

**ETHICS & ETHICAL DILEMMAS,
INTRODUCING
THE BUSINESS ETHICS SYNERGY STAR
- A TECHNIQUE FOR DEFINING A DILEMMA AND RESOLVING IT -**

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PART ONE – ETHICS¹

Whenever a manager asks the question "What is the right thing to do?" he² is searching for the morally appropriate action. If he seeks an applicable rule, norm, value or example to follow, then he seeks to apply *normative* ethics. If he questions the grounds upon which such values or rules are valid, for example by asking whether ethical rules are merely relative or purely subjective, then he engages in *meta-ethics*.

Normative ethics is the branch of philosophy concerned with moral obligation and intrinsic value in the actions and character of human beings. The term *normative* refers to theoretical ideals - *norms* - against which we are able to evaluate practices. The two main branches of normative ethics are *virtue ethics* and *rule-based ethics*.

Virtue ethics

All the gold on the earth and under the earth is less precious than virtue. Plato, 4th Century BC

A human virtue is a relatively stable character aspect that disposes a person to act in a benevolent way. To describe something as a relatively stable character aspect is the same as saying that it has become a habit. Virtue ethics focuses on the formation of one's character to equip one for good citizenship in an organized community, in the belief that a community made up of people of good character would be a good community. Virtues are therefore what we would think of as good habits, e.g. courage, generosity, or loyalty; vices may be seen as bad habits, e.g. dishonesty, cowardice, or selfishness. In ancient Greece, the study of ethics was recorded by Plato and Aristotle in the fourth century B.C. Regarding moral virtues as the building blocks of good character, Aristotle proposed a process of habituation, which is an ongoing growth in understanding, culminating in the ability to intuitively choose one way above another. Since goodness of character is said to be brought about by repeatedly practicing virtuous acts, Aristotle taught that people should adopt the ***doctrine of the mean***, whereby a virtuous act is seen to be the mean that falls between two vices - one of excess and one of deficiency. An example of such a mean is *courage* – it is the mean between foolhardiness (excess vice) and cowardice (deficient vice). But he recognized that some situations fall outside of the mean and

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² The masculine pronoun is used to denote both male and female, except where inappropriate.

accepted that in such cases a right response would be that which is appropriate to the situation – thus *habituation* is complemented by *adaptation*.

Because adaptation is essential to human development, virtue ethics can no longer provide absolute guidelines to individuals and communities. The concept of a hypothetical *virtuous person*, similar to the legal concept of *the reasonable man*, is useful in assessing the moral-appropriateness of human behaviours, where no absolute measure exists. Virtue ethics emphasizes the roles of character and reason. Not all people are virtuous, however, so virtue ethics cannot guarantee morally acceptable behaviour. Something more was needed. This need gave rise to more prescriptive forms of normative ethics, referred to as *rule-based*.

Rule-based ethics seeks to evaluate moral considerations against a set of rules that constitute a moral theory, which determines what acceptable behaviour is. These rules may be divided into two main categories, namely *consequentialism* (also known as *teleology*) – under which it is claimed that actions should be judged according their consequences, and *deontology* – under which the opposing view is assumed, i.e. that rightness or wrongness is a judgement not dependent on consequences but rather on the intrinsic goodness of the action in and of itself.

Consequentialism

When moral decisions are made by considering the likely consequences of an action, one is engaging in consequentialism. The most popular approach to consequentialism is **utilitarianism** – the belief that actions should be appraised according to their effect on happiness. Boylan (2000: 66) describes utilitarianism as "a theory that suggests that an action is morally right when that action produces more total utility for the group as a consequence than any other alternative does". The goal of utilitarianism is thus *the greatest good for the greatest number*. The notion that individual's happiness can be defined differently by different people is problematic. For example, the pleasure derived from having a clear conscience exists on a different plane to that of defrauding money from people, therefore what constitutes 'good' in the utilitarian sense is often a matter of choice. This problem is negated when the ultimate goal is not the happiness of the individual, but the happiness of society. For this to hold in practice it requires that each person chooses to act in a way that ensures the happiness of those affected by his actions, even at the expense of his own happiness. Utilitarianism therefore requires impartiality and this may be too demanding for most people. In an ancient Greek virtuous society, however, it would have been an entirely feasible expectation, and in that sense utilitarianism intersects with virtue ethics - its guiding moral principle being the universal pursuit of general happiness or *eudaimonia*. The main difference for the consequentialist is that *eudaimonia* is an outcome, rather than the virtuous action *per se*.

