


# Business, Society & Ethics

5 February, 2019 | Lecture #9



Prudence  
& Egoism



# UNIT #1 RECAP

BUSINESS ETHICS FROM A  
PHILOSOPHICAL PERSPECTIVE





Business ethics is not  
*psychology*



Nor is it *OB*

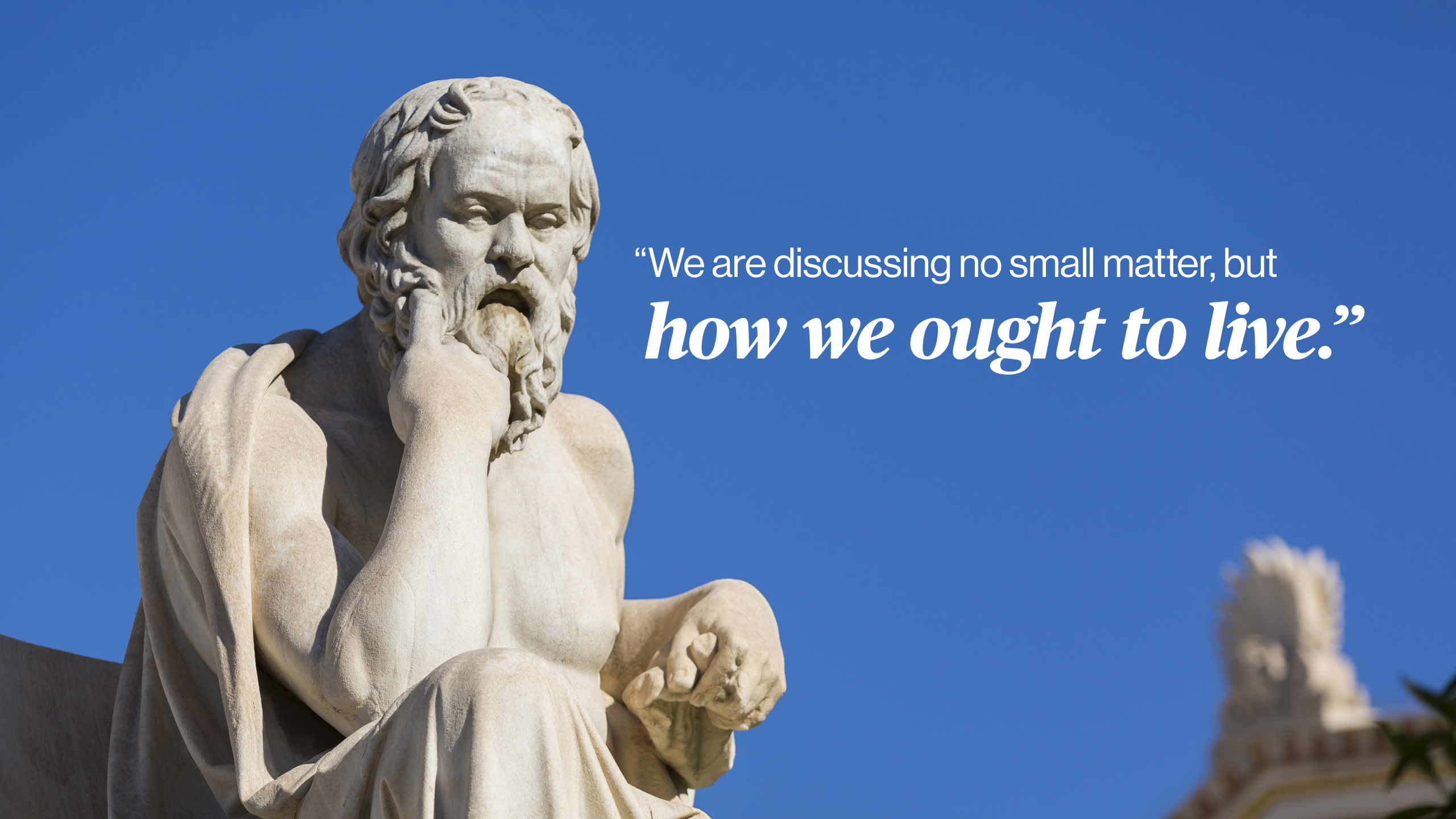


Not even *anthropology*

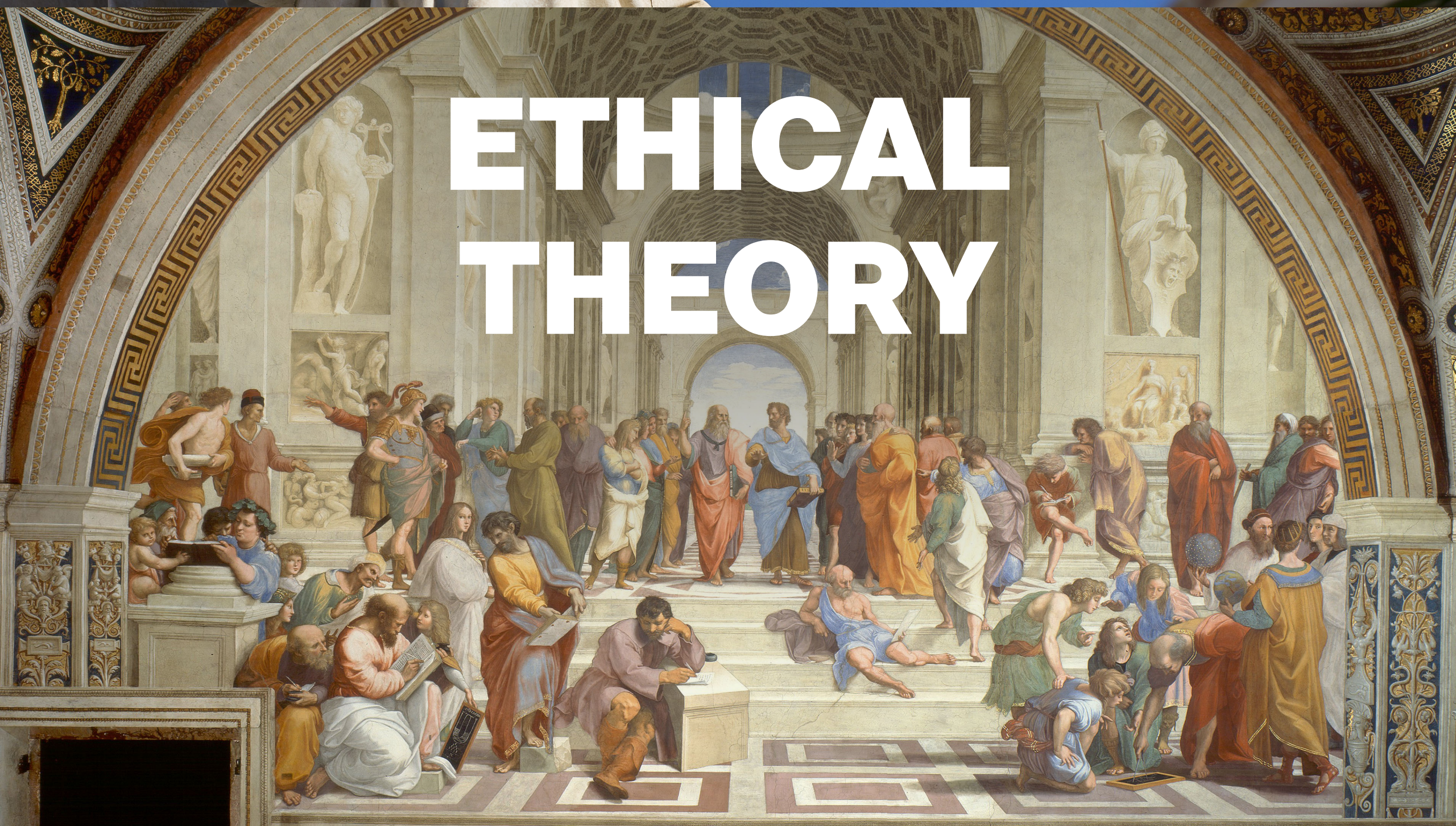


*Law?*  
Not quite...





