

An Analysis of Value-oriented Linkages between Professions and Business

Dr. Kumar Neeraj Sachdev

Associate Professor

Department of Humanities and Social Sciences

Birla Institute of Technology & Sciences

(BITS) Pilani Campus, Pilani

Rajasthan, India.

Abstract

It is widely believed that ethical obligation in professions is owed to clients or community but in business such an ethical obligation is owed to stockholders, who are the investors. The apparent conflict in the nature of ethical obligation is clear but it is also true that both profession and business cannot be separated as for instance professions such as engineering and journalism are businesses or today even many educational institutions and medical facilities are operating as businesses. It appears to be ethically important then to examine the conflict in the nature of ethical obligation as such and to clarify the nature of possible resolution in the light of value-oriented and revised view of business. In this regard, I present an analysis of value-oriented perspective of professions and business with the help of outlining the philosophical nature and practical applications of ethics and go on to propose and examine certain reasons to spell out the revised nature of business for value-oriented linkages between professions and business.

Keywords

Ethical Obligations, Professions, Business, Value-oriented Conduct

1. Introduction

I begin my analysis of value-oriented linkages between professions and business with certain ideas associated with the philosophical nature and practical applications of ethics especially professional ethics. I go on to propose and examine certain reasons to spell out the revised nature of business that is to be based upon an adoption of a holistic stakeholders' approach towards the well being of every part of planet earth as such to overcome the conflict between the ethical obligations in professions and business.

2. Understanding Ethics and Ethical Frameworks

Ethics is the study of moral conduct for living a good human life though in the contemporary times it also means living in accordance with a set of rules, based sometimes upon fundamental principles of conduct such as maximization of happiness, universalizability of principle of action and respect for persons. The study of good human life in this order encompasses the study of the nature of moral values and virtues on the one hand and the right or rule-following conduct on the other. It is understandable that such a study is a comprehensive study as it appears in the form of many frameworks of ethics that the ethicists have proposed and developed over a long period of time and justifiably the process is still on.

The framework of ethics is a mechanism to assess whether a particular action, rule, or a way of life is ethically justified and thereby helps a person to sharpen his moral vision to determine whether a rule or an action is ethically right or wrong (Rowan and Zinaich, pp. 1-10). Since many thinkers have provided and updated varied frameworks in course of time, it is an arduous task to enlist all frameworks. The development of ethics in the Indian context is parallel to the development of metaphysical, social and political issues. We may accordingly refer to Ethics in Vedanta, Bhagavad-Gita, Yoga, Buddhism, and Jainism or even Ramayana and Manusmriti but one has to work really hard to capture the framework of ethics in the texts pertaining to these schools of thought or epics as they appear to be enveloped in other issues such as religious, metaphysical, or political.

Comparatively, the proposal or a study of a framework of ethics is direct in the west. There is a long tradition of ethics in the west right from Socrates to Bernard Williams. For brevity sake I may mention Consequentialism and Non-Consequentialism as two general categories of schools of ethics. The former, in assessing the ethical status of an action or rule, instructs us to focus on the consequence of that action or rule. The latter, on the contrary, asks us to do exactly the opposite that is to ignore the consequence and focus instead on motivation at the root of action or rule. More specifically, in case of Utilitarianism we may be asked to focus on maximization of overall happiness of maximum number of people and in case of Kantian theory motive of duty of a rational person to respect the moral law to act morally. However, apart from these modern strands there is a framework of theory namely Virtue

theory that is based upon the analysis of virtues or issues related to virtue based character.

The Greek philosopher, Aristotle, proposes the most influential theory of virtue and that is still being noticed in the contemporary academic circles. For it is generally agreed that Aristotle's *Nicomachean Ethics* provides the requisite insights for the contemporary virtue ethics. The classical or traditional standpoint is based on the importance of the notion of good character and its claim that the virtuous life is identical with the good life. It presents a rational account of the good human life. That the function of a human being, unlike other beings, is to be rational – the ability to use one's reason to judge, decide and act accordingly, which is the enabling features of humans to live the highest form of life, the good life – and the exercise of this function generates happiness. For Greeks in general and Aristotle in particular, the attainment of the good life is the *telos* or purpose of human existence. It is *eudaimonia*, which is usually translated as 'happiness' or 'human flourishing.' However, happiness or human flourishing is not subjective feeling or satisfaction. Rather, it is an objective achievement.

