to his mother and his country, Sartre illustrates that there is no absolute criterion of right and wrong. Each man must form his own *pour-soi*, his own 'essence', his own view of what he stands for. Unlike the waiter in the café, he cannot abdicate this role to others, allowing their expectations to determine who he is. His freedom to choose brings with it a responsibility to choose. Importantly, this does not mean every decision is an independent random choice. Sartre, after all, was a man of strong convictions. Rather it means establishing in our own minds who we are, what matters to us and what we stand for (Sartre 1943:59-60,628; 1946:35-36; de Beauvoir 1947:35-73).

Arlette must decide what matters to her, what values she holds dearest. And she must decide this *after* due reflection and *before* the complexities and conflicts of a specific situation overwhelm her. No one can tell her what to do. She must choose for herself. For example, if she can *neither* let the refugee children down *nor* give up on her integrity, then maybe she should approve the bribe, fund it from her own resources, refuse to hide what she has done and take the personal consequences. Is that right? For her, perhaps, yes. And with that we must, like Camus's Sisyphus, imagine her happy.

Conclusion

Sartre was right: "No rule of general morality can show you what you ought to do" (Sartre 1946:38). When decisions get difficult, the mainstream moral theories all face near insurmountable challenges: act consequentialism requires a 'calculus of the incommensurable'; deontology, an interpretation of 'means' and 'ends' that is bound in obscurity and conflict; and virtue ethics, a vision of the virtuous person that, of itself, does little more than recast the question. All three have responded by developing a multiple set of more closely-defined rules, duties or virtues that aid practical decision-making. But the determinacy won with one hand is lost with the other. The introduction of multiple principles, all but inevitably, leads to conflict between them – at least, in the most difficult cases. This conflict can only be resolved through moral judgement, but this is vulnerable to implicit bias and self-interest, especially in conditions of uncertainty and ambiguity. What sanctuary there is, lies in a perhaps unexpected quarter: the French Existentialists and their focus on man's 'authenticity'. A man acting in 'good faith' must establish where he stands, before those difficult decisions need to be faced. Thus armed, Arlette will never have moral certainty, but she might just do the right thing – at least in her own mind.

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