Weiss (2003) extends the utilitarian concept to business by going beyond the traditional, idealistic definition of 'greatest good for the greatest number', introducing the following tenet (Weiss, 2003: 80): An action is morally right if "the (immediate and future) net benefits over costs are greatest for all affected". The *cost-benefit analysis* is a commonly

used business decision technique, capable of being utilized quite independently of any ethical conscience. Weiss's embellishment appears to me to be quite contrived, and merely an attempt to make the utilitarian label fit into a pragmatic business context as the weighing of benefits against costs cannot qualify as a normative ethical approach to decision making unless it simultaneously complies with all of the conditions for morality.

Consequentialism is also found in *hedonism*, which gives priority to the pursuit of immediate personal pleasure. In so doing, it seeks to obtain a surplus of *hedons* (units of pleasure) over *dolors* (units of pain) from each and every action. Unlike universal happiness, hedons and dolors are usually realized in the short term, thus making hedonism a less complex rule than utilitarianism. This has negative implications, both for the individual and societies, - for example, robbing a bank would be an acceptable action for a hedonist - but immediate short-term personal pleasure seldom leads to long-term happiness (the robber becomes a fugitive or a prisoner).

A third form of consequential reasoning is *ethical egoism*, where in the case of a conflict of interest between what is good for one individual and generally good for society, the individual should place his own happiness first. That is the exact opposite of Mill's utilitarianism, which values the good of society more. Although it seems perfectly rational, egoism could never be propagated as a universal moral principle, as it contradicts many of the other minimum conditions for morality, notably responsibility and concern for others.

Deontology focuses purely on the intrinsic *rightness* of an action, without regard for its consequences. Derived from two Greek words: *deion*, from *dei*, meaning 'must'; and *logos*, meaning 'the word' deontology is in essence *the account of the musts*. Deontologists therefore believe in the absolute necessity of duty, irrespective of the rewards or punishments that may follow. So, for example, the deontologist would not tell a lie, even if by so doing he might save the lives of many people.

Immanuel Kant (1724 - 1804) insisted that *human reasoning* and *good will* are necessary for consistent moral behaviour and he defined the good will as "the will that obeys the universal moral law" (Rossouw, 2002: 51). He believed that some duties are absolute, e.g. the duty to tell the truth, but others not, e.g. the duty to exercise - and he therefore distinguished two forms of *imperative* - the *categorical* - an instruction to act that is not dependent on anything - and the *hypothetical* - a conditional instruction to act. **Kant's Categorical Imperative** requires people to always act in such a way that they can, at the same time, wish that everyone would act in that way. Thus, the act of telling a lie would be wrong, irrespective of the motive for or consequence of the act. This is in contrast to a hypothetical imperative that depends on some other condition, say a desire - for example one should go to church only if you want to.

Kant also believed persons should never be used as a *means* to an end, and consequently he developed his *Principle of Ends*, which states that people should act in such a way as to treat humanity always as an end and never as a means only. For deontologists, moral actions are always rational actions, so the primary value of these imperatives is to provide

a way to reason with the question of, “What is right?” In practice, this can be achieved by applying the maxim: “If everyone did this, would it still be okay?”

Deontology is not unlike virtue ethics, in the sense that as a moral theory its goal is for everyone to act virtuously at all times. The difference is that it seeks to prescribe moral duties by promoting an imperative to act morally, assuming that people will not, of themselves, always act in virtuous ways. It conforms to most of the minimum conditions for morality, in particular responsibility, concern for others, consistency, universality, and reason.

Meta-ethics

A relatively new term, which appears to have been introduced into the vocabulary of philosophy only in the twentieth century, meta-ethics is the study of ethics itself. It attempts to fathom the meaning of terms such as *right, good, and ought*. A meta-ethical view of a problem is not concerned with determining what the right action is, but rather with the validity of the underlying moral theory. Rossouw (2002: 62) explains it as a “second-order activity (that) usually only comes into play when ordinary moral discourse breaks down or runs into difficulty”. This usually occurs when two people approach the same decision from two different perspectives, known as *moral objectivism* and *ethical relativism*.

