
Thinking Ethically and Philosophically About the Decisions Companies Make

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Business ethics are the moral principles that guide corporate decision-making. Wharton's Brian Berkey is a professor in this area, considering the principles that guide decision-making around critical economic justice issues like climate change and food security. His latest research, "How should Autonomous Vehicles Redistribute the Risks of the Road?" looks at how companies that produce expensive self-driving vehicles should program these cars to behave when they get into accidents with cars driven by humans.

In this video interview, Berkey talks about the crossroads between business and social justice, as well as helping to explain how his training as a philosopher shapes his work.

An edited version of the interview appears below.

Knowledge@Wharton High School: Brian Berkey is a Wharton assistant professor of business ethics and legal studies. One of his areas of study is environmental ethics and where it stands today within the context of climate change and the justice issues we are facing. He is here with us today to talk about his research interests. Hi, Brian. Thanks so much for joining us today.

Brian Berkey: Thanks for having me.

KWHS: You work in the area of legal studies and business ethics. Can you talk generally about what that means?

Berkey: My areas of focus are mainly in business ethics and what that means is that I think about what people acting in roles within companies should do in their decision-making. So, if you're the CEO of a company, you might face a decision about whether to adopt a policy that would lead your company to reduce its greenhouse gas emissions, but that would cost a significant amount of money and potentially reduce the profitability of the company somewhat. That's an ethical decision, and what I think about are the principles that should guide decision-making in contexts of that kind.

KWHS: What is your personal connection to climate change and business ethics?

Berkey: Well, climate change is an issue that affects everyone. It's a big issue. It's global. And so, for a long time I've been thinking about our obligations in the context of very large-scale global problems like poverty and so on. And climate change was a natural extension of some of the work that I had done in graduate school. I started working on climate change a bit later on, but it's an issue that we all should care about and that raises deeply complicated ethical issues, both within business and more generally for our decision-making as individuals.

KWHS: Do you think that climate change is actually one of the most pressing issues of today?

Berkey: So, I think it clearly is one of the most pressing issues.

KWHS: Or the most pressing issue?

Berkey: Hard to say whether it's the most pressing issue, but it's obviously one of a relatively small number of large-scale global problems that we need significant coordination among people and corporations and political entities,

countries, the UN [United Nations] and so on to address. And so, it's important as philosophers like myself to think about the fundamental principles that should guide our thinking about these kinds of problems, what we should do, what our obligations to future generations are, and how we should try and work together to solve these really important problems.

KWHS: So many teens and employee activists are demanding that businesses do more to address climate change. How do you see this playing out? Do you think that businesses are doing enough to meet climate change issues? And, do you think that climate change might put some businesses actually out of business?

Berkey: It's a good thing that there are more and more activists who are trying to push companies to do more on the climate change issue. I think, overall, the business world is failing pretty miserably, currently, to do what needs to be done. I've been working on a paper with a colleague about this. I think there's much more to do. I think the evidence suggests that current emissions trajectories are really nowhere near where they need to be if we're going to meet even the two-degree warming goal, let alone, the more ambitious one-point-five-degree goal, which we have good reason to aim for if we can. In terms of whether climate change and the responses that might be made to climate change going forward will put some companies out of business, the answer is maybe. I'm not really sure. It should have that effect for, at least, fossil fuel companies that don't take steps to transform their business models pretty radically. Otherwise, I think we're not going to be able to meet the targets that we need to meet.

KWHS: Moving out of the business sector and more into politics. Some countries have set certain economic policies, while others have refused to set the same level of economic policies. Do you think that this will have an impact going forward on how much we are able to address with climate change?

Berkey: Because climate change is a global problem, we really do need cooperation from everyone to adequately address it. And so, it's a real problem that some countries are reluctant to contribute what really is their fair share to efforts to reduce emissions and deal with the problem more generally. Hopefully, that will change going forward. It will be interesting to see what happens in the U.S. in particular with the upcoming election next year. As I'm sure many of you know, President Trump has initiated steps to withdraw from the Paris Climate Agreement. And, if he wins, that will come into effect in 2020. So, that would be pretty disastrous for the global coordinated effort to address climate change. We're already in a pretty bad position. We'll see how things play out.

KWHS: Your latest research is about autonomous vehicles. What's that about?

