EFFECT OF ETHICS AND BUSINESS: A STUDY OF HOBBES AND JOHN LOCKE’S THEORY

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ABSTRACT

The field of ethics (or Morality Philosophy) involves systematizing, defending, and recommending concepts of right and wrong behavior. Philosophers today usually divide ethical theories into three general subject areas: meta-ethics, normative, and applied ethics. The meta-ethics theory is descriptive; conceptual is applied while normative is prescriptive. However, this paper is mostly concerned with business ethics which is also known as corporate ethics, this is a form of applied ethics or professional ethics, that examines ethical principles and moral or ethical problems that can arise in a business environment. It is therefore very common according to Ochulor, Chinenye, Odumayak, Okpo (2010) to hear people say that ethics is of little concern to business minded people. It is believed that business is business. This paper however, attempts to examine the relationship between business and ethics, in the light of Hobbes and John Locke’s moral philosophy. In the light of Hobbes morality and ethics philosophy, Thomas Hobbes was the first great figure in modern philosophy. His main grounding in philosophy was on the basis of materialism, believing that everything that happens is a result of the physical world and that the soul, as previous philosophers discussed it, does not exist. One must then, at this point consider what Hobbes’ outlook was on the topic of values. Hobbes contention was that the concept of good and evil are related to human desire and aversion. In other words, what an individual desires he perceives to be good and what that individual harbors an aversion to must be bad. This philosophy of values, Hobbes explained, is due to an attitude of self preservation and protection. (Keith Crabtree, 2002). The only way to achieve this peaceful society, Hobbes explained, was for all members of a society to unconditionally transfer all of their ability and will to defend themselves to a sovereign power under a form of social contract. With this social contract established, the sovereign power would accept the responsibility for mediating all disputes concerning the society, both internal and external. Should any member of that society violate an agreement with another member of that society, that individual would be guilty of violating their unconditional agreement to support the social contract, which would then render them unjust and subject to punishment.

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Conversely, if the Leviathan, or sovereign power, violated its own responsibility to protect the members of the society in its charge, that society could then find itself another sovereign to rule it (Keith Cabantree, 2002). However, in Locke’s moral philosophy, Locke maintained that morality is based on the command of God. He also averred that morality is capable of being demonstrated like mathematics. The basic principles of morality are decreed by God and are also self-evident. From these self-evident principles, Locke asserts that detailed rules of human conduct can be deduced, with certainty in mathematics (Ochulor, C. and Odumayak, O. 2010). The enterprise of business is however, not distinct from the enterprise of life, because they share the same bottom line people. Therefore, as in the rest of life, business is required to ask the question: what ought to be done in regard to others? This paper was an attempt to respond to the question above and also try to show that when business practices are unethical, then there are chances of that business failing or ruined.

**KEYWORDS:** Ethics, Business, John Locke’s Theory, Thomas Hobbes’s Ethical Theory, Morality Philosophy.

**INTRODUCTION**

A Japanese proverb says that a reputation of a thousand years is determined by the conduct of just a minute. Simply put that the survival of any business enterprise depends, to a very large extent, on the degree of trust, good-will and positive ethical perception, that it is able to elicit from across sections of people and institutions which maintain one type of relationship or the other with such business. The quest for so much gain and excessive wealth at the expense of morals and ethics had led to the fall of many respected business enterprises in Nigeria like Eagle Cement, Enron, Risonpalm just to mention a few. The truth however, is that a deceitful approach to business will never allow for the realization of the long term goals of any business or organisation (Ochulor, C. Odumayak, O. 2010).

Employing the use of dirty tricks, bribery, cutting of corners, double-dealings, kick-backs and other dirty practices, if not properly arrested, would spread, so fast like a disease and engulf the entire business enterprise.

There is absolutely no difference between business and life, because they both share the same bottom line which is people. Thus, according to Ochulor & Odumayak (2010), as in the rest of life, business is required to ask the questions: what is to be done in regard to others: consumers and the employees who work for the business organization, the communities where these businesses are located, governments; investors who are willing to invest in such businesses and the competitors that share the same industry? And we may now answer; why should business enterprises be concerned with ethics? What stops a business organisation from making all the profits in the whole world in any way they can regardless of ethical principles? Do business people in Nigeria have anything to gain from business ethics? This piece will attempt to respond to these questions, in the light of Hobbes and Locke’s ethics, with particular emphasis to business in Nigeria.

