

Business Ethics

Chapter 40

- I. Six core ethical convictions establish boundaries for making business decisions.
 - A. Truthfulness: “You shall not bear false witness” (Ex. 20:16).
 1. An honest representation of your product.
 - a. Not exaggerating its good qualities.
 - b. Speaking honestly to its shortcomings.
 2. Truthfulness entails keeping your word when you agree to do something.
 - B. Not stealing: “You shall not steal” (Ex. 20:15).
 1. Time at work—Is not your time, it is your employers.
 2. Taking products from your company.
 - C. Honoring marriage: “You shall not commit adultery” (Ex. 20:14).
 1. Business owners and managers should take care that the workplace requirements do not put men and women in compromising situations.
 - D. Loving your neighbor: “You shall love your neighbor as yourself (Matt. 22:39)
- II. Buying and selling are morally good activities.
 - A. It is expected that people should buy and sell without wronging one another.
 1. Both buyer and seller should do right in transactions
 - B. Buying and selling are necessary for anything beyond a subsistence-level living.
 - C. Buying and selling are unique to humans only. This is one way for mankind to glorify God.
 - D. Commercial transactions can provide personal interaction
 - E. Business has a stabilizing influence on society.
- III. Earning a profit is a morally good activity
 - A. A profit is selling a product for more than it cost producing it.
 1. If people are willing to purchase something from you that gives you a profit, it means that they think that what you have produced is valuable—worth the selling price.
 - B. Making a profit indicates that I have used my resources efficiently.

1. The parable of the minas: Luke 19:11-27
2. Some will object that making a profit is “bad”
 - a. Profit exploits people.
 - b. Profit can exploit people: When?

IV. Competition is morally good: benefits

- A. Lower prices and higher quality of food.
- B. Competition creates an incentive for improvement.
 1. Competition seems to be the system God intended when He gave some greater talents than others. He also gave greater rewards for greater work.
- C. Competition gives an opportunity to glorify God (and opportunities to sin!).
 1. By using our talents to their full potential, we manifest God’s attributed abilities (abilities He has given us to the fullest).
 2. Competition produces more for society and increases the ability to help others.
 3. Competition can lead to sin—thinking to be superior to others when you’re at the top.

V. Advertising is morally good (But not always!).

- A. The goal of advertising is to educate people about a product so that they will want it and buy it.
- B. Good, moral advertising benefits the buyer and the seller (How?)
- C. Advertising is only moral if it is truthful and not misleading.

VI. What about corporations? Are they ethically legitimate?

- A. Corporations can allow for many people to work and profit without liability.
- B. Corporations can often do more than individuals due in scope and size.

VII. Corporate responsibility and the question of “giving back”.

- A. Corporations do not normally owe anything to society other than to be ethical in all their business practices.
- B. Corporations already are giving something to society in the form of employment and goods and services.
- C. Good reasons for donations to the community:
 1. Builds good relationships and a spirit of good will.

2. Donations encourage others to be generous and donate to worthy causes.
3. Improves the image of the company in the community.
4. Donations tend to make employees proud to work there.
5. Donations help communities do things they otherwise could not afford to do.

VIII. Do multinational corporations exploit poor countries?

A. What does “exploit” mean?

1. Robbery—Taking resources from a country without paying for them.
2. Unfair prices—Purchasing natural resources or crops at unfair prices.
3. Environmental damage—Extracting resources in a an environmentally damaging way.
4. Unfair wages
5. Inhumane working conditions

B. Do corporations exploit poor nations in these ways?

1. The bible explicitly condemns the rich who defraud the poor
 - a. James 5:1-6
 - b. James 2:6
 - c. 1st Timothy 6:9
 - d. Do these verses apply to corporations?
2. It is not the free market system that promotes evil, it is the sinful condition of man.

C. The difficulty of accusing corporations of “exploitation”.

1. The different standards between countries.
2. No one can control commodity prices on world markets.
3. Government regulations and interference.

