Getting a Handle on the Elusive Concept of Ethics

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Apparent Confusion

I've watched with interest, and, at times, a little dismay as discussions about the definition of ethics have been batted back and forth between people who, according to their bios, have a lot more experience on the topic than me. After all, if the experts don't seem to be able to agree on the meaning of something as fundamental as ethics, how can the average CEO, who has a lot of other priorities on his or her mind, be expected to make any sense of it?

I do not presume to have the answer, nor do I wish to add to the apparent confusion about this seemingly innocent word, but I feel it may be worthwhile to take a step back and try to simplify the discussion.

Why Is a Clear Definition Important?

If organizational values are ever to receive the senior attention they deserve from management, it is critical that the topic become less 'rarefied' and more practical and accessible to the average businessperson. I've read a number of articles and white papers which acknowledge in their paragraphs that the subject of values is rather 'loose and ill-defined'. That's not a good departure point. After all, if you're speaking to a room full of people about ethics and each person has a different understanding of the meaning of the word, it's unlikely that an outcome of any practical benefit will be achieved.

Part of the problem is that the experts often put their own spin on the subject in order to make a particular point, or (and here I'll acknowledge a degree of cynicism) to appear smarter than everyone else. Over time, these different nuances add to the array of meanings, ultimately broadening the definition to the point where the original concept becomes fuzzy and opaque. This is great for the consultants but not so good for executives who don't have the time to devote to endless debates about the distinction between different classes of ethics.

The Common Thread

Let us, for a moment, acknowledge that ethics is a complex and multifaceted concept with different nuances depending on circumstances and whether it is taken in the context of an individual, a corporation, a profession or society in general. When stripped to its essentials, there is, nevertheless, a common thread that runs through all of the definitions, and that is relatively simple: it's the understanding of what is right and what is wrong, and the unerring predisposition towards doing what is right.

Most people would agree with the latter part of this statement. It's the first part that causes difficulty.



In matters involving human relationships there doesn't appear to be an absolute definition of 'right' and 'wrong', and that fuzziness may even be amplified in the realm of business ethics.

Here's an example: Consider a small manufacturer that lands a contract to supply Walmart. At first, the vendor considers itself blessed to have gained access to the world's largest retailer, but as time goes by and pressure is inexorably applied by Walmart to continually lower its price, the vendor may (justifiably?) feel that the deal is hopelessly one-sided. It may be obliged to lay off staff in order to meet its contractual obligations to Walmart. It may even close down its plant and outsource production to China or India. People's livelihoods may be decimated – and yet Walmart sails on without a backward glance.

Walmart has clearly not contravened any laws. Both parties were willing signatories to the supply agreement. And while it could be argued that Walmart does not occupy the high moral ground, it cannot be denied that it is doing what it considers 'right' for its customers and its shareholders.

It is precisely in grey areas such as these that the ethics debate rages on.

A Malleable Concept

The concept of ethics appears to have originated spontaneously in ancient societies around the world, being born out of the simple need for people to live together in harmony with one another.

The values of society, therefore, determine what is considered 'right' and what is considered 'wrong'.

At one time, it was deemed acceptable for people to be enslaved by others, and many societies did not consider slavery to be 'wrong'. Today, slavery is almost universally seen as abhorrent. Clearly, the ethics relating to slavery have changed, and they continue to change in areas such as women's rights, child labour, decriminalisation of sex work, the usage of certain classes of drugs, and many others.

It thus seems certain that, as long as societies continue to evolve, ethics will remain a popular topic of debate.



Sensitive and Responsive

So how does this help our bewildered CEO who is trying to do the right thing? For me, the takeaway is simply this: keep your finger the pulse of society and critically question the norms of the past. One only has to watch an episode of Mad Men1 to realise that societal and business norms have changed substantially over the past fifty years. In today's information-driven world, the rate at which

network AMC and is produced by Lionsgate Television



¹ Mad Men is an American period drama television series created by Matthew Weiner. The series premiered on July 19, 2007 on the American cable

ideas are shared means that societal change is likely to occur at an even faster pace.

The organizations that sense these changes early and adapt to fit in with society's emerging values will gain the upper hand. Clearly, there is a trade-off here. CEOs cannot be blown by the wind, responding to every protest or strike or criticism on Facebook. To remain on the side of 'right', however, they must be sensitive and responsive to the 'real' winds of change.

So how do you recognize a 'real' shift in what society deems to be right or wrong? Eventually, even the most gradual trend becomes so clear

that the dullest laggard sees it. To identify a sea-change early on, however, is an art rooted in experience and instinct — which brings to mind the famous phrase used by United States Supreme Court Justice Potter Stewart to describe his threshold test for pornography: "I know it when I see it".

It is this ability to detect subtle shifts in societal values that will ultimately separate the business leaders of tomorrow from the dinosaurs of past glories.

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Consilient Inc. works with partner consultants to help senior executives solve complex business problems. The company develops models, creates algorithms and establishes knowledge bases that allow hidden or underlying relationships between measurable variables to be identified and addressed.