"We are discussing no small matter, but  
*how we ought to live.*"



# ETHICAL THEORY



What ought I do?



# APPLIED ETHICS



# SECURE LEGITIMATE COOPERATION





# AUTONOMY



# SECURE LEGITIMATE COOPERATION







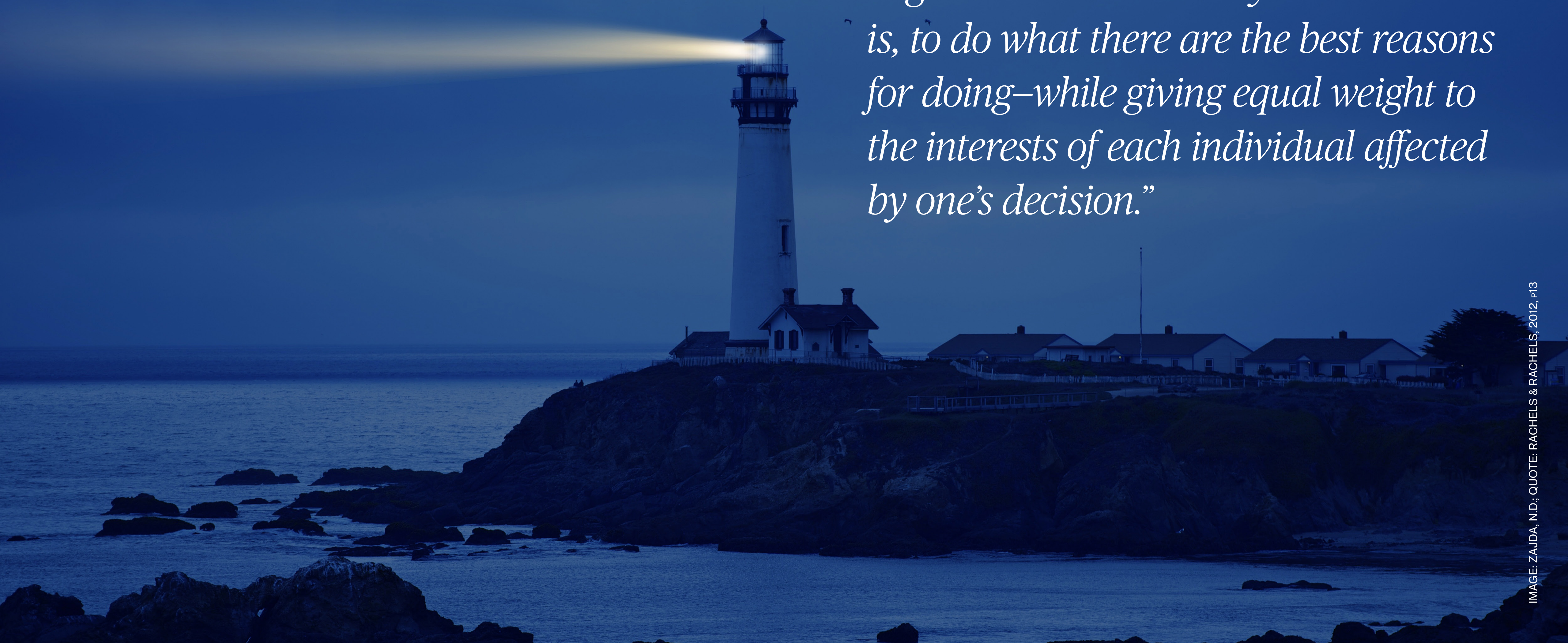
Business ethics is about *action*  
It is *practical* It is *strategic*