Moral objectivism claims that there can be agreement on what is moral, that is to say there exists a moral truth that can be discovered by everyone in an objective way, and everyone should therefore live by the same moral theory. ***Absolutism*** claims that there is only one true moral system. It is therefore a strongly objectivist view that demands that everyone adopt the same normative system, whether teleological, deontological, or virtue-based.

On what basis should we decide which moral theory to adopt? ***Naturalists*** believe that the world’s natural order provides such answers. They reason that if something *is*, then that’s simply how it *ought to be*. To the naturalist, the presence or absence of a phenomenon in the realm of nature is sufficient reason to accept or reject it as moral in the human realm. Since they expect everyone to agree on the natural order of things, naturalism is a form of objectivism.

Perhaps it is impossible to determine whether one moral theory is more valid than another. Thus, in direct opposition to moral objectivism, ***ethical relativism*** claims that there can be no definite or objective moral truth. People can therefore differ on moral issues and, although we can argue about why and how we differ, at the end of it all we will simply have to agree to differ. ***Intuitionists*** claim that truth can be seen immediately upon reflection, and therefore to the reflective person right and wrong is immediately self-evident. But one could argue that the very act of reflection is in itself anti-intuitive – by engaging in moral reflection, one enters into an internal dialogue that takes one into the realm of reason – so intuition is often thought of as a ‘gut-feeling’ that negates both

reflection and reasoning. That makes it a relativistic concept, as one cannot expect everyone to adopt the same ‘gut-feeling’.

With the advent of a ‘global village’ and the resultant exposure to different cultures, people are now realizing that “what is right in one culture is not necessarily right in someone else’s” (Rossouw, 2002: 66). This has given rise to **cultural relativism**. Adapting to the cultural mores of a foreign country with which one is attempting to conduct business was once considered a moral duty but certain countries have recently declared it a questionable practice. How then can cultures ever agree on what is ethical?

An extreme form of ethical relativism is **moral subjectivism**, which holds that each person is entitled to his own beliefs, and they cannot therefore be judged by another. Where relativism claims that there can never be general agreement on moral issues, subjectivism takes moral dissensus to the extreme – agreement on moral issues cannot be expected between any two people since individual preference is the only valid standard of moral judgement.

Regardless of any moral theories, certain minimum conditions for morality exist. Morality works best when it has been formed as part of our **character**, i.e. where it is unnecessary to impose any particular theory of morality on ourselves; we simply act always in accordance with our personal values, which are trustworthy because they were formed around a right moral value system. This is the basis of **virtue ethics**. Morality as **responsibility** means acting in accordance with other people's concerns, rights and expectations. That means not only refraining from doing things that cause harm to others, but also actively pursuing their welfare – it implies the imperative to do as we say and believe. Morality as **concern for others** has to do with understanding how others experience a loss, for example, which compels us to not want to impose a loss on another. Morality as **reason** - In order for moral actions to stand the test of reason they should be justifiable according to an **objective** set of criteria? Morality as **consistency** means that similar cases are treated similarly. It is the absence of double standards. Morality as **universality** means the same conditions must be applied to all concerned.

Perhaps a future dispensation will espouse universal acceptance of a ‘core morality’ that doesn’t seek to stifle all forms of relativism. That, it seems, is what Weiss (2003: 296) has in mind when he introduces the term **hyper-norm**, referring to fundamental principles that serve to evaluate lower-order norms, i.e. those at the very root of what is ethical for humanity.

PART TWO – ETHICAL DILEMMAS

Ethics in business has to do with making the right choices - often there is no apparent *one right way* and one must choose the best in the circumstances. Managers are sometimes faced with business choices that create tensions between ethics and profits, or between their private gain and the public good. Any decision where moral considerations are relevant can potentially give rise to an *ethical dilemma*, for example:

- A decision that requires a choice between rules
- A decision where there is no rule, precedent or example to follow
- A decision that morally requires two or more courses of action, which are in practice incompatible with each other.
- A decision that should be taken in one's self-interest, but which appears to violate a moral principle that you support.

