

# Public v. Private Morality

1. Objectives
2. Administrivia
3. Public v. Private morality

Objectives:

By the end of this lecture you should be able to:

1. Distinguish between public and private morality
2. Articulate the need to negotiate ethical disputes

# July 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	29	30	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
	20	21	22	23	24	25
26	27	28			31	

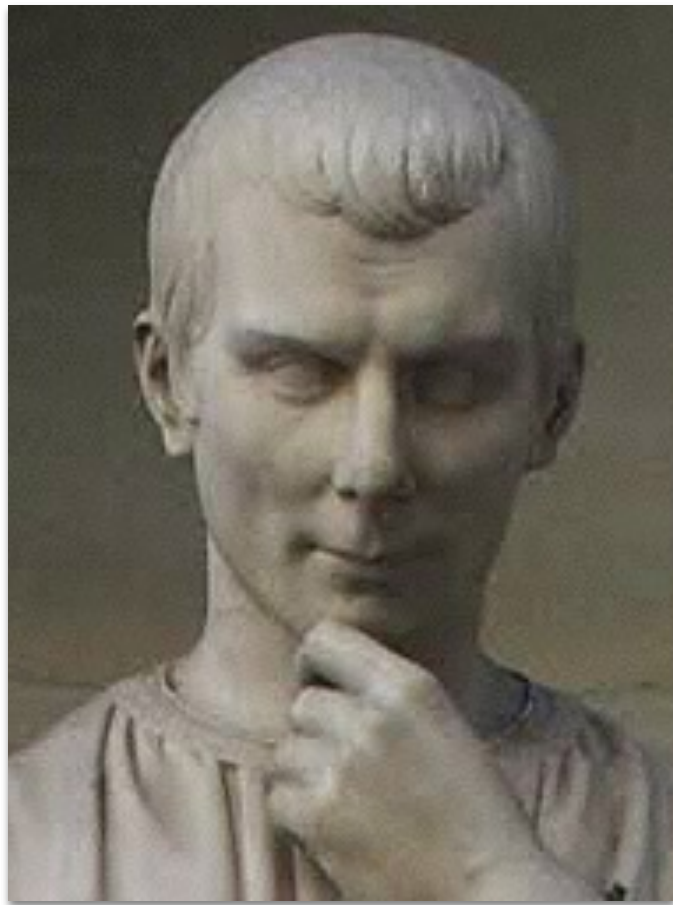
My  
Feedback...

Capstone  
Paper Due

Last Lecture

Anything Else? Anyone?





Machiavelli (1469-1527)

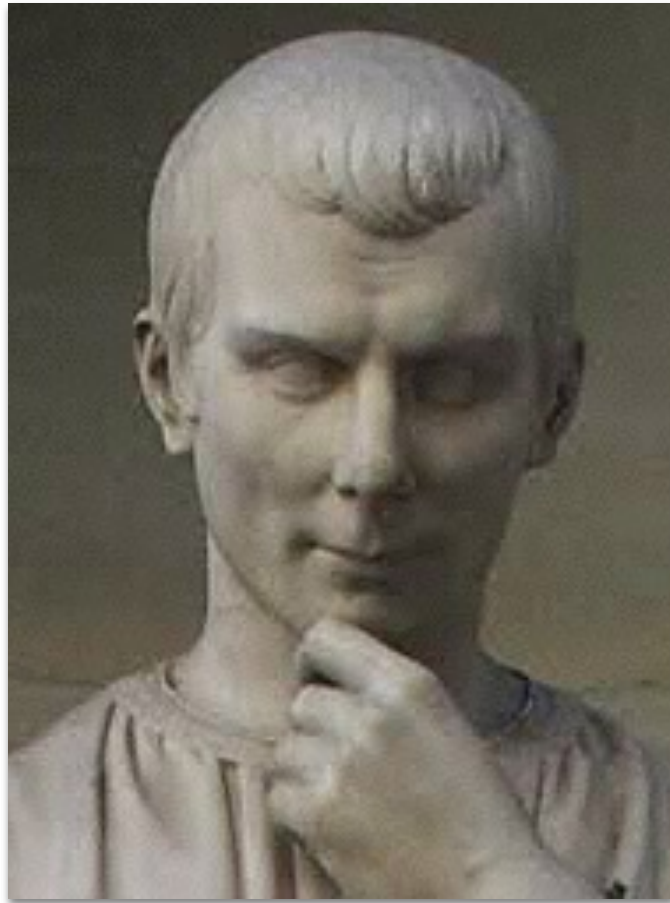
“

There is such a gap between how one lives and how one ought to live that anyone who abandons what is done for what ought to be done learns his ruin rather than his preservation...

- Machiavelli, *The Prince*, Chapter 15.

”

“



Machiavelli (1469-1527)

...for a man who wishes to make a vocation of being good at all times will come to ruin among so many who are not good.

- Machiavelli, *The Prince*, Chapter 15.

”



Albert Carr

“

...within the accepted rules of the business game, no moral culpability attaches to it.

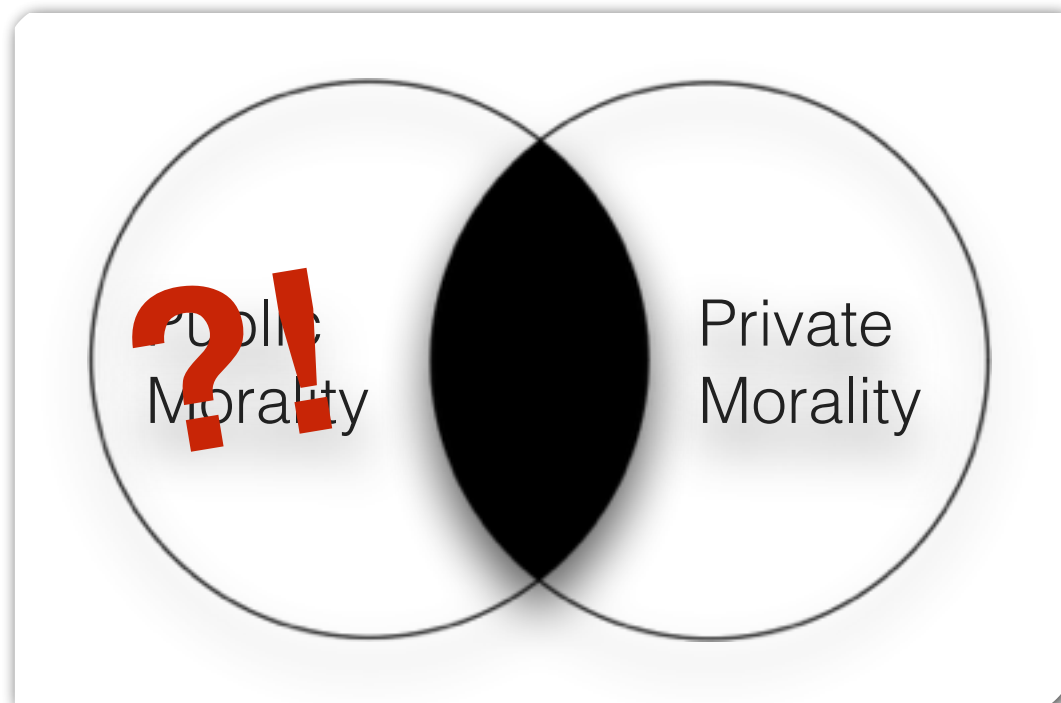
- Albert Carr (in *Business Ethics Canadian Edition*, 49)

”



Business is just like poker!





