

LIS 550 - ASSIGNMENT 1

ETHICS

Gabor Por - October 17, 2007 – <http://pgabor.com>

The utilitarian company

Boeing, just like most publicly traded company, follows the utilitarian school of thought, suggesting that their primary function is to maximize profits. They believe that they have to serve their stockholders. However they widened this basic responsibility to a larger group of stakeholders. For example, they define "global corporate citizenship" as "the work Boeing does in their diverse communities to improve our world."

(<http://www.boeing.com/companyoffices/aboutus/community/index.html>)

One of the main assets of the company is its reputation. The trust they have built in the stakeholders' (and in society's) eyes is an important resource they do not want to waste. Employees are supposed to "not ... cause embarrassment to the company." The consequence of causing embarrassment might be a devaluation of the company's reputation, which might lead a decrease in sales. In modern capitalism a company is considered successful only when it grows. Therefore even a decline in the speed of growth could be perceived as failure. The connection between the potential decline and the embarrassment is that some of Boeing clients might consider the kind of embarrassment that Mr. Stonecipher cause a reason to look at Boeing competitors for future purchases.

I want to make clear that Boeing was not interested in Mr. Stonecipher's action as long as they did not have any effect on the company. As the economist article says, "having an affair with a fellow employee is not, of itself, against company rules." A cynical voice in me would say that if it makes the employees happy, they might work better, so the company would be probably willing to encourage it.

From a utilitarian point of view, if there are no other negative consequences of a workplace affair it could be even beneficial.

The real problem for the company was that the couple documented their affair with emails. Those, leaked to the press could have harmed the company, could have negative effects. Therefore the board, as a preemptive action, forced Mr. Stonecipher to resign. This way they sought to minimize the negative effects. By being proactive the board showed that it cared for the company's image than the leadership of Mr. Stonecipher. The board must have gone through a form of cost/benefit analysis and decided that the company was better off letting him go. Not being on the board I do not know exactly what they considered during the analysis. Nevertheless I can hypothesize, that on one hand they appreciated Mr. Stonecipher's work. After all he was called back from retirement for a reason. On the other hand, however, the potential of documents of his conduct becoming public were too much of a risk. Particularly in the light of the fact that he was brought back "to raise the company's ethical standards." Ironically his action ended up doing exactly the opposite. If my assumptions correct that would show that Boeing practices rule-based utilitarianism. They laid down the rules of conduct ("no embarrassment"). In our case the rule was broken and that had to bring its consequences.

Boeing operates in a highly competitive market. In order to produce profit--in a way that contributes to other stakeholders besides stockholders--they have to create a lean and reliable organization. Lean in term of the number of people they employ and reliable in terms of people who--besides working honestly--can be also counted as not to cause embarrassment, for the above mentioned reason. Mr. Stonecipher did not stand this test and therefore from the company's utilitarian perspective to fire him was the right thing to do.

The deontological manager

One of key dilemmas is whether Mr. Stonecipher deceived somebody; if yes, who was deceived, and whether deception is morally right or wrong. The problem with deception, from a deontological

point of view, is that it cannot be a universal rule. The key point of deontological theories is that if a rule can be applied to everyone, it is ethical. However, if everybody would be allowed to lie any time it would be impossible to differentiate between lies and true statements. Deontological theories are more interested in the acts themselves than in the consequences but a world in constant and extended ambiguity could not exist for long in harmony. Ultimately, this framework is interested in creating a universal set of rules that could be applied by and to rational human beings and not that would result in its decline. Therefore deception is not ethical in this framework.

Thus, the question is whether he deceived anybody. We know that he was married, but we do not know the circumstances. For example, if he was going through divorce or if lived in an open marriage then we can say that he did not necessarily deceive his wife. However assuming none of the above circumstances stand we can say that he lied to his wife, and he acted in an unethical way. I believe, however, the consequences in this context should be worked out between them. For example, his deception could be grounds for divorce if she decides to go down that path.

Another stakeholder of the story is the Boeing employee with whom he had the affair. Again, we know very little about the details. What the article does tell us is that his lover did not report directly to him at work. This suggested that he probably did not deceive her. Otherwise one could think that she was compelled by some kind of hope to gain higher position or pay increase. If he did not promise any of the above; if he did not hide that he was married; and if he did not make any promise he did not intend to keep (e.g. divorcing his wife for his lover's sake) then ethically we cannot say he deceived her.

If we look at their relationship as two adults' consensual partnership (and take aside the issue that he was married) there nothing wrong ethically with their relationship. However, I made a number of assumptions that cannot be taken for granted. For example, we can be sure that power did play some role in their relationship, despite her not being his direct report. Their different position in the hierarchy of a large corporation (and possible different level of income and wealth) surely influenced their dynamics. The question our ethical board could raise is whether and to what extent did they act out of

free will, and how power positions influenced their actions. As long as they both treated each other as people, as ends themselves and not as means to some other end, we can say that they acted ethically.

Finally we have to look at whether the Boeing manager deceived his employers and the company. He most likely did. I have to assume that the affair was conducted in some secrecy and the email exchange was not intended to be shared with anybody. Therefore we can conclude that he acted unethically to the company.

Society's social contract

Mr. Stonecipher reached a high enough position to learn that life can be viewed as a constant renegotiation of contracts. Without some mutually binding agreements everybody could do whatever they would want to, including actions that would harm each other. To prevent this most members of society agreed to follow rules. The collection of these rules is the social contracts which we live by.

These contracts change from culture to culture, even from subculture to subculture. However, the mainstream American culture includes monogamy within a marital relationship. Mr. Stonecipher broke this contract and acted unethically. Whether he said in his marriage vows, which could be considered an oral contract that he would be faithful does not matter; it is implied. If contracts are just a means to an end, to benefit the whole of the society, then he caused harm by violating it.

Reciprocity is a major concept within this framework. Rational people agree to live by the social contracts, on the conditions that others follow them too. If cheating on one's wife would be the acceptable norm within our society Mr. Stonecipher does not have to be reprimanded. But he lived in a culture where these actions are considered immoral.

Furthermore he had extra obligations as a high ranking professional; and was hired to be an ethical model for the company. By betraying the trust bestowed upon him, he not only broke the contract with his company, but also broke the implicit social contract with the general society. He no longer could be looked upon as the role model he was supposed to be.

If he belonged to a professional organization that had a code of ethics he probably broke that too. For example, the third principle of the Code of Ethics of the Association for Computing Machinery" is to "Be Honest and Trustworthy." While he probably did not belong to this particular association, most professional organizations' credo employ similar concepts, even if they use different phrasing. He also broke Boeing's written rule against causing an embarrassment. Taken together, the various explicit and implicit code of conducts--agreements between organizations/groups and individuals--he defied what can be considered the elements of the social contract. No matter how we look at it, he acted unethically according to this perspective.