It is the imperative to act, combined with the uncertainty of which action to take, that causes a dilemma.

My thinking was influenced by Goldratt's (1994) Evaporating Cloud technique, which is used for the logical representation of conflict. The *Business Ethics Synergy Star (BESS)* (Robinson, 2002) is designed specifically for the logical representation of any business issue that contains an ethical dimension. Its constructs provide the user with a consistent way of expressing moral dilemmas. By defining the desired outcome (O), two necessary conditions (X and Y), and their corresponding pre-requisites (Z and -Z), any dilemma can be portrayed as follows:

In order to achieve a desired outcome (O), I must have X (i.e. X is a necessary condition for the desired outcome).

At the same time, in order to achieve the desired outcome (O), I must have Y (i.e. Y is also a necessary condition for the desired outcome).

Now, in order to have X, I must do Z (i.e. Z is a necessary action for the creation of condition X).

But, in order to have Y, I must do -Z (i.e. -Z, which is the opposite of Z, is a necessary action for condition Y).

Its use is illustrated by means of an example: Suppose you are offered a lucrative consulting contract, conditional upon agreeing to 'kick-back' a percentage to the general manager of the client company. Your dilemma is to either accept the contract or not. So Z = accept the contract; -Z = do not accept the contract. Your objective (O) = have a successful business. Now to complete the 'drum' you need to define X and Y. You do this by stating: "I must (Z) in order to ----- (X)"; so "I must accept the contract in order to *make money*"; X is therefore 'make money'. Likewise, "I must (-Z) in order to ----- (Y)"; so "I must not accept the contract in order to *not violate my principles*"; Y is therefore 'not violate my principles'. The drum is incomplete until the relationship of X to O and Y to O are individually and collectively verified. This is done by stating: "In

order to (O), I must (both X and Y); so “In order to have a successful business, I must *both* make money and not violate my principles”.

Once the Business Ethics Synergy Star (BESS) is constructed, the dilemma can be solved by imagining a variety of situations where Z AND Y or X AND -Z can co-exist. It is important at this stage, in generating alternatives for consideration, not to limit your thinking or become blinkered by ethical considerations. These aspects will be considered once all the alternative courses of action have been generated. So for now, in the above example, you would try to imagine how you might accept the contract and not violate your principles (Z and Y). This might lead you to consider any of the following:

- blow the whistle on the general manager
- agree to the ‘kickback’ but never actually pay it
- lower the price to make it irresistible to the client, but let it be known that no ‘kickback’ will be paid

In addition, you would also try to imagine how you might make money and not accept the contract (X and -Z). This might lead you to consider any of the following:

- apply your efforts elsewhere, say in a client company where no ‘kickback’ is expected
- raise the price and threaten to blow the whistle on the general manager if he doesn’t still award the contract

You are now in a position to make a choice between the generated alternatives. At this point you must decide whether to take a teleological approach, by considering the consequences of each action and eliminating those with undesirable consequences; or a deontological approach – eliminating those with courses of action that ought not to be implemented or that you would be loathe to see adopted as universal standards; or a virtue-ethical approach – eliminating those that you perceive as vices, and considering only the options you regard as virtuous.

You might therefore decide on one of the following:

- blow the whistle on the general manager – clearly a deontological decision;
- agree to the kickback but never actually pay it – a decision taken from an ethical egoistic position;
- lower your price to make it irresistible to the client but let it be known that no ‘kickback’ will be paid – a virtuous decision;
- apply your efforts elsewhere – which seems to combine both virtue-ethics (serenity) and deontology (categorical imperative);
- raise the price and threaten to blow the whistle on the general manager if he doesn’t award you the contract anyway – perhaps another example of ethical egoism.

This example shows how the Business Ethics Synergy Star (BESS) can be a useful tool in isolating alternative courses of action for rational consideration employing any of the relevant moral theories. To use the ***Business Ethics Synergy Star (BESS)*** to resolve an ethical dilemma, first complete each construct of the Business Ethics Synergy Star (BESS), i.e. the *objective (O)*, the business imperative (*X condition*), the ethical imperative (*Y condition*), and the *dilemma statement (Z vs. -Z pre-requisite)*.