For the likes of Machiavelli and Carr, there is a distinction between Public and Private morality...



For the likes of Machiavelli and Carr, it is not in your self interest to act morally in the public sphere




“It depends on which races you want to win. The Tour de France? Impossible without dope.”

- Lance Armstrong

## Dope anyone?

		P2	
		Race Clean	Dope
You	(A) Race Clean	4 , 4	0 , 5
	(B) Dope	5 , 0	1 , 1



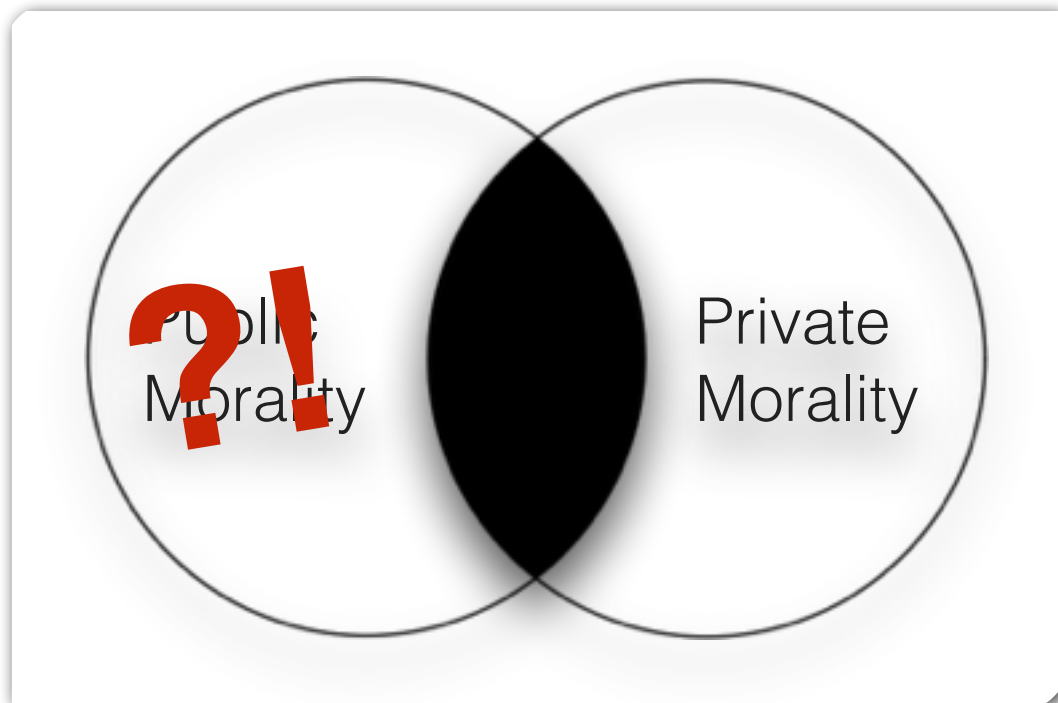
## Preference Ordering

5 First Place!

4 Podium but clean

1 Podium but with dope

0 Looooooser!



For Carr: Ethics doesn't enter into the equation. The only thing that matters is legality and profitability



		P2	
		Be Honest	Deceive
You	(A) Be honest	4 , 4	0 , 5
	(B) Deceive	5 , 0	1 , 1

## Preference Ordering

5 Big Profit Margins

4 Slim Profit Margins

1 Junk Product

0 The Chump



1. To what extent can we allow our personal beliefs to influence the decisions we make at work?
2. What do we do when our values conflict with the values of our workplace?



Private Morality

The moral requirements and considerations present in your personal affairs



Public Morality

The moral requirements and considerations present when you act as an agent



Agent

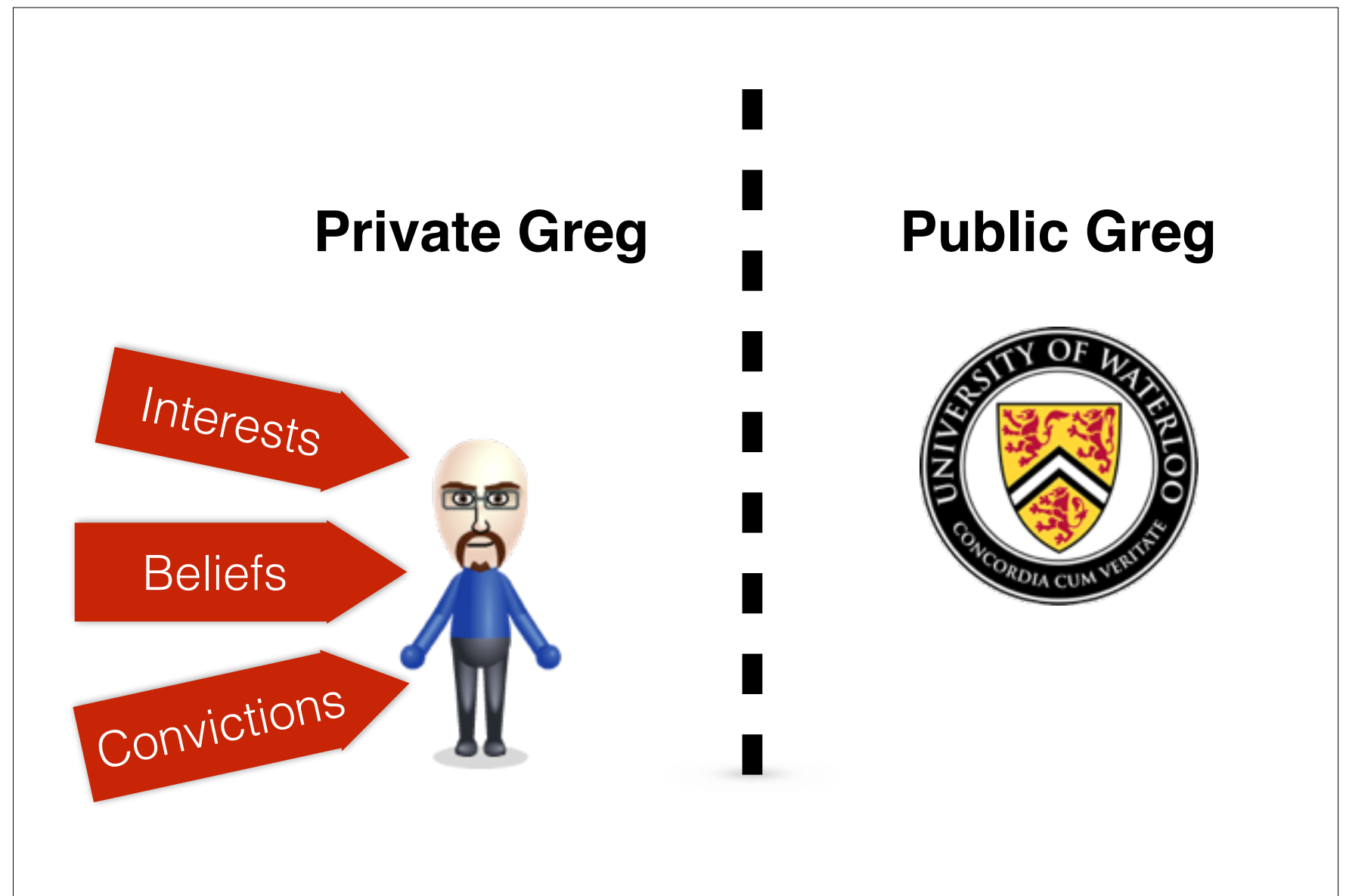
Someone who acts on behalf of someone else's interests