---

## The Minimum Conception of Morality

*“Morality is, at the very least, the effort to guide one’s conduct by reason—that is, to do what there are the best reasons for doing—while giving equal weight to the interests of each individual affected by one’s decision.”*







# Distancing Ourselves from Prejudice & Blindness



# **THE PURPOSE- BASED APPROACH TO BUSINESS**

**HOW DO WE ENCOURAGE  
GOOD BUSINESS?**

**WHAT IS GOOD BUSINESS?**

**WHAT IS THE PURPOSE OF BUSINESS?**



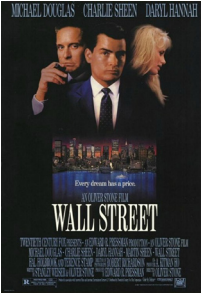
# **THE PURPOSE- BASED APPROACH TO BUSINESS**

**HOW DO WE ENCOURAGE  
GOOD BUSINESS?**

**WHAT IS GOOD BUSINESS?**

**WHAT IS THE PURPOSE OF BUSINESS?**









Prudence



Altruism



# ETHICAL



Prudence

# EGOISM



Altruism



A man with dark hair, wearing a dark plaid shirt, is shown from the chest up, leaning forward and looking back over his right shoulder. He has a serious, intense expression. The background is blurred, showing what appears to be an indoor setting with warm lighting.

This is different from

# PSYCHOLOGICAL EGOISM

*“All people are selfish.*

*Yeah, sorry to burst that bubble, but  
selfless good deeds don’t exist.”*



*“Man’s life is the standard of morality, but your own life is its purpose. If existence on this earth is your goal, you must choose your actions and values by the standard of that which is proper to man—for the purpose of preserving, fulfilling and enjoying the irreplaceable value which is your life.*

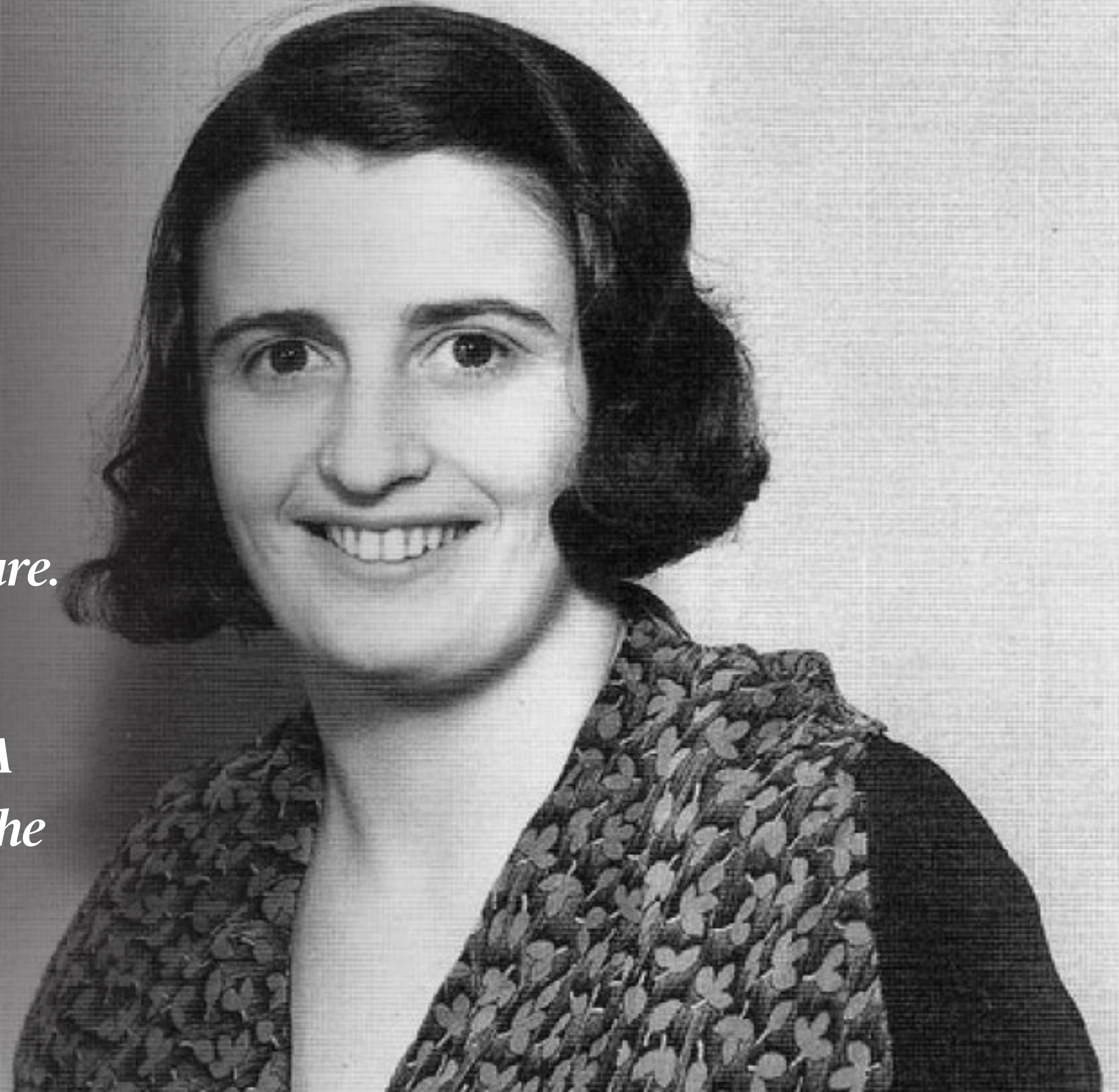
*“Accept the fact that the achievement of your happiness is the only moral purpose of your life. It is the proof and the result of your loyalty to the achievement of your values.”*