Virtue theory, thus, is an emphasis on the kind of person an agent ought to be. An "agent-based" focus on what one ought to be would look carefully at a person's character, including, in particular whether a person's character exhibits virtue or vice that is identified on the basis of his display of good habit or bad habit as shown in the pattern of his conduct. However, we cannot assess the character of a human being by observing his one or two actions in isolated situations. We have to assess at least a fairly long span of life of that person so that we may make out what are his good or bad habits.

Be that as it may, ethics is a concern for good life enriched as it may be with philosophical reflections on the nature and justification of fundamental principles of conduct or the exposition of virtues or character traits. Accordingly the focus of reflection in ethics may either be on "what ought I to do (in a particular moral situation)" or on "how should I live" (a good human life).

3. Delineating Applications of Ethics

We may note, however, that ethics is a practical science but still in recent times it is linked to specific human activities. The link takes into account the application of values and principles to specific human activities in

order to obtain the standards of behavior that as to how human beings ought to act in many situations in which they find themselves as children, parents, teachers, friends, citizens, professionals, etc. The process of applying ethics helps because one learns to appreciate the relevance of values and principles in the ethical analysis of a situation. For example, it is good to learn to treat a patient but it is equally good to learn to appreciate a patient's autonomy with regard to abortion. Or else, it is good to comprehend efficient allocation of resources in business decision making but it is equally good to know one's obligation to acknowledge environmental and social responsibility or rights of stakeholders such as employee rights or rights of local community. In a similar vein, an awareness of ethical issues – as they are put forward in the study of business ethics, which is an example of applied ethics - such as equal opportunity to work, non-discrimination, occupational health, or safety may help in the way of ethical analysis of a situation.

The examples of applied ethics are: medical ethics, environmental ethics, business ethics, computer ethics, bio-ethics, professional ethics and so on. Professional ethics is an attempt to think logically and reflectively about ethical issues in a profession and to arrive at conclusions that are supported by morally justifiable reasons. Ethical issues, for example, employer-employee relation, whistle blowing, discrimination, unjust dismissal, internet and society, women and family issues, occupational health and safety are discussed as a subject matter of Professional Ethics.

4. Comprehending the Concept of Profession in Professional Ethics

The concept of profession in Professional Ethics holds important implications in the understanding of issues mentioned above. It is a well established observation that every profession is a job but every job cannot be a profession. The reason lies in the definition of profession itself: 'A profession is a regulated practical application of acquired knowledge in a formal setup for the benefit of mankind including the practitioner himself.' The definition conveys the requisite elements of practicing a profession, for example, extensive training that has predominant intellectual component and a spirit of service to the mankind. There are other elements, secondary though they may appear to be, such as credentialing, organization of members and autonomy of the professional in his or her work (Rowan and Zinaich, pp. 56-62). The presence of such

elements makes a profession different from a mere job of a barber, for instance. Correspondingly, the understanding and reflection of good human life makes sense in every sphere of life but a profession calls for a special sense of duty and a set of obligations that assume a level of overriding character. In a situation of a conflict, for example, between an obligation to a friend and an obligation to a customer in one's profession of engineering obviously demands a moral weight-age for the latter. It implies that we humans happen to play many given or adopted roles but the role of a professional has to have an edge over other roles be that of a friend or a room-mate or a brother.

Since Professional Ethics is a form of applied ethics, it makes sense to maintain that the issues of Professional Ethics assume their relevance and meaning in a context. Such a context can only be found in a certain assumed or given case. Consider the following case pertaining to employer-employee relation:

Jennifer had high hopes when she graduated from college with an engineering degree. During her last year in college, several companies interviewed her, and she in fact received several job offers. The company she chose recruited her heavily. They made many promises to her and offered a nice benefit package. Unfortunately, the reality of her working environment did not match the glowing picture the company had painted. Within the first year of her employment, Jennifer found herself embroiled in a fight with her colleagues. Her company was indicted as part of a lawsuit for a defective product. Management was taking most of the heat; however, Jennifer knew that the proper blame belonged to the engineers who knew ahead of time that there was a reasonable chance of product failure. When she brought this up in conversations, she was often faced with defiant attitudes: instead of camaraderie, coldness; instead of objectivity, aloofness; instead of caring, selfishness. Worst of all, instead of institutional support, she found fear and suspicion, Jennifer spent one year at her job before she found another place of employment, one that was more in line with her values and engineering ideals (Rowan and Zinaich, p. 238).