When are you acting on behalf of someone else's interests?

When you have been given authority.

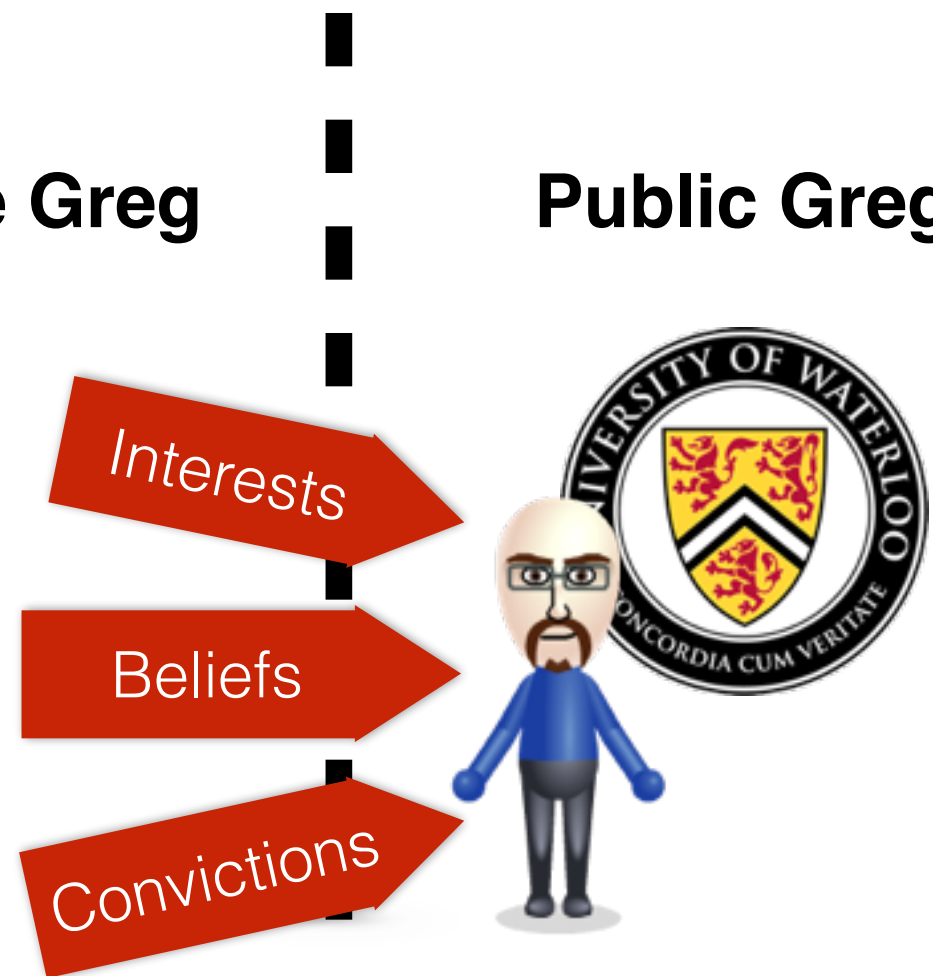
I have interests,  
beliefs, and  
convictions...



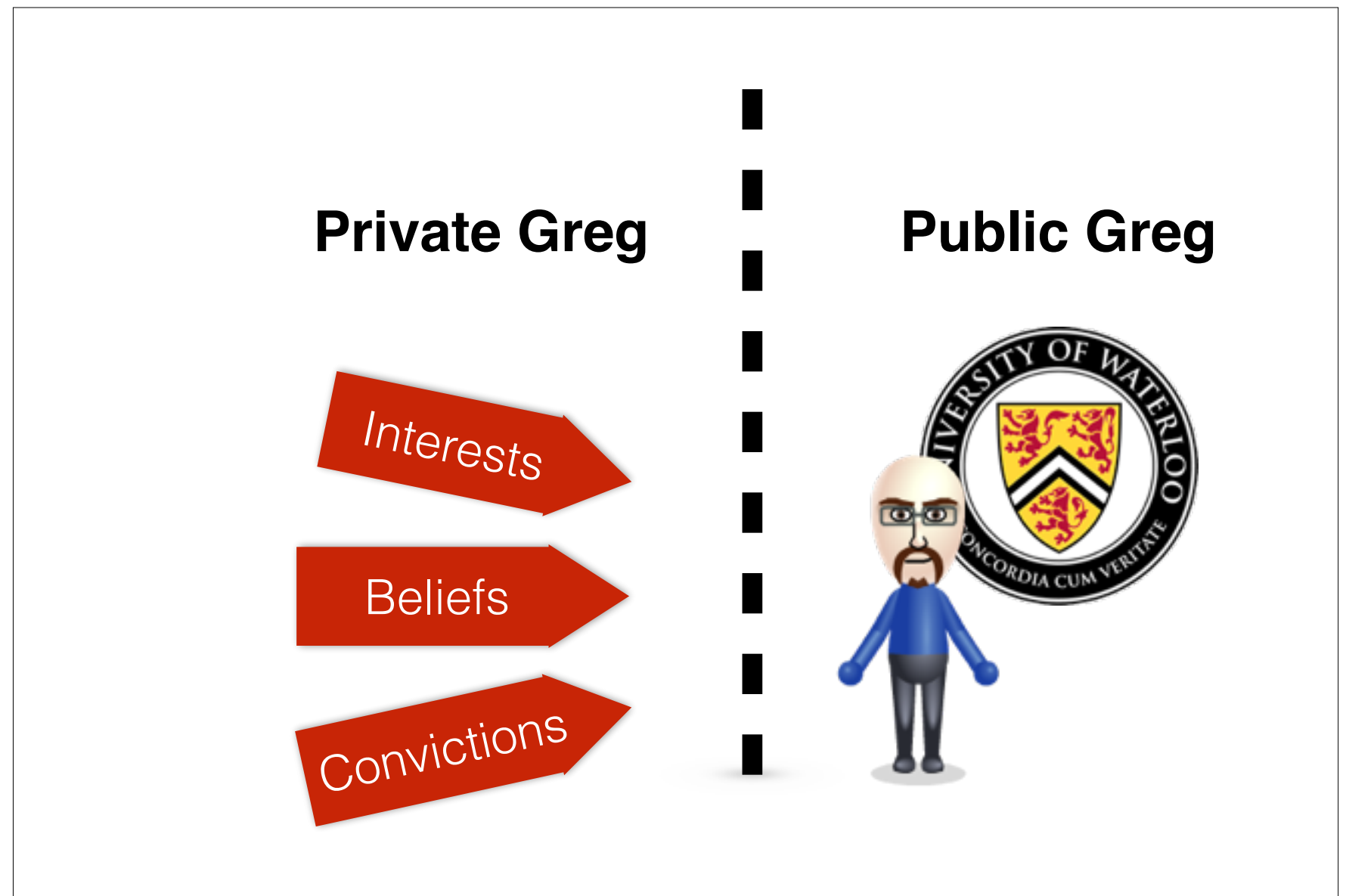
Can I bring these with me when I act on behalf of the University?