*“You have heard no concepts of morality but the mystical or the social. You have been taught that morality is a code of behavior imposed on you by whim, the whim of a supernatural power or the whim of society, to serve God’s purpose or your neighbor’s welfare, to please an authority beyond the grave or else next door—but not to serve your life or pleasure.*

*“Since life requires a specific course of action, any other course will destroy it. A being who does not hold his own life as the motive and goal of his actions, is acting on the motive and standard of death.”*





# The Conflicting Concerns Model



Self-Concern

vs.



Other-Concern



Business is a system of  
***competition***  
for individual profit.





# Shareholder Theory

We will see a view related to Ethical Egoism, which offers its own conception of the purpose of business: Shareholder Theory. This theory is thought by many to embody the dominant conception of business.



# References

Africa Studio. (n.d.). [Wooden gavel and books on wooden table, on brown background]. [Online image]. Shutterstock. Retrieved September 4, 2016, from <https://www.shutterstock.com/image-photo/wooden-gavel-books-on-tableon-brown-115333348>.

Allen, G. (2015, July 6). [Donald Trump attends the Hank’s Yanks 1<sup>ST</sup> Annual Golf Classic at Trump Golf Links in New York]. [Online image]. AP Images. Retrieved September 18, 2016, from <http://www.apimages.com/metadata/Index/inVision-Greg-Allen-Invision-AP-a-ENT-NY-USA-IN-/7ee476a73b784ec28f13c9c49642e5bf>.

Anastasios71. (n.d.). [Statue of Socrates, ancient Greek philosopher]. [Online image]. Shutterstock. Retrieved July 12, 2016 from <https://www.shutterstock.com/image-photo/socratesancient-greek-philosopher-160382801>.

[Ayn Rand in Hollywood]. (n.d.). [Photograph, digital representation]. Ayn Rand Archives. Retrieved September 16, 2016 from <http://webstage.bg/attachments/ckeditor/pictures-data/0003/1152/ORIGINAL-ayn-rand-2.jpg>. (Original photograph from c.1934).

Curtis, M. (Writer), & Jensen, S. (Director). (1998, October 18). The One Where Phoebe Hates PBS. [Television series episode]. In D. Crane & M. Kauffman (Creators), *Friends*. United States: Warner Bros. Television.

