

## **BUSINESS ETHICS IN THIS ALGORITHMIC ERA: A PHILOSOPHICAL APPRAISAL**

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### **Abstract**

Not too long ago, business ethics was thought of as an oxymoron. This was the case because profit maximization was christened as the sole purpose of business. Time has however changed this attitude as the stakeholders of the business are now demanding more from business enterprises, especially in this algorithmic era. In this paper, a philosophical appraisal of business ethics in this algorithmic era was carried out. Since concept clarification is one of the essences of philosophy, the study started by reviewing the concept of business ethics. Peter Drucker's argument of business ethics as ethics in business was highlighted and corroborated. More importantly, algorithmic bias a major ethical issue in business was discussed at length with the use of non-fictional case studies that expose the existence and impact algorithmic bias has on the society. Furthermore, ethical frameworks suitable for the resolution of the ethical issue that borders on algorithmic bias were paid attention. In the process, the pitfalls of the legal system and laws enacted for the regulation of artificial intelligence/machine learning in business were spotlighted. In the same vein, the importance of the modification and improvement of ethical frameworks was addressed as it was revealed in the study that ethics enhances the law and even covers certain areas in which the law is silent. The study further looked at social pressure and its impact on business ethics and called for the assimilation of ethicists in the AI industry to achieve responsible AI which in this era largely means responsible business.

**Keywords:** Artificial intelligence, machine learning, business ethics, algorithmic bias

### **Introduction**

The emergence of autonomous technologies has transformed human behaviour, including our way of conducting business. Previously human-exclusive tasks are now performed by machines and software. These technological advancements offer a competitive advantage; hence, the majority of business enterprises have capitalized on them. Notwithstanding its perks, these technological advancements have led to the emergence of ethical

gray areas that include but are not limited to data privacy and algorithmic bias.<sup>1</sup> For instance, mobile phones equipped with GPS trackers expose our position and purchasing preferences when we purchase in-person or online. Significant business choices, such as what to produce and what not to produce, are delegated to opaque algorithmic processes. Additionally, the commercial data used by these algorithms to make conclusions run the risk of being influenced by human bias which can in turn lead to decisions that discriminate against individuals due to morally arbitrary characteristics, such as race or gender.<sup>2</sup>

Some argue that autonomous technology will provide an escape from human bias, stereotypes, and prejudices. Nonetheless, regardless of perspective, the autonomy of these technologies is restricted. Humans retain ultimate control and incorporate their prejudices and stereotypes into their innovations. Technological innovations are not devoid of value; rather, they are value-laden. The World Economic Forum elaborates on this line of thought as they note that:

Clearly, technologies have a moral dimension or a fundamental aspect that pertains to values, ethics, and norms. Technologies reflect the interests, attitudes, and wants of their designers and influence how people might realize their potential, identities, and objectives.<sup>3</sup>

The creators of these autonomous technologies determine when and how to upgrade the technology, as well as which duties to assign to it. The data on which algorithms operate are also imputed by humans. Considering the pervasiveness of human bias, can we confidently assert that the data supplied

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<sup>1</sup> S. Banerjee, 'Importance of business ethics in the age of innovation and intelligence', *linkedin*, (19 July 2021), para. 1, <https://www.linkedin.com/pulse/importance-business-ethics-age-innovation-intelligence-banerjee/>, accessed 26 December 2022

<sup>2</sup> D. Danks, & A. J. London, 'Algorithmic bias in autonomous systems', paper presented to the 2017 Proceedings of the 26th International Joint Conference on Artificial Intelligence, Carnegie Mellon University, Pittsburgh, USA, 29 Oct. – 2 Nov. 2017, pp. 1-7, <https://www.cmu.edu/dietrich/philosophy/docs/london/IJCAI17-AlgorithmicBias-Distrib.pdf>, accessed 17 July 2021

<sup>3</sup> World Economic Forum, 'Values, Ethics and Innovation Rethinking Technological Development in the Fourth Industrial Revolution', *World Economic Forum*, (3 August 2018), 14, [http://www3.weforum.org/docs/WEF\\_WP\\_Values\\_Ethics\\_Innovation\\_2018.pdf](http://www3.weforum.org/docs/WEF_WP_Values_Ethics_Innovation_2018.pdf), accessed 21 July 2021

to algorithms are clean feeds? These autonomous technologies have far-reaching impacts; can we achieve the greater good if they are left in the hands of corporations that prioritize profit maximization? Although firms play an important role in the development of technology and make associated value judgments around its use, it remains open how we should understand the contours of what firms owe society as the rate of technological development accelerates.<sup>4</sup> We have established that these ubiquitous technologies raise new ethical issues in business, thus, the all-important question this research aims to tackle is: What ethical framework can be used to address the ethical challenges that are emerging in business in this age of algorithms? This study will attempt to answer this question by employing numerous case studies to support its claims.