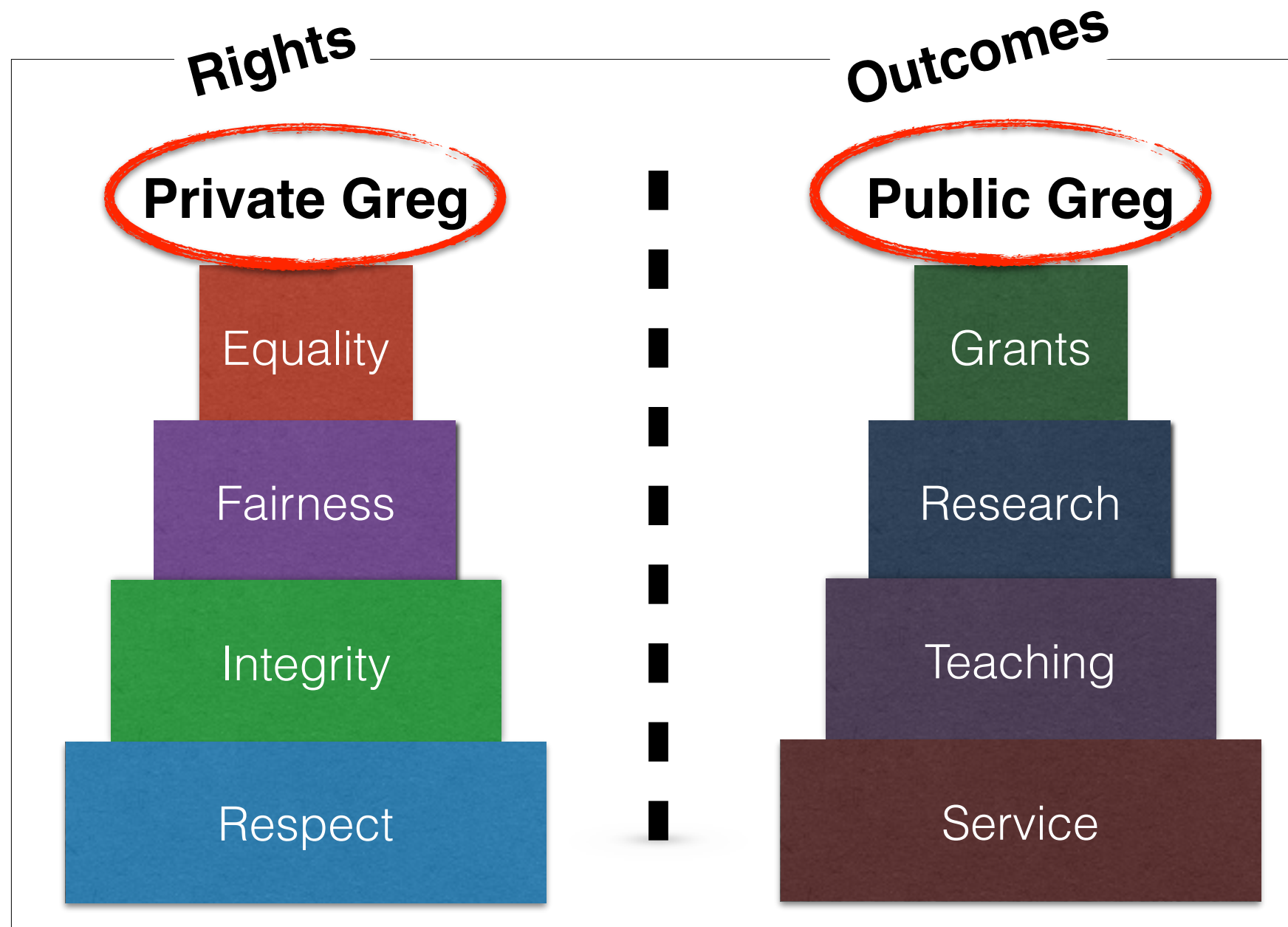
**Private Greg**

**Public Greg**

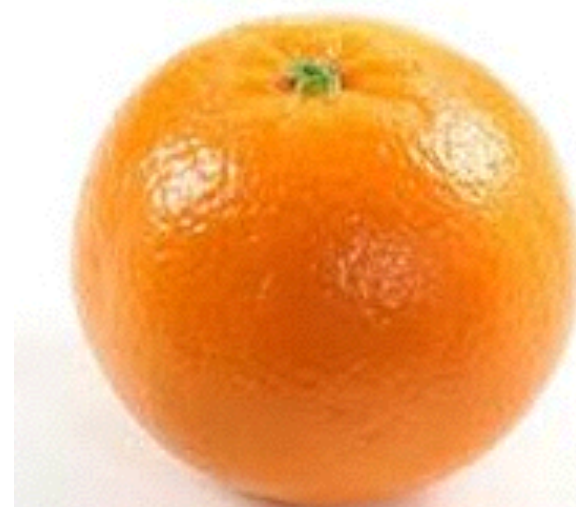


Or must I leave them at the proverbial door when I step into my public role?