The question is whether Jennifer had a choice to stay back or she did the right thing to leave her job and join another place of employment? The answer appears to be that she had made the right choice. She made attempts to rectify the situation but she had to face coldness, aloofness and selfishness of her colleagues and at institutional level she found fear and suspicion. She did everything possible in the first year but she did not succeed. In other words, she did blow the whistle internally but since that didn't work, she preferred to leave the place as it is. The next level

of ethically correct course of action pertains to be external whistle blowing. This means that she could report the immoral and illegal act to an appropriate agency. She was morally required to act for the sake of clients and community. She did try and definitely she was a better professional than her colleagues but as a virtuous engineer who nurtures integrity that is consistency in values such as courage, justice, impartiality and fairness, she was expected to do more. The first level appears to be good but convenient and suitable for securing self-interest albeit at the cost of moral interest. And the second level emphasizes the need to fulfill an obligation to be a virtuous professional fully at compliance with the moral interest. It may also be mentioned that self interest and moral interest appear to clash with each other but in real terms they complement each other. Rowan and Zinaich maintain that “Developing the habit of doing the right thing benefits you personally, it benefits you professionally, and it benefits your company or organization. Professionals who internalize ethical ways of thinking become, over the long run, recognized by their bosses, employees, customers, and coworkers as people who can be trusted, and developing a sense of trust with these groups is crucial for professional success (p. 10).”

However, on the same page, the authors inform us that acting ethically is considered to be beneficial is not the reason to act ethically. On a higher philosophical note, we are told that, acting ethically is important not because it brings about benefits but for its own sake. And the reference to benefits merely establishes the fact that self-interest, company’s interest and moral interest, far from being exclusive are complementary. This claim may also be extended to the sphere of business as we shall examine the claim in business in the following sequence of ideas.

5. Analyzing Conflict in Ethical Obligations in Professions and Business

Business is an activity of making, buying, selling or supplying goods or services (for money). It is commonly understood from the nature of activity that the ethical obligation in business is owed to stockholders who are the investors. Profession, on the other hand, is an application of specialized knowledge in a formal setup for the well being of clients or community. And correspondingly the ethical obligation in profession naturally is owed to clients or community. The apparent conflict in the

nature of ethical obligation is obvious in many issues: employer-employee relations, safety, pricing, product quality or environment. Or else such a conflict can also come in the way of a whistle blower as an ethical dilemma.

A case may be considered here to clarify the nature of ethical obligation in business:

Jim sells stereo equipment, and he is good at it. He prides himself in his technical knowledge of stereos and also in his good reputation. Selling the right equipment to meet the needs of his customers is important to him. Sometimes, Jim feels guilty when he sells a product he knows has certain flaws or problems or is just inferior. Nevertheless, he bites his lip and lets the customer decide, refraining from sharing his knowledge about the problems. He is required by his supervisor to do this. Initially, he brought this point up at a sales meeting. His supervisor responded by pointing out that it is permissible to withhold this kind of information because anyone can find out which product has problems by reading Consumer Reports. Jim understands this point, but it leaves a bitter taste in his mouth (Rowan and Zinaich, p. 198).

The detail of the case mentioned above makes it clear that the ethical obligation in business is owed to stockholders or investors. Jim as a professional is living in a state of moral dilemma whether he should help the customer in accordance with his abilities or he should keep quiet as 'required by his supervisor.' He is helpful to customers but to certain limited extent. He is bound by the common dictates of business that sale of products is important, which can generate profits. Further, investors or stockholders constitute an important group. In fact, this group is more important than other groups such as employees or customers. With the result, a business runs only if profit is generated and investors are kept in good humor. In fact, such dictates speak about stockholders' view. Boatright contends, "...in the standard stockholder view, business is primarily an economic activity in which economic resources are marshaled for the purpose of making a profit. Employees are critical to this enterprise as a source of labor, but they are merely one input that can be bought in the market. Customers are also critical, and they receive the output of a corporation's activity, namely, some good or service (p. 395)."

6. Proposing a Conflict Resolution in Ethical Obligations in Professions and Business

However, with the change in public perception and growing consumer awareness, people in and outside business have started feeling the need for a more comprehensive ethical obligation in business as such. The meaning of comprehensive ethical obligation lies in the approach in the conduct of business. The approach pertains to stakeholders' approach in place of stockholders' approach. Boatright informs, "A stakeholder is variously defined as those groups who are vital to the survival and success of the corporation and as any group or individual who can affect or is affected by the achievement of the organization's objectives (p. 395)." Every stakeholder group has something at stake such as 'stockholders have investments, employees have their jobs and livelihoods, and suppliers have continued business relationship with the company and so on and so forth (Rowan and Zinaich, p. 166).' All stakeholder groups investors, customers, employees, suppliers, local community, government agencies – in the view are given equal importance.