Drinkwater, P. (n.d.). [Joey Tribbiani (Matt LeBlanc) from “The One with Chandler in a Box”, an episode of the *Friends* television series]. [Online image]. Getty Images. Retrieved September 14, 2016 from <http://www.gettyimages.com/license/138363072>.

Duska, R. F. (1997, September). The Why’s of Business Revisited. *Journal of Business Ethics*, 16(12/13), 1401-1409.

Eakins, T. (2012, October 3). *Portrait of Dr. Samuel D. Gross (The Gross Clinic)*. [Painting, digital representation]. Wikimedia Commons. Retrieved September 7, 2016 from [https://en.wikipedia.org/wiki/File:Thomas\\_Eakins,\\_American\\_-\\_Portrait\\_of\\_Dr.\\_Samuel\\_D.\\_Gross\\_\(The\\_Gross\\_Clinic\)\\_-\\_Google\\_Art\\_Project.jpg](https://en.wikipedia.org/wiki/File:Thomas_Eakins,_American_-_Portrait_of_Dr._Samuel_D._Gross_(The_Gross_Clinic)_-_Google_Art_Project.jpg). (Original work of art from 1875).

Etcheverry, J. (2010). [Cueva de las Manos del Rio Pinturas, Cave of the Hands, Patagonia, Province of Santa Cruz, Argentina]. [Online image]. Javier Etcheverry Photography. Retrieved September 14, 2016 from [https://irudi.photoshelter.com/image?&\\_bqG=34&\\_bqH=eJwr8E3zNjcuDcoqSwvwCU5PKfUOyavOtMwtz3WOMjG2MjQwAGEg6RnvEuxs6IyaWpaonZKqnZNYrO2bmJdfR aWiHf0c7EtAbJDg12D4jldbENBmnxzM8MrXE3Nk3KK1eIdnUNsiIMTi5IzAEypJGM-&GI\\_ID=](https://irudi.photoshelter.com/image?&_bqG=34&_bqH=eJwr8E3zNjcuDcoqSwvwCU5PKfUOyavOtMwtz3WOMjG2MjQwAGEg6RnvEuxs6IyaWpaonZKqnZNYrO2bmJdfR aWiHf0c7EtAbJDg12D4jldbENBmnxzM8MrXE3Nk3KK1eIdnUNsiIMTi5IzAEypJGM-&GI_ID=).

Gst. (n.d.). [Financial growth over vintage background]. [Online image]. Shutterstock. Retrieved September 18, 2016 from <https://www.shutterstock.com/image-vector/financial-growth-over-vintage-background-vector-153067520>.

Halfpoint. (n.d.). [Business woman speaking at a conference]. [Online image]. Bigstock by Shutterstock. Retrieved August 24, 2016, from <https://www.bigstockphoto.com/image-39229894/stock-photo-business-conference>.

Henderson, P. (2010, November 21). [Atlas statue at Rockefeller Center in New York City]. [Online image]. Adventures of a Vagabond Photographer [blog]. Retrieved September 18, 2017 from <https://pattihenderson.wordpress.com/2010/11/21/and-atlas-shrugged-more-new-york-stories/>.

[Honeycomb with bees]. (n.d.). [Online image]. Retrieved September 14, 2016 from [http://www.wallpapermania.eu/download/2012-04/2411/Honeycomb-with-bees\\_2560x1600.jpg](http://www.wallpapermania.eu/download/2012-04/2411/Honeycomb-with-bees_2560x1600.jpg).

Kraus, L. (n.d.). [Alternate Wall Street photograph of Ayn Rand]. [Photograph, digital representation]. Retrieved September 16, 2016 from [https://ari-cdn.s3.amazonaws.com/images/cvent\\_images/Fundraising%20Dinners/auction/nyc2014/VOS\\_60\\_043A\\_001.jpg](https://ari-cdn.s3.amazonaws.com/images/cvent_images/Fundraising%20Dinners/auction/nyc2014/VOS_60_043A_001.jpg). (Original photograph from 1964).