Some think of the term ‘business ethics’ as an oxymoron. To them it seems that X conditions – the business imperatives – are *anti-ethical*, and that Y conditions – the ethical imperatives – are *anti-business*. But, whether one adopts a virtue ethics, deontological, or teleological approach, it remains true that the ethical quality of any action is ultimately defined by its purpose, and since the purpose of business is to maximize owner value through the sale of goods or services, ethics in the business sense must be assessed in terms of whether or not a particular action contributes to the maximization of owner value (Sternberg; in Megone, 2002). Thus, it may be argued, the notion that pursuit of social welfare *in preference to* owner value, much more to its detriment, can be regarded as ethical is absurd - since that is not the primary purpose of a business, it is illogical to elevate it above business imperatives and regard it as a condition of ethical business practice.

Thus there is a strong case that a business ethic must contribute to the ultimate achievement of business goals, that is to say business ethics supports and enhances business performance. This pragmatic perspective suggests that the entrepreneurial ethic will be aligned with - even dependant upon - the entrepreneurial purpose.

Since moral choices are unavoidable in business, the real challenge is “to make the ethical component of business decision-making explicit so as to make it better” (Sternberg; in Megone, 2002: 28). The ***Business Ethics Synergy Star (BESS)*** facilitates this by placing the business imperative (X) and the ethical imperative (Y) in relation to the business objective (O), thereby emphasizing that O implies BOTH X AND Y, not just one or the other. The Y condition is thereby not only made explicit, but can also be viewed and evaluated in terms of both the business and its corresponding X condition.

PART THREE – WORKED EXAMPLES ILLUSTRATING THE USE OF THE BUSINESS ETHICS SYNERGY STAR (BESS)

For those wishing to engage further with the *Business Ethics Synergy Star (BESS)* technique, the following worked examples may be studied. There are five examples, sequenced in such a way that each subsequent example provides a more complex level of ethical reasoning, which is facilitated by the use of the *Business Ethics Synergy Star (BESS)*.

In the first example a manager had set as his objective ‘to be successful’. This required of him to both ‘make a positive business contribution to the venture’ (X) and ‘maintain his reputation for honesty’ (Y), giving rise to the dilemma of whether to ‘remain in the system’ (Z) or ‘not remain in the system’ (-Z). This can be presented schematically as follows:

Objective: Be successful	
X: Make a positive business contribution	Y: Maintain his reputation for honesty
Z: Remain in the system	-Z: Do not remain in the system

In order to be successful, the manager believes he must make a positive business contribution AND maintain his reputation for honesty. Now, in order to make a positive business contribution, he must remain in the system BUT in order to maintain his reputation for honesty, it seems to him that he must not remain in the system. His dilemma is that he cannot remain in the system and simultaneously not remain in the system, so he must make a choice.

The options open to the manager may be considered by imagining situations where either ‘X and -Z’ or ‘Y and Z’ might co-exist. By focusing, for example, on the option presented by X and -Z, the manager might decide to resign from the system, i.e. forfeit his equity stake, but be available to contribute as a consultant. Alternatively, by focusing on Y and Z, he might decide to carve out a visible role for himself as the custodian of honest business practices. At the risk of tarnishing his reputation, this particular manager embraced the opportunity of making an honest contribution even within a corrupt system. He therefore chose to make Z and Y co-exist – not an easy choice, given that he attached great importance to his reputation.

His decision illustrates an altruist-utilitarian ethic – utilitarian in that he chose the option with the highest overall utility, and altruistic by virtue of his elevation of the needs of others above his own. This was only possible because he was confident that his well-established reputation for honesty – indicating an ethic of virtue - could be maintained, even enhanced.

A dilemma experienced by Alison¹ as the second dilemma example. It is portrayed as follows:

Objective: Make money	
X: Obtain additional business	Y: Add value to my business
Z: Pay ‘favours’	-Z: Do not pay ‘favours’

Alison chose to forego additional business that demanded payment of ‘favours’ (a euphemism for bribes or ‘kick-backs’), preferring to seek out only additional business that could be legitimately obtained; thus a future state encompassing an X–Z co-existence was sought.

