

LESSON 7: Business Performance

Ethical Decision Making,

An Unconventional Approach

Almost all business owners desire to have an ethical culture in their business and to be known for their integrity. Good intentions, however, are not enough. As author and speaker Bob Reccord has been known to say, “We’re all just one step away from stupid.”

To avoid making one of those stupid decisions, let’s begin by discussing the meaning of integrity. Dictionary.com defines integrity as, “adherence to moral and ethical principles.” The challenge is, to whose principles are we adhering? We live in a culture that is teaching our young people to be tolerant of all views and then do what *they* think is right.

This theory is called relativism. Relativism claims that truth is variable depending upon the individual or circumstances. How do you build a consistent and ethical culture when everyone is looking out for themselves?

The World’s Approach to Ethics

Rick was invited to speak to a master’s level class on ethics at a major university. Surprised to be asked by a professor he did not know, he wanted to assure that this professor understood his worldview. Rick told him, “If I agree to come speak, you need to understand that I teach from a biblical worldview. Are you okay with that?”

After a long pause this professor responded, “I guess it’s okay for my class to hear that view as well.” Most universities, if they even teach ethics, typically use a relativistic approach. They teach a variety of theories, void of religious values. They then leave it to the students to decide which, if any, of those theories the student should use.

For instance, the Markkula Center for Applied Ethics has developed a framework for ethical decision making. They have identified “Five Sources of Ethical Standards.” Let’s review them so we clearly understand what our new business graduates are often being taught.

FIVE SOURCES OF ETHICAL STANDARDS

1. **The Utilitarian Approach** | This approach leans towards the ethical action that produces the greatest balance of good over harm. This approach deals with consequences; it tries both to increase the good done and to reduce the harm done. This requires that someone define “good.”
2. **The Rights Approach** | This worldview suggests that the ethical action is the one that best protects and respects the moral rights of those affected. This approach causes much debate as many people believe their personal rights trump the rights of others.
3. **The Fairness or Justice Approach** | Aristotle and other Greek philosophers expressed their idea that all equals should be treated equally. This approach contends we should deal with all equally or if unequally, then fairly based on some defensible standard. But who determines that standard?
4. **The Common Good Approach** | This approach is a communal approach. Our actions should contribute to the community. The interlocking relationships of society are the basis of ethical reasoning relying on respect and compassion for all others, especially the vulnerable.
5. **The Virtue Approach** | This ancient approach is that ethical actions ought to be consistent with ideal virtues. Virtue ethics ask questions like, “What kind of person will I become if I do this?” or “Is this action consistent with my acting at my best?” This raises the question, “Whose virtues are right or best?”.

Markkula Center for Applied Ethics recommends that people review their ethical decisions through the grid of the five different approaches then pick which one they believe works best for the situation at hand.

DISCUSSION QUESTIONS

1. When the Affordable Health Care Act was passed, it required that all company insurance plans begin providing abortion inducing drugs and contraceptives to its employees or face a very significant daily fine for noncompliance. The government contended that each person should have a right to have their contraceptives and even abortion inducing drugs covered.

Many know about Hobby Lobby's stand against this law, but few may realize that several other smaller businesses filed suit as well and risked huge fines while the suit worked its way through the court system.

- a. Considering each of the five approaches to ethical decision making, discuss what position a small business owner would take towards The Act.

Utilitarian _____

Rights _____

Justice _____

Common Good _____

Virtue _____

- b. What are the likely pitfalls of each approach?

Utilitarian _____

Rights _____

Justice _____

Common Good _____

Virtue _____

2. How would you feel about the consequences of these decisions?

3. Discuss any Bible references or your thoughts on what the Bible would have to say about this situation.

How People Actually Make Ethical Decisions

Since theories frequently do not find their way into the marketplace, let's look at how people *actually* make ethical decisions. Although it's dated research, in 2001 Barna Research surveyed to determine *how* people make ethical decisions. They grouped the responses they received into four categories. Let's examine their results presented below compared with the fourth category, Biblical Principles.

How People Make Ethical Decisions	
The Four Barna Research Categories	
Percent	
44%	More than 40% of respondent's answers indicated they made ethical decisions based on what pleases them personally. Having a whole team of these people could be dangerous for the culture of any business.
17%	17% were grouped under " family values. " Michael Franzese followed this approach early in his life, but it cost him 9 years in prison because his family was part of the Columbo Crime family.
17%	Another 17% were grouped with the category, pleasing others. This sometimes is due to pressure from a boss or wanting others to think highly of themselves. If you're surrounded by unethical people, this could be disastrous.
22%	Only 1 in 5 claimed that they made their ethical decisions based on biblical principles.

A Biblical Approach to Ethics

If Christians believe there is a God and that He gave us a guidebook called the Bible—the content of which has been proven and tested for thousands of years—why wouldn't we use it to make our ethical decisions?

The biggest challenge with using the Bible to guide our ethical decisions is our sinful nature. We just don't want to make the "right" decision. Complimentary, many people cherry picked passages from the Bible to justify deciding on a solution the Bible doesn't condone. When studied in context, however, the Word is reliable and true.

Another challenge that surfaces is when you have two bad choices and both choices violate God's principles. This happened to the midwives in Egypt who either had to lie to Pharaoh or obey his order to kill newborn babies. They chose to lie, yet, in Exodus 1 we read, "So God was kind to the midwives and the people increased and became even more numerous. And because the midwives feared God, he gave them families of their own."

These are very rare exceptions, however, which requires prayerful consideration and counsel before choosing one command over another. The ultimate command is to fear God. King Solomon summarized his survey of the meaning of life and concluded, "Fear God, and obey His commands for this is the whole duty of man."

Jesus, on the other hand, realized that the Pharisees had taken the 613 Old Testament laws so seriously that they believed they could be saved if they obeyed all of them. To point them in a new direction, he identified the two greatest commandments: "Love the Lord your God with all your heart, your mind, your soul, and your strength" and "Love your neighbor as yourself."

These mandates to love are to be guides to all of us while still holding on to the moral laws that are included in Exodus 20 and Leviticus 19.

Steps for Making Ethical Decisions

When ethical issues arise in business, many leaders will determine if the action being proposed is legal or not. If it is legal, many believe it is acceptable to move forward while overlooking the true moral issues.

God's laws and guidance, however, is broader and more important than just legal legitimacy. When an ethical issue arises, here are steps to consider before making your final decision.

ETHICAL ISSUES: A SUGGESTED DECISION-MAKING PROCESS

1. Gather all pertinent facts
2. Identify all parties who might be impacted (don't forget God)
3. Pray for wisdom and clarity
4. Be creative to identify all options possible (see Daniel 1)
5. Identify ethical issues and potential consequences of all options
6. Research biblical mandates or principles that may apply
7. Ask yourself the following questions:
 - a. If the amount involved was only \$100 would my decision be different?
 - b. If the whole story surfaced in the news would others be proud of me or ashamed?
 - c. What action do I believe God is hoping I will take?
8. Make your best decision then transparently communicate with all impacted parties

DISCUSSION QUESTIONS

1. What types of ethical decisions are most likely to surface in your industry?

a. How might a biblical approach differ from the worlds approach?

2. Many poor decisions are made when people are exhausted, hungry, or depressed. How would you feel if you made a poor decision due to abnormal circumstances?

a. What steps might you take to prevent yourself from getting caught in such a situation?

3. How can you apply this lesson to your team or business to better build an ethical culture for the future?