Berkey: I just finished up a paper that's going to come out in a volume about the principles that should govern the programming of autonomous vehicles for conditions in which they will share the road with the human-driven vehicles that we're familiar with. So, the worry that motivated the paper is that autonomous vehicles are programmed to prioritize the interests of their occupants and autonomous vehicles are a luxury item that primarily wealthy people can afford, at least initially. The effect of that will be, basically, to shift a significant amount of the risk of death and injury from motor vehicle collisions away from richer people and on to everyone else on the road. I think this is a morally problematic possibility. And so, I argue that companies are obligated to program their vehicles, their autonomous vehicles in ways that don't involve placing the overwhelming proportion of the risks onto people outside of the vehicle. Sometimes, if it would minimize the total amount of harm, the cars are just going to have to be programmed to behave in ways in conflict situations that might end up harming the occupants.

KWHS: Among all the justice-related issues that you've researched, what has been the most interesting to you?

Berkey: Every issue that I've written about is, of course, interesting and I'm motivated to do the research because I think the issues are important. The thing that I've spent the most time on is arguing that individuals should think of themselves as agents of justice in a fairly direct way. This goes against the mainstream thinking among political

philosophers [who think that] justice is primarily a matter for governments and other large-scale institutions. In my view, individuals who benefit from unjust institutional arrangements can be obligated to redirect the benefits that they get from unjust systems to people who are disadvantaged by those systems. For example, if you're a millionaire in the U.S. today, you might have an obligation of justice in my view to give away a significant portion of your money, voluntarily, even if the government isn't doing things like raising taxes on you in order to fund the kinds of things that are required as a matter of justice, like universal health care or better education for disadvantaged groups, and so on.

KWHS: That's so interesting. What career options are there for people who are also interested in business ethics?

Berkey: One obvious career option is to become a professor. Business ethics is an area of academic study that crosses disciplinary boundaries. So, there are people based in business schools doing work in business ethics, people in philosophy departments doing work on issues related to economic justice more broadly and how this applies to business contexts. There are people like me who did a PhD in philosophy, but now teach in a business school. So, that's the academic route where there are a range of options. But also, more and more companies are actually hiring people to think about ethics as part of the company decision-making process. This seems to have started in the tech industry where they've actually hired people in many companies with PhDs in philosophy — so people with the kind of training in ethics that I have. This hasn't extended that far beyond the tech industry yet, although there are efforts to broaden it. Another option for people who are interested in business ethics is to do something like study philosophy maybe alongside business in college and then seek to find a job where the philosophical training in thinking about ethics and other kinds of issues would be particularly relevant and where you might have an opportunity to influence company decision-making in an ethical direction.

KWHS: You mentioned that you got your PhD in philosophy. Could you talk a little bit about what it means to study philosophy?

Berkey: Philosophy is a little bit of a unique academic field. So, we attempt to answer questions that can't necessarily be answered by doing things like gathering data or running experiments. So, for example, questions about how we should live that aren't determined by looking at how people, in fact, live because people might be doing the wrong things. And, it's characterized by an effort to think very carefully and slowly and systematically through the kinds of questions that we address, recognizing potential inconsistencies in our own views, listening carefully to the arguments and reasons offered by others, and trying to work together to think through complicated issues. [We hope to] arrive at more consistent, more well thought out, more systematically justified views on important, philosophical questions — like how we should live our lives and what kinds of principles should guide our decision-making.

KWHS: What can we do if we're concerned about the ethical practices of a company or an industry?

Berkey: One thing that, of course, consumers have done for a long time is to try and organize boycotts of companies that they think are behaving unethically in one way or another. We can limit our purchasing of products that we think are potentially produced in an unethical way or by companies that don't treat their workers well, and so on. There are a lot of things that we can do in our individual lives that are aimed at trying to improve corporate, ethical behavior. A lot of times this requires coordination. Boycotts only work if a lot of people are involved. So, another thing we can try and do is have discussions with people in our lives about things that we think are problematic that are done by companies and what we think they should be doing differently and better. [We can] try and persuade other people to change their buying habits and change aspects of their own lives in ways that would contribute to addressing these issues.

KWHS: So very interesting. Thank you so, so much for being here today with us.

Berkey: Thanks for having me.