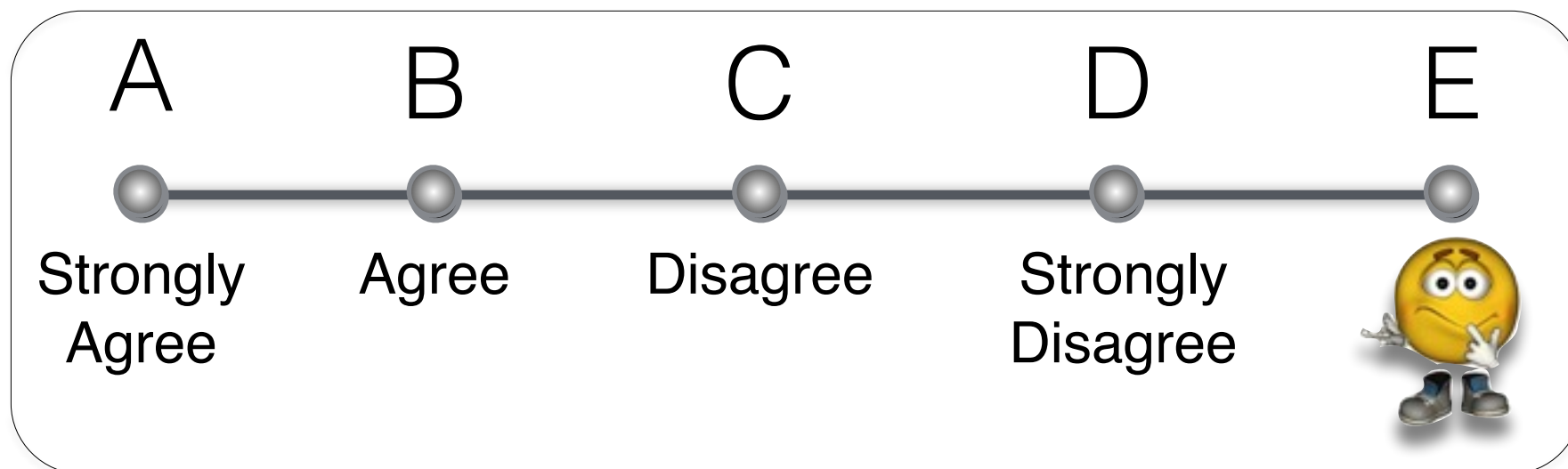
**Rights****Private Greg****Outcomes****Public Greg**



# Poll

## Claim

Outcomes are the only thing that matter. It doesn't matter how you got there



## Business Corporations Act

R.S.O. 1990, CHAPTER B.16

**Consolidation Period:** From December 31, 2011 to the [e-Laws currency date](#).

Last amendment: See Table of Public Statute Provisions Repealed Under Section 10.1 of the *Legislation Act, 2006* – December 31, 2011.

### Standards of care, etc., of directors, etc.

**134. (1)** Every director and officer of a corporation in exercising his or her powers and discharging his or her duties to the corporation shall,

- (a) act honestly and in good faith with a view to the best interests of the corporation; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

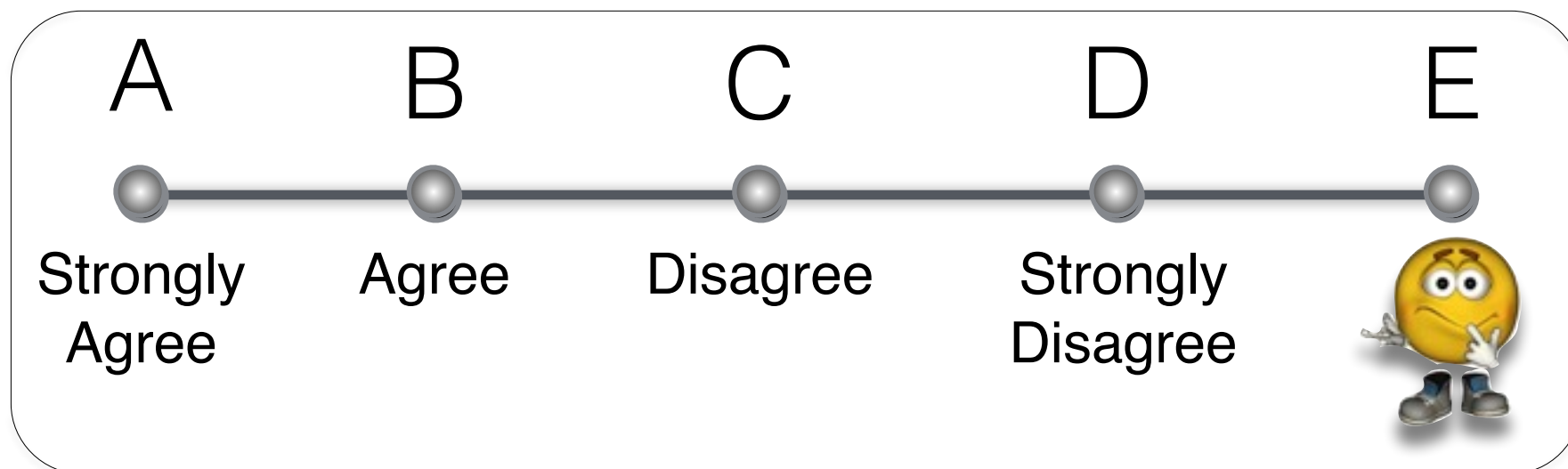
R.S.O. 1990, c. B.16, s. 134 (1); 2006, c. 34, Sched. B, s. 24.



# Poll

## Claim

Sometimes you need to lie and bend the rules in order to guarantee future success





1. To what extent can we allow our personal beliefs to influence the decisions we make at work?
2. What do we do when our values conflict with the values of our workplace?

Bob is the CEO of a tech start-up. He has plans to grow the business fast. But his company isn't making money. He knows he won't attract investors unless he has an attractive revenue stream. He figures he can make potential investors a lot of money in the future.

Bob figures that with the right accountants, and by hiring the right external auditors, he can make it look like his company is bringing in a lot of revenue. This will persuade investors that he is the next big thing, which will create enough momentum for his company to actually start generating revenue...and eventually a profit.

If Bob does nothing, his start-up will flop. What *should* he do?

- 1) What are the ethical issues?
- 2) What values are in conflict?
- 3) What are the alternatives?
- 4) Compare values and alternatives.
- 5) What would you do?