From a teleological perspective, Alison’s decision was the right one, since she could not have maximized her objective of making money in the long term by obtaining all the additional business on offer, as to do so she would have had to adopt the common practice of paying ‘favours’, with the result that the additional business would have been of no added value. In other words she did not see any opportunity for the YZ alternative. She simply chose the option that offered the largest positive contribution to her objective – to make money.

There is, undoubtedly, an element of deontology in Alison’s argument, which is evident from her absolutistic reasoning when it comes to the principle behind paying for additional business. Firstly she stated that it is “not right” as she feared that the practice would escalate, thereby decreasing her opportunity for future profits. This sounds like she was applying Kant’s principle of universality, but to understand her position correctly, one must examine the second reason she offered. Here she said that she “would be quite willing to pay anyone who could add value to her business”. It is clear that she did not see a relationship between the practice of paying ‘favours’ and the possibility of value being added to her business (YZ); she admits, “otherwise I would have done it”!

Her reasoning here is indicative of two things: Firstly, that her approach to the problem was teleological; secondly, that she was not applying a universal principle, but rather a *personal principle* – one that she had fathomed for herself.

A third example is the dilemma experienced by Heather²:

Objective: Obtain a car	
X: Obtain a loan	Y: Be honest
Z: Accept the offer of (fraudulent)	-Z: Do not accept the assistance

¹ Alison is a pseudonym

² Heather is a pseudonym

assistance, i.e. proceed with the application

Heather had tried all the usual ways of obtaining a loan before arriving at this point. By the time she became aware that the person helping her obtain a loan was writing down figures different from those she was providing, he had assured her that the loan would be granted. In other words he was padding her application so that it would be approved. She could have halted the process and resigned herself to never being granted the loan, but instead she allowed it to proceed. When asked why he lied for her, her response was as follows: “I don’t know, (spontaneous laughter) – the universe works in very strange ways!”. At first glance, it appears as if Heather violated the principle of honesty (Y condition), but after further probing she revealed her reasoning: “I suppose it depends on the source of the lie doesn’t it. Emotional lies. Yeah. Not me! I told the truth. I suppose he just filled in a form. I mean, I paid the money back, I didn’t cheat anybody. The bureaucracy was restrictive”. Here she drew a clear line of distinction between two types of lies: emotional – those that affect other people; and little white lies – those that just circumvent red-tape. This distinction allowed her to solve the dilemma by choosing the YZ route. By distinguishing between *emotional dishonesty* (a vice) and *bureaucratic red-tape-avoiding dishonesty* (an opportunity) she is able to rationalize the experience to her benefit. In fact, this dilemma existed only in theory, and was never a dilemma for her, for the following reasons:

- the dishonesty of the person concerned fell outside of her definition of dishonesty;
- the dishonest act was actually committed by a third party;
- there were no adverse consequences.

It is in these three attitudes that Heather’s ethic becomes apparent. The fact that she brings the lack of adverse consequences into consideration points to a teleological awareness. Regarding the circumvention of red-tape as a satisfactory justification for someone to lie on her behalf - presumably because it saves a lot of trouble for both her and the bureaucrats – demonstrates a utilitarian attitude. Dismissing the dishonest act because it was actually committed by a third party smacks of egoism. While she absolutely decries all issues involving emotional dishonesty, here she failed to recognize the act as dishonest, thereby indicating a subjectivist attitude.

The fourth example is Sibü’s³ dilemma:

Objective: Achieve his personal goals	
X: Climb the corporate ladder	Y: Be true to his conscience
Z: Resign from the union	-Z: Do not resign from the union

In order to achieve his personal goals, Sibü believed he had to climb the corporate ladder AND at the same time he wished to remain true to his conscience. Now, in order to climb

³ Sibü is a pseudonym

the corporate ladder, he should have resigned from the union BUT in order to be true to his conscience, he should not have resigned from the union. This dilemma represents an extremely difficult decision for Sibü. Staying with the union would mean giving up his office, secretaries and company car and becoming a janitor. He would therefore lose both his outward symbols of success with their associated extrinsic value, and some of his comfort-enhancers that contain *eudaimonic* value. But he chose not to view it as a choice between pleasure and pain, which indicates that his approach to the dilemma was neither hedonistic nor egoistic. He looked at the decision from two perspectives. His first concern was about how his friends and neighbours would expect him to choose. It is clear that he had a well-developed sense of community, and that he knew intuitively that they would expect him to demonstrate a firm commitment to the things the union stood for. This preyed on his mind as he considered how he might be able to justify the XZ option. He then thought that if he could really show an ability to change the system from within, he would be justified in retaining his position of advantage. But he came to the conclusion that it was more likely that the system would change him. He could not have continued to climb the corporate ladder (X condition) at the expense of his conscience (Y condition). His only option was -Z, i.e. stay with the union and face the consequences. This later led to his resignation from the company.