**OBJECTIVES OF THE STUDY**

The objectives of the study is basically to highlight the relationship of what is good and right in business in our society, especially, the negative effect of the unethical business practices
in Nigeria. Business, according to Brown and Clow, is all the activities of an individual or group of individuals involved in providing and distributing goods and services to customers. Businesses profit from the goods and services they provide to the public. Ethics on the other hand, is the study of what is good or right for human beings. It asks what goals people ought to pursue and what action they ought to perform. Business ethics therefore, studies the relationship of what is good and right in business.

In considering the adverse effect of running a business without any ethics code, we borrow from Ejiofor’s (1987) “Integrity Drag” of questionable integrity on managerial performance. These are:

- Drain on organizational finances
- Imitation of the boss with questionable integrity by his subordinates
- Indiscipline on the part of the subordinate or clients
- General disorder
- Ineffective control

All these are as a result of the “do-as-you-please” attitude usually prevalent and perpetrated by the unethical behaviours of individuals in such organizations. Also business failures become too obvious in such system because there are loopholes created by unethical practices which make the organisation very vulnerable.

In Nigeria, as in many other developing countries of Africa, the socio-economic climate is characterized by such negative features as perversion of the course of justice, profiteering, black-marketing, and racketeering among industrialists and business persons; hoarding of essential commodities and remorseless inflation of prices by traders; the questionable and devious activities of multi-national corporations etc. Though this negative trait is not peculiar to Nigeria and the other third world countries, its dimensions and consequences in these developing countries are obviously alarming, more destructive and very spectacular.

Unethical business practices which is a negative trait, is an expression of self-centredness. Another name for self-centredness is systematic selfishness, Ochulor, C.L. and Odumayak, O. (2010). Unethical business practices is rooted in the inordinate devotion to and pursuit of one’s own interests and advantages, to the exclusion of due regard for others and their interests.

Since it is, invariably, to the detriment of the rights of others, it is, therefore, unjust. It is then easy to see how the desire to achieve unethical business motives is the beginning or genesis of all evils and corruption in our society. This tendency therefore, creates in many business persons the rush to get more profit, through unethical means, than they are morally entitled to.

Unethical business persons are antithetical to the legitimate objectives of agencies like Consumer Protection Agency (CPA), National Agency for Food and Drug Administration and Control (NAFDAC), Standards Organization of Nigeria (SON) etc. The explanation for this lies in the antithesis of the business person’s objectives.

While the unethical business person sees business from point of view of profit alone, the above agencies and others like them see business from point of view of social justice; while the former sees business as an instrument for profit maximization and aggrandizement, the latter sees it as a responsible means of attainment of the good of all.

The unethical business person has, understandably, no confidence in others, for his vision of life and his equation of interests does not recognize others and their interests as relevant factors. He may in theory be a believer in God; he may also be a church or mosque goer, but in principle and in practical life, he is a non-believer in God and in divine providence. Confirmed unethical business deal is
incompatible with ardent belief in God and in divine providence. When profit is the centre-piece of one's world view and attitude to life, where then lies the room for effective belief in God and divine providence? A truly religious person is guided, in his practical moral life and relations with others, by the basic principles of his religion; and these are higher than selfish profit. The unethical business person must realize that there is danger in succeeding the wrong way. Whoever achieves wealth, small or big enough through unethical means, is succeeding the wrong way. Such a person lives in a world of self-delusion and moral confusion, fighting and shadow-boxing real and imaginary enemies, against whom his profit motives must be safeguarded by all means fair or foul. He sees society as a moral Jungle where might is right and the end always justifying the means. His guiding principle is usually survival of the fittest, through militant profiteering.

Let us now consider the implications of unethical business practices. Unethical business deal is fast corroding the basic time-honored African traditional virtues of the family, leadership, public office, public works and contracts.