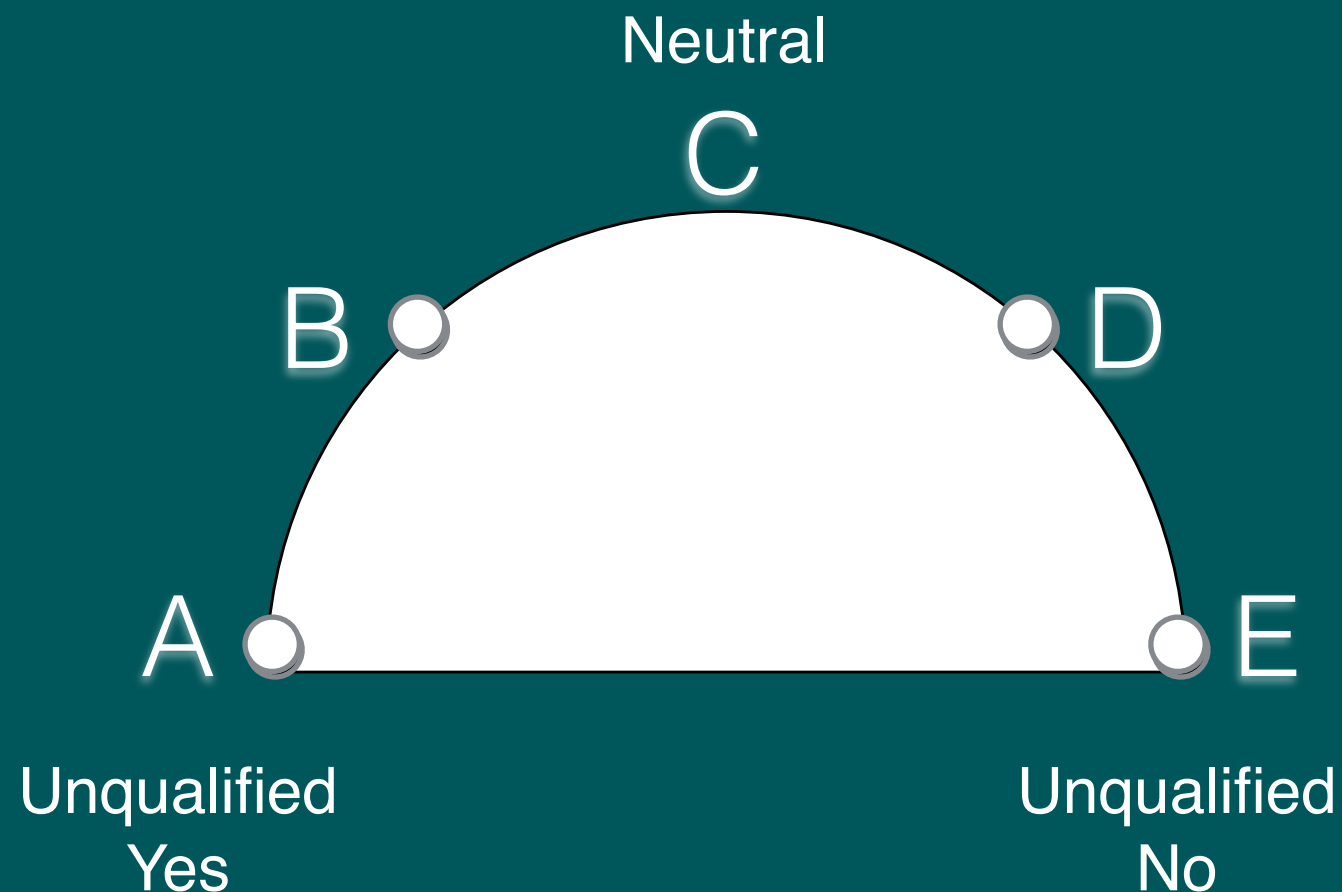




# Poll

## Question

Is it okay to fudge the numbers if you know the outcome will be favourable to investors?





**The  
Economist**

World politics

Business &amp; finance

Economics

Science &amp; technology

Cultu

**Accounting fraud**

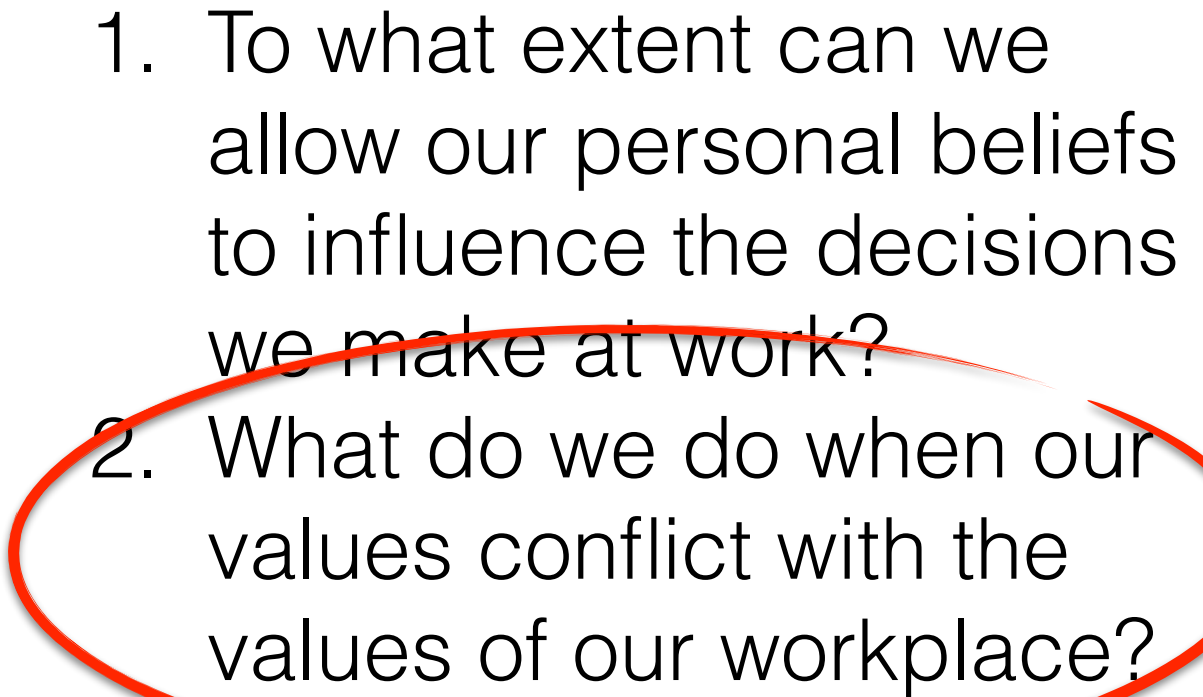
## Got 'em, Gotham

**The company-accounts detectives collar another suspect**

Jul 12th 2014 | NEW YORK | From the print edition

Gotham's approach is to short and shout: it takes a negative investment position, then noisily publicises its findings. It is cut from the same cloth as Muddy Waters, which is run by


Gotham spent eight months studying Gowex, amassing far better information than investment-bank analysts, most of whom were still recommending the shares when it buckled. Gotham spotted that Gowex used a little-known auditor (a classic red flag: see the Bernard Madoff case), whose fees were unusually low, as if they were based on revenue far smaller than Gowex's books stated. Often, the sleuths comb the books for ratios that are hard to manipulate. Gotham also noted, for instance, that Gowex's revenue per employee was implausible compared with rivals'—while the revenue could be inflated, it was harder to fake the headcount.