Looking at the case from the perspective of this view, Jim is not left in a state of dilemma. He doesn't experience bitter taste in his mouth every now and then. Instead, he is given freedom of expression and in turn he freely helps the customers. He acts like a virtuous professional in the role of a salesman. He cultivates and practices the virtues of honesty and competence.

A suggestion may be put forward to enlarge the above mentioned stakeholders' approach to include not only various groups within human community but other living beings and environment as well. Since the claim that various human groups have stakes in the survival or success of business we may consider extending such a stake to other living beings and environment especially clean water and fresh air. The reference to these will ensure the well being of humans and planet earth as such in the conduct of business. Correspondingly, this may enable businessmen and professionals to adopt a holistic approach towards the planet earth itself and thereby live virtuous lives in harmony with the whole existence. In this case, an ethical imperative ought to operate in the lives of businessmen and professionals: business cannot be conducted ethically

in isolation of a society or planet earth itself. It has to be conducted in a society and on planet earth.

7. Concluding Remarks

Therefore, the revised view of business as embedded in stakeholders' approach entertains comprehensive ethical obligation as it is owed to every member of human community including investors, employees, customers, members of local community and other sorts of people. And on a broad plane, the ethical obligation in business may extend to the well being of planet earth itself. Such an ethical obligation goes straight in the proximity of ethical obligation in profession that is owed to clients and community. In fact, both profession and business find their meeting ground in the ethical obligation developed as a result of the revised view of business. And whether it is a virtuous or slightly less than virtuous act of Jennifer or Jim, the two professionals in their respective fields, we can find a similarity in the two cases. They strive to be virtuous in their acts at their respective work places but owing to stockholders' approaches in their organizations they find themselves helpless and consequently they move away from their ethically correct roles. And with the change in the view of doing business that is an adoption of a holistic stakeholders' approach towards the well being of every part of planet earth may resolve the conflicts in both cases.

References

1. Aristotle, *Nicomachean Ethics*, Translated by J.A.K. Thomson, Penguin Books, 1976
2. Boatright, John R., *Ethics and the Conduct of Business*, Pearson Education, Inc., Fourth edition, Indian Reprint, 2003
3. Hartman, Laura P., *Perspectives in Business Ethics*, New Delhi, India: Tata McGraw-Hill Publishing Company Limited, 2003
4. Hursthouse, Rosalind, "Virtue Ethics", *The Stanford Encyclopedia of Philosophy (Spring 2009 Edition)*, Edward N. Zalta (ed.), URL = <<http://plato.stanford.edu/archives/spr2009/entries/ethics-virtue/>>.
5. Kant, Immanuel, *Groundwork of the Metaphysics of Morals*, Translation and Commentary by H.J. Paton, published as *The Moral Law*, London: Hutchinson University Press, 1948

6. Mill, J.S., *Utilitarianism and Other Writings*, Edited by Mary Warnock, Glasgow: Collins, 1962
7. Norman, Richard, *The Moral Philosophers: An Introduction to Ethics*, Oxford: Oxford University Press, Second Edition, 1998
8. Pincoffs, Edmund L., *Quandaries and Virtues: Against Reductivism in Ethics*, Lawrence, Kansas: University Press of Kansas, 1986
9. Rowan, John, and Zinaich, Jr., Samuel, *Ethics for the Professions*, Belmont, CA, and USA: Wadsworth, 2003.
10. Sachdev, Kumar Neeraj, *Ethics: A Virtue Theoretic Approach*, Delhi: Adhyayan Publishers & Distributors, 2005
11. Sekhar, R.C., *Ethical Choices in Business*, Response Books, Sage Publications, 1997
12. Singer, Peter (Ed.), *A Companion to Ethics*. Oxford, UK: Blackwell Publishers, 1993
13. Velasquez, Manuel G., *Business Ethics: Concepts and Cases*, Pearson Education, Inc., Sixth Edition, 2006
14. Urmson, J. O., *Aristotle's Ethics*, Oxford: Basil Blackwell, 1988