Such traditional values as proper upbringing of children; conjugal fidelity, filial obedience, strong kinship attachment and external family patterns and roles are under serious strains and erosion. Domestically, many married men and women violate conjugal fidelity in their quest for business profit, many homes abandon their children to the care of uncaring house helps, while the parents go out early and come back late in their inordinate quest for business profit, at all costs. Many parents deliberately encourage the girls to provide sexual gratification for men as means of earning money for family upkeep. Some wives, as the legitimate and close partners on their husbands rarely would question their husbands on the sources of their incomes, so long as they are tongue watering and juicy, Iwe, N. (1984).

Unethical business deal forbids that good attitude of honesty and discipline. Ochulor, C. and Odumayak, O. (2010). Many sons and daughters through parental scandal, manifested in unethical business deal or lack of parental care have actually grown to make nothing of parental authority and all the pitiable and irresponsible symptoms of domestic indiscipline we witness in our society today are basically traceable to unethical business deal at the family level.

In leadership and public office (social life) in Nigeria, unethical business deal is chronic and rampant, with very few exceptions. In our society today, political appointments are not based on evident competence and merit. There will always be some vested interest in appointments and the common practice has now become buying your way up to the position of authority or you belong to some sort of sect or cult to make it. In our society today, authority and public office are not regarded by the incumbents as social institutions and sacred trusts for the realization of the common good of the citizens but rather, they are positions providentially offered for self-aggrandizement, Ochulor, C, and Odumayak, O. (2010). No doubt today in our society, once appointed into any position, the incumbent realizes in practice and in attitude that no condition is permanent and will selfishly acquire wealth at all costs and stack the tax payers' money into safe grounds. His fair-weather friends; and advisers will constantly remind him of the proverb that no one climbs an iroko tree twice, once on it, one must gather as much wood as possible, Iwe, N. (1984).

The wrong interpretation and wrong application of this proverb is condemned in all ramifications by Ochulor, C. and Odumayak, O. (2010) which the researcher equally agrees too because climbing the iroko tree is a figure of speech and means the attainment of a rare and exalted position, which may probably not come a second time, while it still lasts, the incumbent is expected to positively affect as many lives as possible.
METHODOLOGY OF STUDY

The researcher adopted the case study method. The history of casuistry, or the case study method, is a rich and complex one. In a recent methodological study of this method, Toulmi and Josen define casuistry as the analysis of moral issues, using procedures of reasoning based on paradigms and analogies, leading to the formulation of expert opinions about the existence and stringency of particular moral obligations, framed in terms of rules or maxims that are general but not universal or invariable, since they hold good with certainty only in the typical conditions of the agent and circumstances of action, Jef Van, G. (1996).

According to Iwe, N. (2010), contracts awards for public works have become the established way of squandering public funds and in our society today, many have become contractor over night and even multi-millionaires before they knew it. This socially and economically damaging practice is due to the unethical business practices of those who award contracts and the contractors themselves, who deliberately inflate the cost of the contracts just to maximize profit and because of the involvement of many Nigerian leaders in unethical business practices, even where direct labour proves more economical and beneficial in the execution of public works, many chief executives would prefer contract work because of the inordinate desire for profit and in the process they would rather approve sub-standard jobs and encourage poor construction works and accept such jobs and pay for them in other to get the “Cuts”. As parties in crime, such chief executives and their contractor friends often embezzle monies approved for jobs. Iwe, N. (2010). Such jobs are either not done at all or so badly done that they become death traps.

It is very obvious as at today, that in our society, the Economic and Financial Crimes Commission (EFCC) which was set up to bring corrupt public officers and corrupt contractors to book have actually failed the entire Nigerian society as they have woefully failed in the duties rather are busy politicizing the commission, only arresting political opponents and harassing them or coercing them to join the ruling party while they can go on with their loots.

FINDINGS OF THE STUDY

In the course of this research work, the following were observed as the implications of unethical business practices for organisation and commercial life of Nigerians. The entrance of corruption into the Nigerian scene can be traced to colonialism. The impact of western culture on the African mind brought in its train as much bad as good, Nkumah, K. (1972). According to Nkumah, offences like forgery, bribery and corruption, for instance were practically unknown in our early society. The outcome of the effect of colonialism was the move from traditional Nigerian values of uprightness, honesty, integrity and concern for others to self-interest without any feeling for others, dishonesty and corruption, Ochulor, C. and Odumayak, O. (2010).