Sibü's dilemma is intriguing from two perspectives. The first is that it appears to have never actually been resolved – he did not find any way to accommodate either YZ or X-Z, and his demotion and ultimate resignation from the company served no useful purpose other than to appease his conscience and presumably elevate his community/political status. This raises the question as to the accuracy of Sibü's objective statement (O) - to achieve his personal goals. What is clear is that when the crunch came the Y condition trumped the X. It follows then that his personal goals were biased toward the fulfillment of ethical as opposed to business imperatives. It is probable that the union issue acted as a catalyst in the process of him realizing that his real objective in life was not to achieve personal *wealth* but rather personal *satisfaction*. Certainly, his subsequent projects and business ventures indicate so. On a meta-ethical plane then, it seems that his handling of this dilemma identifies him as a virtuous utilitarian with altruistic tendencies.

The second perspective is his concern for community expectations. Here it is clear that they expected him to fight for the cause. At first he thought he might do this from within the management hierarchy, where he was indeed instrumental in forming a trade union, but he adopted the attitude that one cannot change the system from within – a belief that has subsequently become a foundation stone of his world-view. There is no doubt, however, that he could have been more instrumental in fighting for the cause by holding on to his management status, than by removing himself totally from the company, which was the unintended outcome of his decision to stay with the union. Since the union (and the cause) was ultimately abandoned, having neither a chairman nor an empathetic manager, this decision, though well intended, can only be regarded as entirely ineffective.

Sibü's cultural heritage plays a role in his decisions. He displays typical concern for the African way – *ubuntu* (a Xhosa term expressing a sense of community and inter-dependency best translated as 'I am because we are'). He might not have chosen the

demotion if he had clearly articulated his super-ordinate goal as being ‘to fight for the cause’ and if he could have foreseen the ultimate outcome of that decision. From a normative perspective, Sibü’s handling of this dilemma, on one hand constrained by cultural expectations and on the other by his own conscience, illustrates a dualistic-ethic, which is influenced by both deontological and virtue-ethical considerations.

The fifth and final example is Cheryl’s⁴ dilemma, which is represented schematically below:

Objective: Be the best funeral company	
X: Make as much money as possible	Y: Not exploit those in mourning
Z: Sell expensive coffins	-Z: Sell cheap coffins

It is part of the culture of black people in South Africa to bury their dead in the most expensive coffin available to them. This opens them to exploitation by funeral companies who might sell them a more expensive coffin than they can actually afford. Black funerals were not Cheryl’s primary market, but she did about two each month at a minimal charge that barely covered her costs. She saw this as a humanitarian gesture, and always suggested the cheapest coffins, just as she did to all her clients.

There are a few interesting aspects to this dilemma. The first is the relationship between the objective and the X and Y conditions. To Cheryl ‘best’ refers to both profitability and reputation, not one at the expense of the other. Secondly, she didn’t see this as a dilemma at all, where she was concerned, but recognized it as a potential industry-wide problem. Thirdly, her stipulation of the Y condition imposed a constraint on the extent to which she was able to achieve her business objective, as she freely admitted: “I am not doing myself a favour, because I lose money. If I had to sell them a fancy coffin, I’d make more money”. Furthermore, she *always* recommended the cheapest coffin, even to people who could afford a more expensive one!

This last point is perplexing. Why would she do that, since she could sell rich people a more expensive one without exploiting them, thereby increasing her business profits? The answer lies in her statement: “Marketing is more important than the business itself”, meaning that she believed the sustainable image and reputation of the business had to take priority over short-term profits. Sternberg (in Megone, 2002: 27) claims, “What business has to maximize is not current period accounting profits but long-term owner value. Unlike short-term profits, owner value necessarily reflects the indirect, distant, and qualitative effects of a business’s actions”. For Cheryl, being the best meant maximizing *long-term* owner value, which explains why she brought together two apparently disparate conditions in her definition of ‘best’. Sternberg continues: “When, therefore, (the goal of a) business is understood as maximizing long-term owner value, it becomes

⁴ Cheryl is a pseudonym

entirely plausible that business performance should be enhanced by ethical conduct” (in Megone, 2002: 27).

