Philosophical Grounding of Ethics

1. Divine Command Theory (Natural Law)

2. Ethical Egoism Theory

3. Utilitarianism

4. Categorical Imperative
   Immanuel Kant

5. Moral Relativism: Circumstantial Ethics
Resolving Ethical Dilemmas (Reading 1.4)

Drucker Model

Above all, do no harm.

Laura Nash Model

1. Have you defined the problem accurately?

2. How would you define the problem if you stood on the other side of the fence?

3. How did this situation occur in the first place?

4. To whom and to what do you give your loyalty as a person and as a member of the corporation?

5. What is your intention in making this decision?

6. How does the intention compare with the likely results?

7. Whom could your decision or action injure?

8. Can you discuss your decision with the affected parties?

9. Are you confident that your position will be as valid over a long period of time as it seems now?

10. Could you discuss your decision with your CEO, board, friends, boss, family?

11. What is the symbolic potential of your action if understood? If misunderstood?

12. Under what circumstances would you make exceptions to your position?
1. Is it legal?

2. Is it balanced?

3. How does it make me feel?
Resolving Ethical Dilemmas:

Front-Page-of-the-Newspaper Test

"Contemplating any business act, an employee should ask himself whether he would be willing to see it immediately described by an informed and critical reporter on the front page of his local paper, there to be read by his spouse, children and friends. At Salomon we simply want no part of any activities that pass legal tests but that we, as citizens, would find offensive."

Warren E. Buffett  
Chairman, Salomon, Inc.

"If we were making that decision now in light of the press scrutiny we have been receiving, we probably would not have taken that risk."

Robert C. Winters  
Chairman, Prudential Insurance
Resolving Ethical Dilemmas:

The Wall Street Journal Model

1. Am I in compliance with the law?

2. What contribution does this conduct make to my shareholders, my employees, my customers, my community?

3. What are the likely consequences of this decision?

Three C's: Compliance; Contribution; Consequences
Resolving Ethical Dilemmas:

Other Models

Kant and the Categorical Imperative

Am I willing to live in a world that is subject to my rules or would I resent those who behave by my rules?

What if the world behaved according to my rules? Would I be comfortable or would I be nervous?

The Golden Rule

Treat others as you want to be treated.

How would you feel if you were on the receiving end of your conduct?