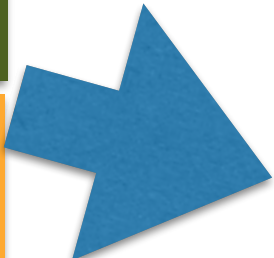




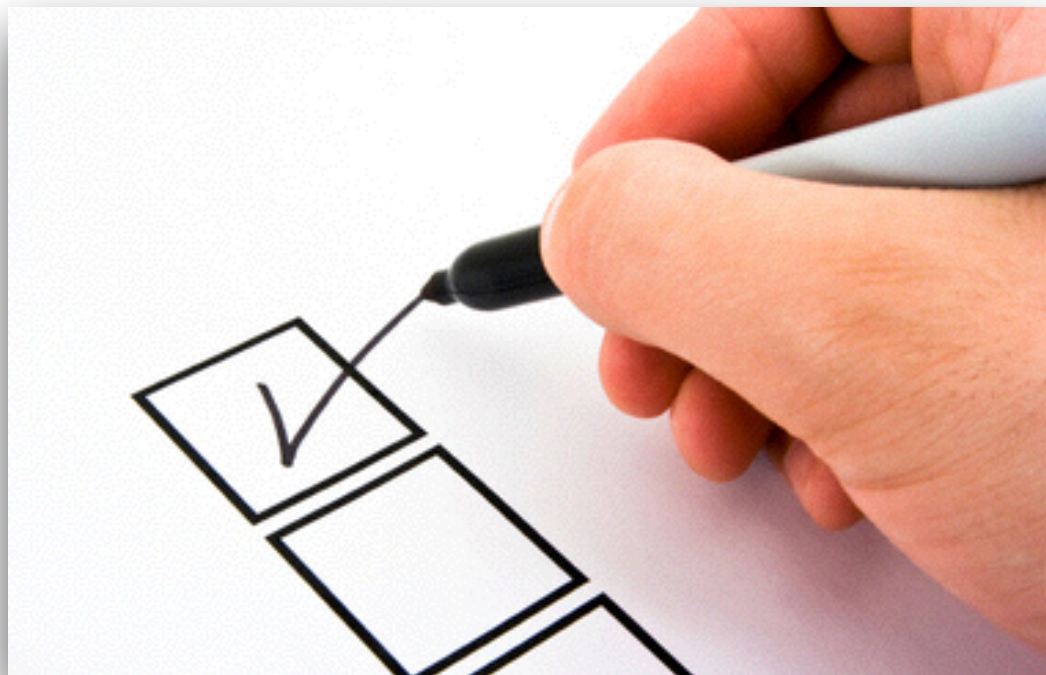
1. Change values



		P2			
		Race Clean	Dope		
You	(A) Race Clean	4 , 4	0 , 5		<p>Preference Ordering</p> <ul style="list-style-type: none"> <li>5 First Place!</li> <li>4 Podium but clean</li> <li>1 Podium but with dope</li> <li>0 Looooooser!</li> </ul>
	(B) Dope	5 , 0	1 , 1		

		P2			
		Race Clean	Dope		
You	(A) Race Clean	5 , 5	0 , 4		<p>Preference Ordering</p> <ul style="list-style-type: none"> <li>5 Podium but clean</li> <li>4 First Place!</li> <li>1 Podium but with dope</li> <li>0 Looooooser!</li> </ul>
	(B) Dope	4 , 0	1 , 1		





1. Change values
2. Make a strategic move

**boingboing**

BLOG

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FORUMS

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SUBMIT



## Students get class-wide As by boycotting test, solving Prisoner's Dilemma

Cory Doctorow at 7:11 am Tue, Feb 19, 2013



## Dope anyone?

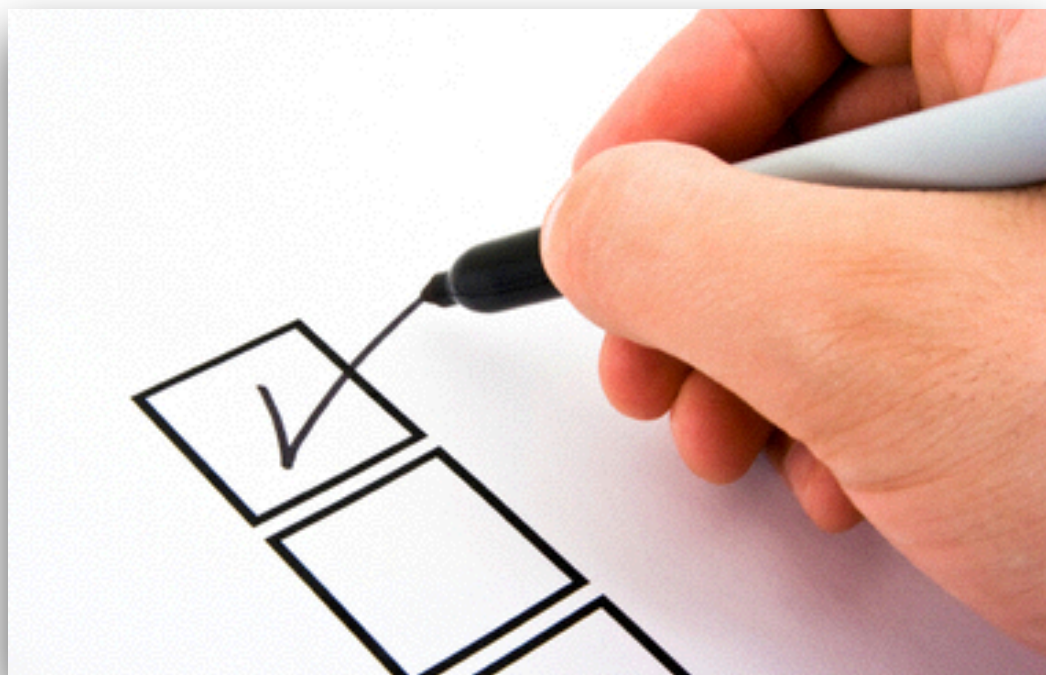
		P2	
		Write	Don't Write
You	(A) Write	65% , 65%	100% , 0
	(B) Don't Write	0 , 100%	100% , 100%