So it is evident that Cheryl is indeed a clever marketer. Having perceived a trend among her competitors to exploit the poor by selling them a more expensive coffin than they could afford – a practice she abhorred – she countered with a strategy of her own. Had her response been simply to *not do the same*, the effect would be nothing more than to limit her ability to produce short-term profits; but by extending the principle to all her clients, she advertised loudly and clearly that she was *not in the profiteering game*, thereby further enhancing her reputation for quality, service and trustworthiness.

The question remains, “Why take a stand against profiteering, especially if it is common practice within the industry?” There is only one answer to this and that concerns Cheryl, the person. She runs her business in the same way she lives her life – with enjoyment, integrity, and control – her business is an extension of her life. She lives by virtue, and so must the business. She therefore chooses to limit her profits, not just to be nice to others, but essentially to be true to herself, and to feel good about how she conducts business. With that single act of authenticity she epitomizes *eudaimonia* – flourishing is not a state of existence achieved by short-term benefits, but rather a sustained state of contentment that is achieved by living out one’s personal values.

In relating the implications of an Aristotelian virtue theory for business ethics, Megone (2002: 47) states: “The virtue theorist, especially one committed to the unity of the virtues, like Aristotle, will hold that the key to appropriate action in any area, and thus in business, will be the acquisition and relevant display of all the virtues.” Cheryl refuses to compromise her virtues, even if it could result in higher short-term profits without any adverse long-term effects. She cleverly turns that personal ethic into a competitive business advantage.

Conclusion

These five examples accomplish two things: Firstly they illustrate the use of the Business Ethics Synergy Star (BESS) argument form to define the five constructs that comprise the dilemma - specifically the objective, the X and Y conditions, and the either/or action represented by Z and –Z – and to facilitate its resolution. Secondly, they illuminate the complex nature of ethical dilemmas, and the integral role played by the individual’s personal values and principles.

Kierkegaard (1959), speaking from an existentialistic perspective, suggested that all moral choices be reduced to an either/or. He reasoned that since mankind is involved in an ongoing search for equilibrium, if one neglects to choose while others are choosing, one forfeits certain options in life. Where morality is concerned, one is obligated to make definitive choices, which are facilitated by reducing them to ‘either/or’.

He who would define his life task ethically has ordinarily not so considerable a selection to choose from; on the other hand, the act of

choice has far more importance for him... it is not so much a question of choosing the right as of the energy, the earnestness, the pathos with which one chooses. (Kierkegaard, 1959: 171)

His point is that the question is not so much, “What is right?” as “How committed is one to following through on this decision!” Indeed, existentialism – an extreme form of subjectivism - asserts that a decision is right for one by virtue of the fact that one chooses it. That perspective is relevant to those who search for collaborative solutions while maintaining a strong concern for their own credibility. Those who recognize the power of moral choices and the great responsibility that rests with the chooser sufficiently to delay their decisions until they are sure, will appreciate the opportunity to do so offered by the use of the ***Business Ethics Synergy Star (BESS)***.

Parts two and three of this paper demonstrate how the ***Business Ethics Synergy Star (BESS)*** is an effective way of expressing any dilemma and proceeding to ‘tease out’ its essential ethical component(s) by making it (them) explicit, which subsequently facilitates the selection of an appropriate solution. The ***Business Ethics Synergy Star (BESS)*** may be employed as a standard way of expressing any dilemma, where both a business (X) condition and an ethical (Y) condition must be addressed (in line with a particular objective) yet they imply opposing acts (labeled Z and –Z respectively). Initially, users of the ***Business Ethics Synergy Star (BESS)*** technique will find it useful to write up each construct in tabular form (as per each of the five examples), thereby allowing them to verify of the logic underlying each conditional relationship. The technique may be mastered very quickly and thereafter it can be applied mentally and ultimately intuitively.

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