

## MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times – Thursday, 09 December 2021 (A)



DEVANESAN  
EVANSON

NO RIGHT WAY TO DO A WRONG THING

# 4 TESTS ON ETHICAL DECISIONS

**Y**ES. That's right. There is no such thing as business ethics. You either have ethics or you don't. You are either ethical or you are not.

Ethical decisions can either be commissions or omissions, so when we talk of doing something or deciding on something, it should include both the commission and the omission aspects — our actions and inactions.

Ethical decision-making should not be situational. In real life, we may all have been guilty of making unethical decisions sometimes. We may have been able to rationalise these unethical decisions.

Often, if we try hard enough to convince ourselves, we somehow end up convincing ourselves — but that does not make a wrong, a right. There is no right way to do a wrong thing.

One powerful rationalisation process is that of the “end justifying the means”. But the process should be just as important as the outcome.

Another rationalisation process is the delusory “win-win” ap-

proach. A typical example will be where one is hailed down for speeding by a policeman.

The speedster is rushing for an important million-ringgit contract meeting and, hence, the need for the speed.

The speedster may be tempted to offer a bribe and resort to rationalising his act as a “win-win” — I need to attend the meeting on time as the major contract, if won, will be good for long-term shareholder and stakeholder enhancement.

The speedster will also want to avoid the hassle and inconvenience of handling the summons process; that is the speedster's “win”.

As far as the policeman is concerned, the speedster-briber rationalises that the civil service is so lowly paid that they could do with some tax-free income to take care of their families.

But the end does not justify the means. There is no right way to do a wrong thing.

Often ethics are sacrificed on the altar of business dealings using the “dog eat dog” metaphor, though we are not dogs.

There have been many suggestions on how to come up with a test for ethical decision-making.

The first test involves the “newspaper headlines” test. The test poses the question as to how you and your family, and friends and relatives, would feel if what you did were to come out as newspaper headlines. This test involves a strong imagination as to the various parties' reactions to one's potential act.

The second test is the “what you do when no one is looking”. This test pivots around the question of whether you will make the same decision when someone can see your thought process or do an act when someone is looking.

A typical simplified example is throwing litter on the road when no one is looking, but not throwing litter on the road when someone is looking.

The third test involves a bit of an emotional familial tug. How would you explain your act to your 7-year-old child? Or rather, will you be able to explain your act to your child convincingly with a straight face, without

flinching?

The fourth test is based on the widely acclaimed golden rule that is found in all the major religions. “Do unto others what you will have them do unto you.” Or conversely put, do not do unto others what you do not want them to do to you.

There is a difference between both statements, and you may prefer the second proposition as being slightly better if you think hard enough about it.

The Yoruba proverb (Nigeria) provides a more picturesque version of this rule — one going to take a pointed stick to pinch a baby bird should first try it on himself to feel how it hurts.

The golden rule is a powerful tool for ethical decision-making.

For good measure, we may wish to articulate our potential decisions through all four tests when faced with an ethical decision-making dilemma of significant proportion.

The writer is the chief executive officer of Minority Shareholders Watch-dog Group

**“One powerful rationalisation process is that of the ‘end justifying the means’. But the process should be just as important as the outcome.”**