Preference Ordering

100%

65%

0%



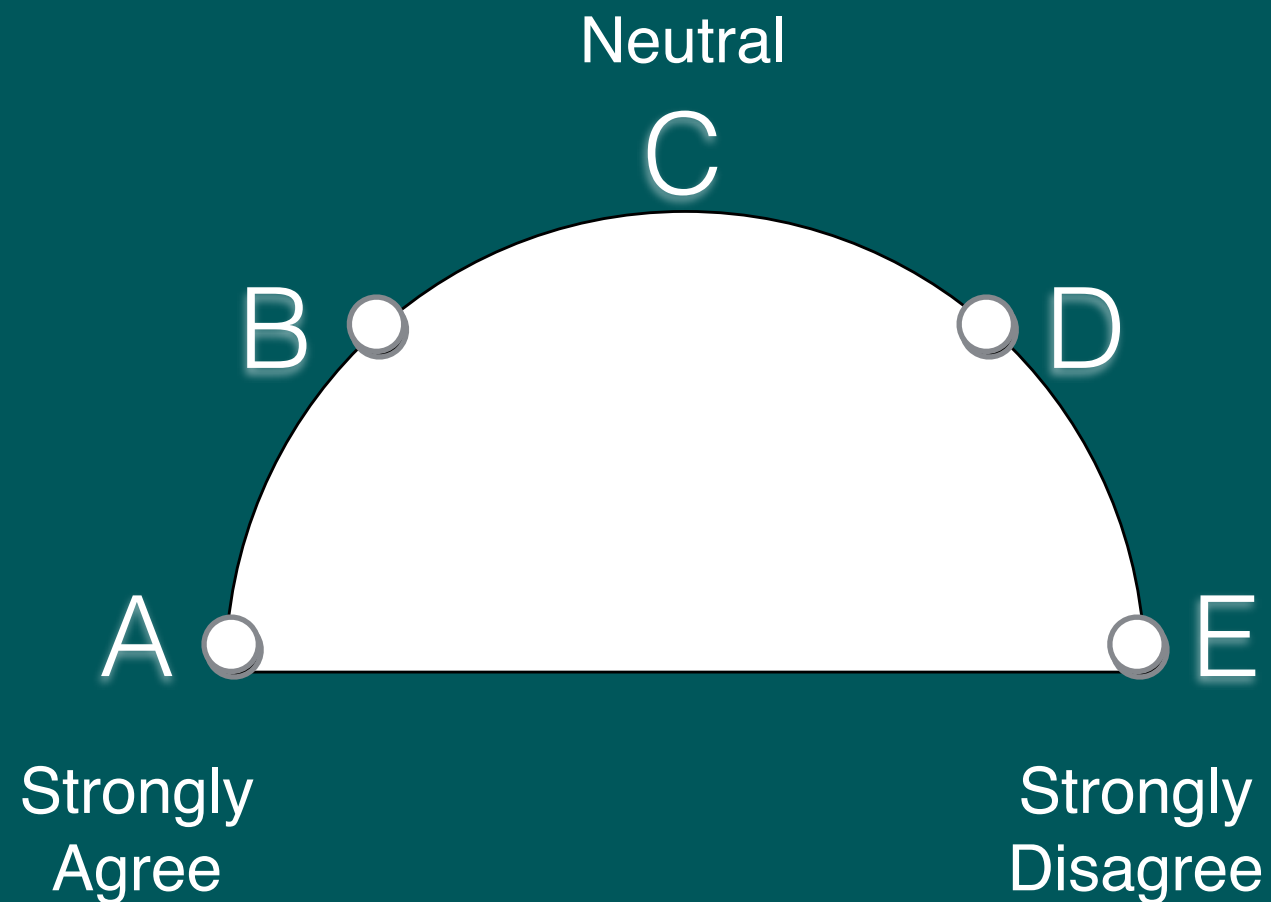
1. Change values
2. Make a strategic move
3. Negotiate



# Poll

## Question

Is it okay to compromise on ethical issues?

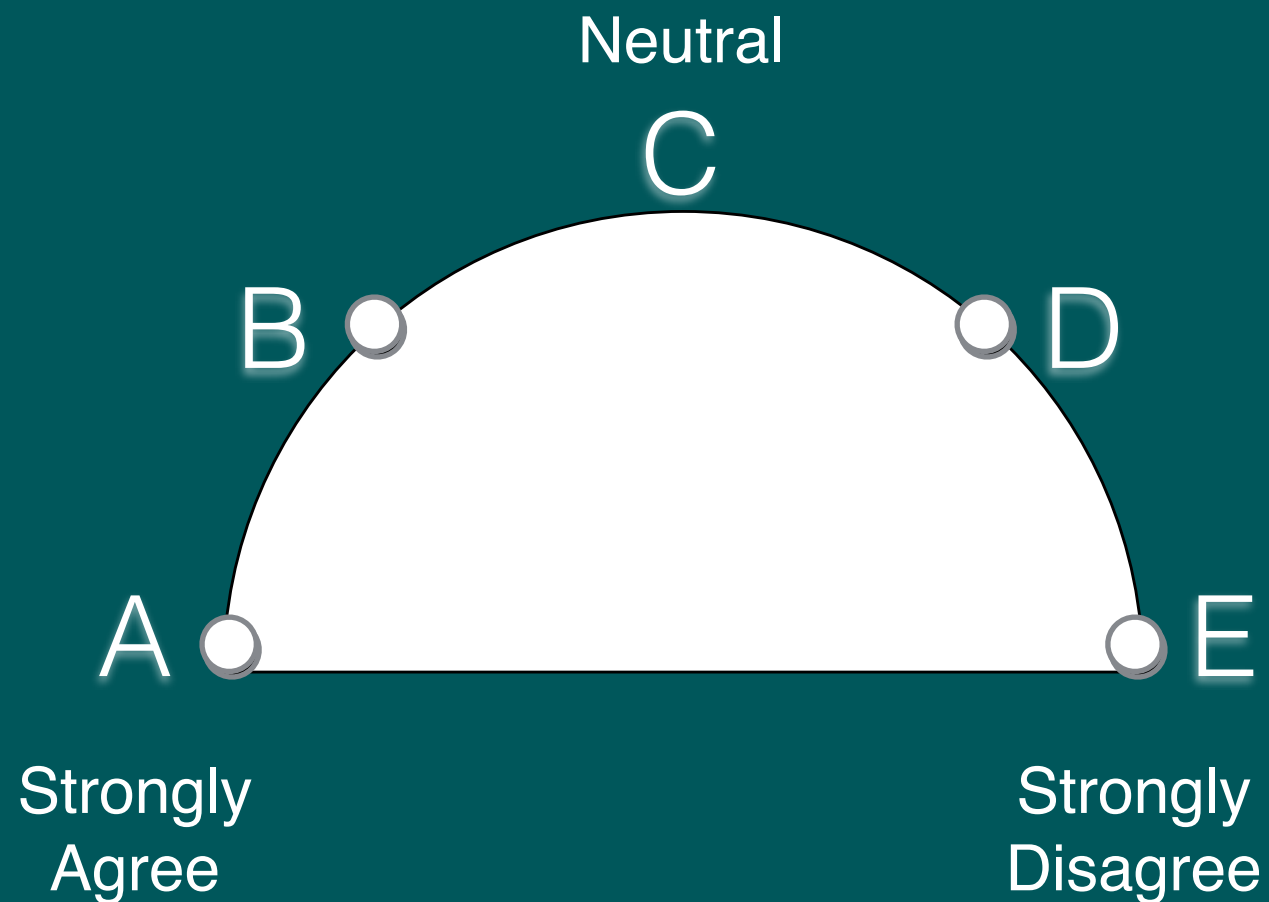




# Poll


## Question

Does compromise imply acquiescence? (That you rolled over and played dead?)





I believe that I am right.  
I wouldn't knowingly believe  
anything that was wrong.  
You disagree with me.  
\_\_\_\_\_  
Therefore you are wrong.

A blue silhouette of a person stands on a red and white concentric circle target. A red speech bubble points to the person, containing the text "It's the principle of the matter!".

It's the  
principle of the  
matter!

With the personal stakes so high it is inevitable that ethical issues devolve into zero-sum disputes

1. Why am I holding to my principles?
2. Are my principles clear?
3. How does sticking to my principle advance my goals?
4. Will sticking to my principles cause more harm in the long run?