London, A. J. (2001, April). *The Independence of Practical Ethics*. Theoretical Medicine and Bioethics, 22(2), 87-105.

Maxwell, G., Levy D., & AlexTheWhovian. (2005, September 18). [Red "X"/Cross logic icon]. [Online image]. Wikimedia Commons. Retrieved September 19, 2016 from [https://commons.wikimedia.org/wiki/File:Red\\_x.svg](https://commons.wikimedia.org/wiki/File:Red_x.svg).

Maxwell, G., & Sarang (2005, September 18). [Yes check (slightly gradiented)]. [Online image]. Wikimedia Commons. Retrieved September 19, 2016 from [https://commons.wikimedia.org/wiki/File:Yes\\_check.svg](https://commons.wikimedia.org/wiki/File:Yes_check.svg).

Mj0007. (2014, January 10). [Statue of Liberty]. [Online image]. iStock by Getty Images. Retrieved October 10, 2016, from <http://www.istockphoto.com/photo/statue-of-liberty-gm462136999-32053230>.

Okamoto, Y. R. (n.d.). *Situation Room: Walt Rostow shows President Lyndon B. Johnson a Model of the Khe Sanh Area*. [Photograph, digital representation]. National Archives Catalog. Retrieved July 17, 2016 from <https://catalog.archives.gov/id/192584>. (Original photograph from February 15, 1968).

Pressman, E. R. (Producer), & Stone, O. (Director). (1987, December 11). [Scene of Gordon Gekko (Michael Douglas) speaking at the shareholders’ meeting of Teldar Paper]. In *Wall Street* [motion picture]. United States: 20<sup>TH</sup> Century Fox.

Rachels, J., & Rachels, S. (2012). What Is Morality? In *The Elements of Moral Philosophy* (7<sup>TH</sup> ed., pp. 1-13). New York, NY: McGraw-Hill.

Rand, A. (1957). *Atlas Shrugged*. New York, NY: Random House.

Raphael. (2013, April 13). *The School of Athens*. [Fresco, digital representation]. Wikimedia Commons. Retrieved July 17, 2016 from [https://commons.wikimedia.org/wiki/File:Sanzio\\_01.jpg](https://commons.wikimedia.org/wiki/File:Sanzio_01.jpg). (Original work of art from 1511).

Siddiqui, D. (2011, February 18). [The Dalai Lama gestures before speaking to students during a talk at Mumbai University]. [Online image]. Reuters Pictures. Retrieved September 18, 2016, from <http://pictures.reuters.com/archive/INDIA-GM1E72IIBUZ01.html>.

Unfinished Business. (2015, February 25). [Dan Trunkman (Vince Vaughn) from Apex Select critiques a dubious business presentation]. [Online image]. iStock by Getty Images. Retrieved July 12, 2016 from <http://www.istockphoto.com/no/photo/dan-trunkman-critiques-a-dubious-presentation-gm464668532-59219506>.

Valle, S. (n.d.). [Psychiatrist examining a patient]. [Online image]. 123RF. Retrieved September 7, 2016 from [https://www.123rf.com/photo\\_12898410\\_psychiatrist-examining-a-female-patient.html](https://www.123rf.com/photo_12898410_psychiatrist-examining-a-female-patient.html).

Zajda, T. (n.d.). [Pigeon Point Lighthouse in California]. [Online image]. Fotolia by Adobe. Retrieved August 19, 2017 from <https://www.fotolia.com/id/55672110>.

# Acknowledgements

Introductory slide photograph by Henderson (2010). A special thanks to S. Hagan for helping me design the introductory slide. Special thanks also to A. M. Salaz for helping me format the APA citations and references for previous versions of these slides. My distinction between ethical theory and applied ethics, along with the idea of securing legitimate cooperation, are influenced by London (2001). My purpose-based approach to business is heavily influenced by my reading of Duska (1997).