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# A Practical System For Business Ethics

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#### **ABSTRACT**

This paper presents a model for behavior that is culturally neutral and virtually universally acceptable in a multicultural society.

Keywords: business, ethics, multicultural

#### INTRODUCTION

he growing concern of ethics in business has reached a crisis stage. It is a reflection of the general state of moral ambiguity permeating western culture. Now that religion is not allowed in public discussion in America, any attempt to deal with ethics or morality must be done without reference to religion. Since western civilization has traditionally based its moral standards on religion, efforts to improve this problem have been problematic at best.

There is an approach to ethics that can be easily recognized and accepted by virtually all without reference to any religion. It can be used to create a climate for developing high ethical standards both in our business system and the larger culture, in general.

"Whose Values?" is the rapid response of the moral relativists who dominate our media and universities whenever the question of character or morals is raised. This assertion, often loud, intending intimidation and generally condescending, stifles discussion of this vital topic. Meanwhile, most would agree that we are living in deeply troubled times. Discipline problems plague our schools, respect is ever harder to find, and the moral quality of life in American culture is generally in a state of decline.

At the root of this problem is a logical fallacy - categorical confusion. The categories we are confusing are virtues and values. Frequently used interchangeably, they are not the same. Aristotle tells us that the first step in logic is definition of terms. To clarify this ambiguity, we can define:

- Values Are Things I Want.
- Virtues Are Behaviors That Make Me Good.

Values are relative. \$10 dollars is a value. \$50 is better than \$10.

Virtues are absolute. Kindness is always good. Responsibility is always good. Justice is always good, etc.

The knee-jerk response from the moral relativists is "whose justice?" Honest people can disagree over what is just in a particular case or under particular circumstances. People have been doing this at least since Plato wrote "The Republic." Affirmative action is a good current example. Is it just or unjust? We disagree, but we do not disagree on the larger concept - justice is good. If we possess the virtues of tolerance and respect, we will disagree quite civilly. Lacking these virtues, we escalate a disagreement to a conflict. (Tolerance and respect, of course, are always good.)

The categorical confusion between virtues and values is extremely destructive. For example, many believe that freedom and responsibility should be in balance, as though they are of equal importance. They are not. Freedom is a value, something I want. Responsibility is a virtue, a behavior that makes me good.

Our culture has placed the value of freedom before the virtue of responsibility. The impact has been disastrous. Values should never take precedence over virtues. In fact, responsibility is more important than freedom. Without responsibility, I cannot be free. The freest people we know are the most responsible. The greater my responsibility, the greater my freedom. The more irresponsible I am, the less my freedom. Is a drug addict free? Irresponsible people forfeit their freedom to their irresponsibility. They are the slaves of their own vice.

Responsibility is to freedom as light is to reading. Just as light is a necessary condition for reading, responsibility is a necessary condition for freedom. Without light, I cannot read. Without responsibility, I cannot be free. For an irresponsible person, freedom is a curse. It is the means to their own unhappiness and problems they cause others.

Abraham Maslow was the first of the great modern psychologists to recognize that psychology was being practiced backwards. Psychologists were looking for the sickest, unhappiest people they could find and studying them to see why they are like they are. Maslow observed that what we should be doing is looking for the healthiest, happiest people we can find and studying them to see why they are like they are. His insight begins modern psychology's escape from the determinism and pessimism of Freud and Skinner. He proposed a hierarchy of human needs with the happiest and healthiest people at the top and he called them self-actualizing people.

These people are not as rare as we might think. Their existence can easily be verified from our own experience. Think of someone you know and admire – someone you hold in very high esteem; a happy successful person; an outstanding human being. Think for a few moments of how you would describe that person. Although I have never met the individual you are thinking of, I can describe that person to you.

That outstanding person is:

- Humble
- Courageous
- Self-disciplined
- Forgiving
- Generous
- Honest
- Hopeful
- Just/ Fair
- Kind
- Loving
- Loyal
- Moderate
- Patient
- Perseverant
- Respectful
- Responsible
- Simple
- Spiritual
- Tolerant
- Hard-working

Amazing! I can accurately describe the outstanding person that you are thinking of although I have never met him or her. Indeed, I have never met you! Is their anything on the list of virtues not characteristic of your outstanding human being? I've asked this question of thousands of people. They all agree that their "outstanding human being" can be described by these virtues. The reason is quite simple - outstanding human beings are virtuous people.

St. Patrick's day came again last March. I thought, "how many times in my life have people told me (Kelly) or clearly implied that I'm good because I'm Irish?" Hundreds at least. It's not true. Irish doesn't make me good any more than it makes me bad. I'm fascinated by all the current interest and effort in the area of self-image and self-esteem. I hear things like, "We've got to teach them their cultural heritage." This assumes that membership in a group with some cultural identity will cause a positive self-image. Group identification is a value, not a virtue. It doesn't make me good any more than it makes me bad.

You'll notice on my list of attributes of outstanding people that I do not include the following:

- Male
- Female
- Black
- White
- Young
- Old
- Rich
- Poor
- Athletic
- Good looking
- Stylish
- Etc.

The above-listed attributes do not make me good or bad and are randomly distributed among outstanding people, just as they are the general population.

William Glasser, in his landmark book "Control Theory," identifies five basic human needs: physical, power, freedom, belonging and fun. In fact, these outstanding, happy, successful people in Glasser's terms are "need satisfied". Virtue is the means to satisfy my basic human needs. There is no other means. If I want to be happy, I must develop my own virtue. To the extent I am virtuous, I will be happy, free, belong, etc.

Educators nationally are presently engaged in a quest for higher standards. The higher standards we need most are not academic. They are moral. Until we recognize this fundamental truth, we will continue our present precipitous educational and cultural decline. To the extent our culture is moral (i.e., virtuous), it will be a need-satisfying culture. To the extent it is not moral, it will be a need-frustrating culture. We must recognize that we cannot solve moral problems with political or economic solutions. Virtue is the necessary means to higher academic standards, improving discipline, personal growth and happiness, and social justice and peace.

We must understand the need to put virtues before values. When we put values before virtues, necessary consequences inevitably follow.

- For individuals loss of self esteem (I'm a bad person).
- For interpersonal relationships loss of friendship, animosity, broken relationships.
- For international relations wars genocide, ethnic cleansing.

At the root of all of these unfortunate conflicts is an identifiable ethical flaw in at least one participant or side, frequently both.

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- 4 Kelly, Thomas. Character education: Natural law, human happiness and success. 1997. <a href="http://www.drtomkelly.com">http://www.drtomkelly.com</a>
- 5 "My book" refers to a manuscript currently in process entitled "Bridges and Tunnels and School reform."