



What The Hell Was I Thinking?

One perspective on the subject of ethics and decision-making

The Actuarial Pulse (February 2008) published the results of a survey of attitudes to providing advice to various businesses. The range of comments that the survey provoked was extraordinary! How can the members of one small profession, guided in theory by the same Code of Conduct, display such a diverse range of responses? The following discussion of ethics may shed some light.....

According to the St James Ethics Centre* the central question of ethics is:

“What ought one do?”

This question has, of course, a long tradition among philosophers and was first attributed to Socrates. Ethics is not, however, a theoretical science but a very practical one. After all, the question of “what ought one do” is at the heart of our personal decision-making and leads to very tangible outcomes (and potentially complex implications). For the purpose of this article, therefore, let’s think about “ethics” as the framework we utilise when we are making serious decisions.

Ethics and Morality

Is ethics the same as morality? They are related but they are not the same (and the terms should not be used interchangeably). The central question of morality, by contrast with the above, is:

“What is right and what is wrong?”

This question also has a very long tradition and was once typically answered with reference to religious beliefs. Today, other belief systems and cultural influences may be the prime considerations when addressing the question. In this context morality should be seen as a subset of ethics. Yes, the question of “right” or “wrong” may be the primary driver for decision-making by many people but it would be dangerous to assume that everyone makes decisions on a moral basis. (And I hope it is self-evident that moral conclusions – and judgments – will vary significantly from person to person. This is one of the reasons for the diversity of the Pulse comments, but certainly not the only one.)

Ethics and Legality

In the same way, ethics is not the same as legality! Legal considerations should also be thought of as a subset of ethics in this context. It is evident from the Pulse comments that the question of “legal” or “illegal” may be the primary driver for decision-making by many people. Again, it would be dangerous to assume that everyone makes decisions on a legal basis. The range of outcomes using this filter may be more narrow than when applying moral judgment because the law is generally interpreted objectively. However, the law is open to interpretation - and what happens when the decision spans legal jurisdictions?



Other Subsets of Ethics

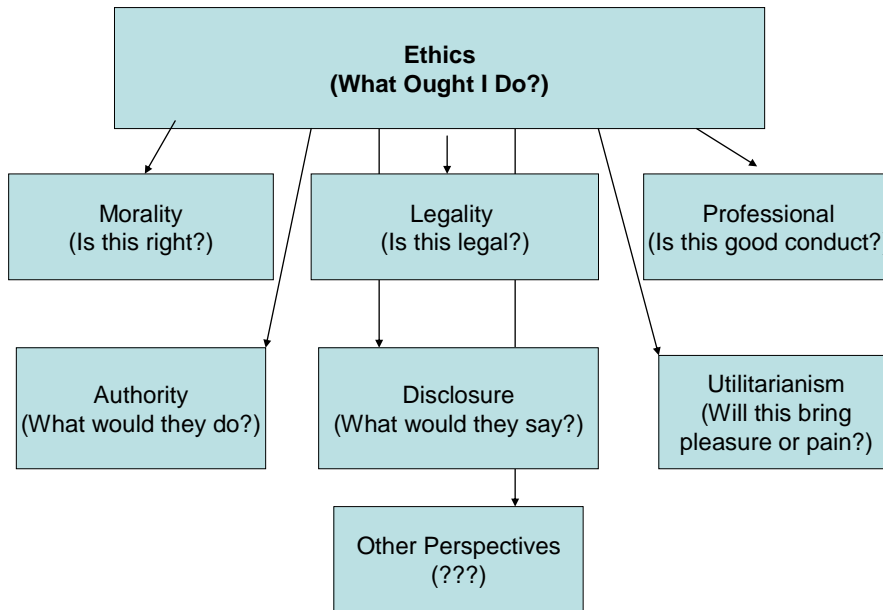
What other frameworks may be adopted when considering “what ought one do”? In an actuarial environment a very relevant question may be: “Is this professional?” One may seek guidance from the Code of Conduct or from a Senior Actuary to help make a decision.

Another possible basis for our decision-making may be to reflect on the teaching, example or principles of a senior figure. One could think of this as an authority perspective. E.g. “What would my boss do?” “What would my Mum do?” “What would my mentor do?”

A related consideration may be the disclosure perspective. Some call this the Jana Wendt test. How would I feel if my decision was questioned publicly on TV? (Or was printed on the front page of the newspaper?) It may also be expressed as a subtle yet significant variation on the authority perspective. i.e. “What would my boss say (if s/he found out)?” or “What would my Mum say (if she found out)?”

Another possible basis for decision-making is utilitarianism, a common secular framework. The central question of utilitarianism is: “Will this bring me more pleasure than pain?” The world of marketing, particularly advertising, is generally designed to appeal to this style of decision-making - with an emphasis on the pleasure and ignoring wherever possible the pain. (Think ice-cream or chocolate!) An interesting tangent in a study of utilitarianism is the discounting for time (eg “Try now, pay later”) or risk (e.g. “Enjoy wine in moderation”).

Other frameworks or perspectives are possible but they should also be thought of as subsets of “ethics”, the potential means by which we can decide: “What should I do?” (And remember that any self-assessment of our decision-making is likely to reveal that our weighting of these subsets will vary with the context and subject matter of the decision).



The Time Dimension

When we look back on some of our past decisions, hopefully with pride but occasionally with horror, we may be left wondering “what was I thinking?” It is important to recognise that our ethical framework is dynamic. It can change over time in two ways:

Firstly, the weight or emphasis I apply to the various subsets may change with the passing of time. For example, 20 years ago the weight on what my mother thought was greater than it is today. Alternatively, legal constraints may once have been seen as a “dare” but I may be much more conscious of the law today.

Secondly, the content of the actual subsets may change over time. In the authority subset, an impressive new boss may alter my decision-making considerations. Most likely, my moral compass will develop with experience, reflection or learning. In the same way, it is evident that the law changes frequently and cultural practices also evolve.

What About The Pulse Comments?

I suggest that the reader digs out the February edition (or accesses it on-line) and examines the comments. See if you can identify the various frameworks that may have been brought to bear by the respective survey respondents. Similarly, see if you can identify the differences in the weightings adopted by certain respondents. This may help explain the remarkable diversity in responses from our professional colleagues.

Final Thoughts

If I may indulge in some gratuitous parting comments...



- In considering the ways that different people can come to very different decisions it is important that we avoid the temptation to leap to judgement. Can I suggest that you focus on the thinking process adopted by the person, rather than the actual decision, to achieve some improved understanding (before passing judgement)?
- Self-awareness and self-knowledge are powerful tools. Can I suggest that you reflect on some difficult decisions that you have recently made. What were the key drivers in arriving at those decisions? What is your degree of satisfaction with the outcome? Might a different ethical framework have been more effective?
- One definition of insanity is doing the same thing and expecting different results. Perhaps there is room for experimentation in your decision-making. If you are, for example, automatically applying a legality filter as your prime ethical subset try applying a different subset (if only temporarily) on your next difficult (but not too critical) decision.
- Whilst the emphasis of this article has been on “thinking” it is important not to disregard our feelings. Our instincts (aka “gut feel”) may prove to be more dependable in some scenarios than our attempts at rational analysis....

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