A CRITIQUE OF "IS BUSINESS BLUFFING ETHICAL?"

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In 1968 an article entitled "Is Business Bluffing Ethical?" by Albert Z. Carr was published in the *Harvard Business Review.* It argues that business ethics essentially are the ethics of a game, particularly poker, and that they differ significantly from the ethics of private life. Game ethics, maintains Carr, include such practices as bluffing and not telling the whole truth, which the ethics of private life would consider to be immoral. Carr expanded the game analogy into a book in 1971.

The present study revisits the issues raised in Carr's article and challenges his fundamental premises. The first premise to be challenged is Carr's exclusion of other ethical theories that pertain to the "ethics of private life"; when only one theory—namely, the Judeo-Christian religious theory of altruism—is considered synonymous with ethics, a whole continuum of other theories that might account for business practice is ignored. In philosophy this continuum extends from a life of self-sacrifice, in which ethical behavior consists of sacrificing oneself to others, to a life of sacrificing others to oneself.

Broadly speaking, ethical theory can be divided into altruism and egoism, the former being an other-oriented theory, the latter self-oriented. Within altruism, there is the extreme self-denial of medieval Saints and Buddhist monks, there is the more moderate self-sacrifice of Jesus' prescription to "love thy neighbor," and there is the still more moderate self-sacrifice of Jeremy Bentham's utilitarianism. Within egoism, there is the rational or enlightened self-interest of Ayn Rand that denies the validity of sacrifices of anyone to anyone and there is the Machiavellian theory of sacrificing others to oneself for personal gain. This range of ethical theory widens the perspective with which to view business practice and avoids the traps of Carr's one-theory approach.

The second premise in Carr's article to be challenged is the notion that business is a game. This comes as a consequence of Carr's one-theory approach to business ethics because now he must justify business behavior on some other grounds than religious ethics, self-interested money-making activity not being justifiable on a moral code of self-sacrifice. Carr states that business executives follow game ethics where the rules of the game are defined by the law.

The present writer, however, argues that business is not a game and indeed that the game analogy Carr uses leads him to defend some truly unsavory practices, such as cowardice. Illustrating this point with one of Carr's examples, a sales representative gives money to a client's political candidate even though the representative does not support the candidate. Why? The client's sales constitute almost half of the representative's business. Besides, the action is legal and anything that is legal is all part of the strategy required to win the business game. Now some sales representatives may not exhibit integrity as a character trait, but cowardice is precisely what Carr is defending in the name of "game ethics."

Finally, the third premise to be challenged is Carr's assumption that deception is inherent in the art of negotiation; however, when negotiation is properly understood the concept and activity of bluffing cease entirely to be relevant to business behavior. The goal of negotiation is mutual need satisfaction, not victory over an opponent. Indeed, bluffing and deception are irrelevant and actually harmful to successful negotiation.

One of the simpler negotiations is the goal of reaching a mutually agreed upon price for some product. Neither buyer nor seller reveals to the other his or her maximum bidding or minimum asking price. Neither has an obligation to do so because each enjoys a right to privacy. But bring in bluff and bluster to intimidate the other party and defeat, not mutual need satisfaction, becomes the goal. Carr even implies, because of his rigid religious view of honesty—"do not lie regardless of personal consequence"—that failure to reveal one's maximum bidding or minimum asking price is dishonest.

This is the perverse consequence of not being willing to move beyond one well-known theory of ethics in order to defend business behavior.