According to Asolo, A. (2001), a research carried out among three states in Nigeria; Oyo, Ogun and Lagos states, titled “Ethics in business: How much do Nigerian Business Men Known? Affirmed that 95.5% of the respondents assert that moral uprightness do not pay in Nigerian business environment. All the respondents maintain that the morally bankrupt in Nigerian business terrain ends up having the day.

The implication therefore, is that the average Nigerian business man is corrupt. The Nigerian business terrain is not excluded from the corruption menace that has polluted every stratum of our national life. In other words, unethical business practices have become a way of life for our business people. The Traditional Nigerian society according to Asolo, A. (2001), abhorred corruption, embezzlement or stealing.
of public property and had strong penalty against it. In this sphere of our National life, honesty and service are not acknowledged as the best policy and in any business transaction, it is important that you get the better part of your client or partner and when you can, cheat him outrightly, Ochulor, C. and Odumayak, O. (2010). This appears to be the guiding principle for most Nigerian business persons. Often in Nigeria one hears the saying: Business is Business, by this saying, it is therefore, implied that the business world is a jungle, governed by lawlessness of the jungle and the principle of the survival of the fittest. Iwe, N. (1984).

However, the effort of government to intervene with the establishment of agencies like the National Agency for Food and drug Administration and Control (NAFDAC), under the able leadership of the late Dr. Dora Akunyili and the Independent Corrupt Practices and other related Offences Commission (ICPC) must be commended for the wonderful jobs these agencies are doing, notwithstanding, the indulgence of many government officials involving in unethical business practices. Traders hoard their commodities at will in order to create artificial scarcities and sky jump their prices for extra profit and many of the traders equally import deliberately, substandard products, expired products and fake products. We seriously, commend NAFDAC in this area, especially on fake drugs, fake canned foods, fake vehicle tyres, sub-standard products etc.

THOMAS HOBBE’S ETHICS THEORY OR MORALITY PHILOSOPHY

Hobbes in his famous work, the leviathan, published in 1651, which detailed his physicalist outlook and his concept of the value of a social contract for a peaceful society maintained that if individuals within a society continually lived by their own self interest, they would continue to hurt each other and be stuck in a “state of war”. If the members of a society were made to live within certain bounds which made it impossible for them to harm each other, the members of that society would be in a “state of peace”. According to www.sparknotes.com (2018), in ethics, Hobbes believed that all phenomena in the universe, without exception, can be explained in terms of the motions and interactions of material bodies. He did not believe in the soul or in the mind as separate from the body, or in any other incoporeal and meta-physical entities in which other writers have believed.

Instead, he saw human beings as essentially machines, with even their thoughts and emotions operating according to physical laws and chains of cause and effect, action and reaction. As machines, human beings pursue their own self-interest relentlessly, mechanically avoiding pain and pursing pleasure. Hobbes saw the Common-wealth or society as a similar machine, larger than the human body and artificial but nevertheless operating according to the laws governing motion collision.

For Hobbes, the chief aim of philosophy is to create a totalizing system of truth that bases all its claims on a set of foundational principle and is universally demonstrable than the logic of language. He rejects the observation of nature as a means of ascertaining truth because individual humans are capable of seeing the world in vastly different ways. He rejects inductive reasoning, arguing that the results of contrived experiments carried out by a few Scientists can never be universally demonstrable outside of the laboratory. Hobbes maintained that the constant back-and-forth mediation between the emotion of fear and the emotion of hope is the defining principle of all human actions. Either fear or hope is present at all times in all people. In a famous passage of leviathan, Hobbes states that the worst aspect of the state of nature is the “continual fear and danger of violent death”. In
the state of nature, as Hobbes depicts it, humans intuitively desire to obtain as much power and "good" as they can, and there are no laws preventing them from harming or killing others to attain what they desire. Thus, the state of nature is a state of constant war, wherein humans live in perpetual fear of one another. This fear, in combination with their faculties of reason, impels men to follow the fundamental law of nature and seek peace among each other. Peace is only attained by coming together to forge a social contract, whereby men consent to being ruled in a commonwealth governed by one supreme authority. Fear creates the chaos endemic to the state of nature, and fear upholds the peaceful order of the civil commonwealth. The contract that creates the commonwealth is forged because of peoples' fear, and it is enforced by fear. Because the sovereign at the commonwealth head holds the power to bodily punish anyone who breaks the contract, the natural fear of such harm compels subjects to uphold the contract and submit to the sovereign's will.

Hobbes believed that in man's natural state, moral ideas do not exist. Thus, in speaking of human nature, he defines good simply as that which people desire and evil as that which people avoid. Hobbes uses these definitions as bases for explaining a variety of emotions and behaviours, for example, hope is the prospect of attaining some apparent good, whereas fear is the recognition that some apparent good may not be attainable. Hobbes admits, however, that this definition is only tenable as long as we consider men outside of the constraints of law and society. In the state of nature, when the only sense of good and evil derives from individuals' appetites and desires, general rules about whether actions are good or evil do not exist.

Hobbes believes that moral judgments about good and evil cannot exist until they are decreed by a society's central authority. This position leads directly to Hobbes's belief in an autocratic and absolutist form of government.

He advocates that all members of society submit to one absolute, central authority for the sake of maintaining the common peace. In Hobbes system, obedience to the sovereign is directly tied to peace in all realms. The sovereign is empowered to run the government, determine all laws, be in charge of the church, determines first principles and to adjudicate in philosophical disputes. For Hobbes, this is the only sure means of maintaining a civil, peaceful polity and preventing the dissolution of society into civil war.

JOHN LOCKE'S ETHICS OR MORAL PHILOSOPHY

In ethics, Locke separates himself from empiricism and comes close to rationalism. For Locke, there are three modes of perception, namely;

- Intuitive
- Demonstrative
- Sensitive

Each of the above leads us to a different degree of knowledge regarding reality. Ochulor, L. and Odumayak, O. (2010). Intuitive knowledge gives us certainty that we exist, demonstrative knowledge indicates that God exists, and sensitive knowledge assures us that other selves and things exist but only as they are when we experience them. Locke, J. (1971), Locke places our thoughts about morality into the category of demonstrative knowledge.

To him, morality could have the precision of mathematics: the idea of a supreme being, infinite in power, goodness and wisdom, whose workmanship we are and on whom we depend; and the idea of ourselves as understanding rational beings, creatures such as are clear in us, would, I suppose, if duly considered and pursued,
afford such foundations of our duties of action as might place morality among the sciences capable of demonstration; wherein I doubt not, but from self-evident propositions, by necessary consequences, as incontestable as those in mathematics, the measures of right and wrong might be made out, to anyone who will apply himself with the same indifference and attention to the one as he does to the other of these sciences, Udoidem, S. (1987).

The implication of this message is that the basic principles of morality are decreed by God and are at the same time self-evident. Moreover, morality is capable of demonstration like the study of mathematics.

For Locke, the key word in ethics, namely ‘good’, is perfectly understandable, for everybody knows what the word ‘good’ stands for. In other words, according to Stumpf, S. (1982), articulating Locke’s position, “things are good or evil only in reference to pleasure or pain”. Anything good will bring pleasure or diminish pain in us. This implies that some kinds of actions will bring pleasure; whereas other kinds will bring pain.

Locke therefore, stands on utilitarian grounds, relating the goodness and badness of actions with pleasure and pain. Locke holds that morality is the law of God and God supports His law with sanctions. Moral laws must have due sanctions (reward or punishment) which are imposed on the will in such a manner as to restrain man from deviating from the tendency that leads to man’s own well-being, Ochulor, L. and Odumayak, O. (2010). Hence, whatever God forbids is immoral and whatever God permits is morally acceptable even to the business people in our context.

If God’s law according to Ochulor, L. and Odumayak, O. (2010) is the correct standard of moral right and wrong, how can we determine what God forbids, permits and requires? Locke maintains that men can know the moral or divine law either through their own reason or revelation.

DIFFERENCE BETWEEN HOBBES AND LOCKE’S THEORY

According to Deutsch, K. (2009), both Hobbes and Locke believe that people in the state of nature need to band together and create a society and that the ruler has to be absolute if society is to survive. The major difference, then, is that Locke envisions a very limited government while Hobbes believes in the need for absolute monarchy.

Locke and the founding fathers, however, rejected Hobbe’s argument that the government had absolute power over its subjects. Instead, the founding fathers, embraced Locke’s ideas of the protection of unalienable rights and limited government in the declaration of independence and constitution.

SIMILARITIES OF HOBBES AND LOCKE’S THEORY

Thomas Hobbes and John Locke both have made contributions to modern political science and they both had similar views on where power lies in a society. They both are in favour of a popular contract or constitution, which is where the people give the power to govern, to their government, Brian, M. (2017). This however, does not necessary mean a democracy, but can be something as simple as tribe or as complex as the fictional government described by Plato in the republic. The key is that the people have granted this authority to the government and that authority rests in the people.

Both Hobbes and Locke see government as a necessity, but the amount of government and the means and justifications for ruling are very much different, Jefferson, T. (1776).
**HOBBES AND LOCKE’S ETHICS IN BUSINESS**

It is very evident that Thomas Hobbes ethics philosophy has absolutely no place in modern business ethics practices as observed by the researcher. A monarchical type of government no doubt is more of dictatorship which will definitely result to total anarchy and paralyze business activities because the monarch or dictator must dictate everything including prices.

The researcher therefore, will join other scholars to reject in its totality this sovereign power of Hobbes in this modern day and will further pitch tent therefore, with that of John Locke’s moral philosophy which attempts to keep a place for the test of pleasure and the test of conformity to divine law.

Locke thinks that the two criteria should result in the same judgment as to what is good or right, that is, in conformity with divine law and leading to pleasure. And that what is evil or wrong is what violates divine law and leads to pain. In other words, Locke reduces moral good and evil to pleasure or pain which, as reward and punishment, come to us from God. In view of this, a business enterprise is said to be ethical when it seeks pleasure (profit) in conformity with divine law and unethical when it violates divine law. The goal of a business is not just to earn profit, Ochulor, K. and Odumayak, O. (2010). As a matter of fact, to be successful in the long run, business need to be ethical in dealing with customers, employees, investors, community and society at large, Ochulor, K. and Odumayak, O. (2010).

It is however, imperative for business people to realize that business decisions foster trust among individuals in business relationships, hence, ethical violations destroy trust and make the continuation of business very difficult, if not impossible and an ethical business enterprise will always endeavor to strike an acceptable balance between its interest of profit making and the interests of all parties affected by its actions, Ochulor, O. and Odumayak, K. (2010).

**CONCLUSIONS**

The researcher have attempted to examine Hobbes and Locke’s moral philosophy, ethical issues in business transactions, the negative effect of unethical business practices to organisations and commercial life of Nigerians, the difference between Hobbes and Locke’s morality theory and their similarities.

It is obvious that business enterprise that is ready to do business in the right way stands to benefit from business ethics and business ethics can serve as a key to competitive edge in several ways; the enterprise concerned will develop and sustain good reputation brand image; the sustenance of good reputation will ensure that the enterprise not only retains its customers but enlarges their number; the business enterprise will be trusted within and outside the community where it operates; the enterprise will make profit and therefore, ensure good dividends for its shareholders because the better the quality of an enterprise and customers, the higher the profit it makes and its growth will be ensured of any competitions, Ochulor, K. and Odumayak, O. (2010).

**RECOMMENDATIONS**

The researcher recommends as follows:

1. That morality is based on the command of God. Because the basic principles are decreed by God.
2. That morality is capable of being demonstrated like Mathematics which is self evident.
3. That detailed rules of human conduct can be deduced, with certainty as in mathematics.
4. That the enterprise of business is not distinct from the enterprise of life, because they share the same bottom line-people,
therefore as in the rest of life, business is required to be handled with the care and respect for each parties involved.

5. That unethical practice should be avoided as much as possible in business because they have led to either closure or liquidation of most business enterprises.

6. Finally, that the law of God must be applied in business, i.e “do unto others what you would wish others do unto you”.

REFERENCES