### **Business Ethics: A Conceptual Review**

To address the primary question that this study attempts, a review of the fundamental question of this endeavour what business ethics is, is imperative. Business ethics is the application of ethical values to business behaviour.<sup>5</sup> It is the set standard of a business enterprise borne out of its cherished values. Business ethics designates the behaviour expected of shareholders and stakeholders alike. It designates the standards for morally right and wrong conduct in business.<sup>6</sup>

The law also specifies acceptable behaviour, but "legal" and "ethical" are not always synonymous. There is a point of convergence and divergence between the terms. Both concepts foster stipulated behaviours. The distinction, though, is that the former's reinforcement is formal while the latter's is rather informal. For instance, it is both illegal and unethical to manufacture substandard goods. As a legal body of the government in Nigeria, the Standard

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<sup>4</sup> K. Martin, K. Shilton & J. Smith, 'Business and the Ethical Implications of Technology: Introduction to the Symposium', *J Bus Ethics*, 160 (2019), 309, <https://link.springer.com/article/10.1007/s10551-019-04213-9#citeas>, accessed 15 July 2021

<sup>5</sup> Institute of business Ethics, 'What is business ethics,?' *Institute of business Ethics*, (2021), para. 1, <https://www.ibe.org.uk/knowledge-hub/what-is-business-ethics.html>, accessed 22 June 2022

<sup>6</sup> K. Schroeder, '3 Reasons Why Business Ethics Is Important', *School of Business* [Blog post], (9 May 2019), para. 2, <https://www.redlands.edu/study/schools-and-centers/business/sbblog/2019/may-2019/3-reasons-why-business-ethics-important/>, accessed 22 June 2021

Organization of Nigeria (SON) is charged with ensuring the production of standard goods. Consequently, in a case where a business is seen to be producing substandard goods, SON is empowered to seize, confiscate and destroy any sub-standard products and prosecute the perpetrators.<sup>7</sup> On the other hand, the ethical principle of honesty and loyalty also necessitates the production of standard goods, hence, a corporation that disregards the ethical principles of honesty and loyalty and produces substandard goods will receive negative press and eventually lose its market share. It is important to note that business ethics enhances the law by outlining acceptable behaviours beyond government control.<sup>8</sup> It also covers certain areas where the law is silent. This is so because other than abiding by the norms of society in general, corporations establish business ethics to promote integrity among their employees and gain trust from key stakeholders, such as investors and consumers.<sup>9</sup>

Peter Drucker introduced a new perspective to the conceptual review of business ethics as he differentiated between business ethics and ethics in business. For him, business ethics presupposes special ethics curated for business or while ethics in business implies the application of ordinary ethical principles in business. He argued further that there is no such thing as business ethics, only ethics in business.<sup>10</sup> He views what is considered business ethics as different attempts to justify business practices that were clearly immoral by ordinary standards.<sup>11</sup> Drucker's perspective raised new questions in the business ethics endeavour such as: Are moral languages exclusive to human beings or could be used to refer to corporations? Can corporations possess the knowledge and will the criteria for moral responsibility? As with other philosophical questions, there are opposing answers to these questions. However, the concept of business ethics as ethics in business is gaining acceptance as academicians, philosophers, and empiricists concur that businesses have a human face and, as such, ethics should have a role in business just as they do in other aspects of life. This implies that standard

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<sup>7</sup> J. Athanasius, '12 Functions of The Standard Organization of Nigeria', *Economy*, (26 September 2018), para. 4, <https://infoguidenigeria.com/12-functions-standard-organization-nigeria/>, accessed 23 June 2022

<sup>8</sup> Schroeder, '3 Reasons Why Business Ethics Is Important'

<sup>9</sup> Athanasius, '12 Functions of The Standard Organization of Nigeria'

<sup>10</sup> P. F. Drucker, 'What is 'Business Ethics'? *The Public Interest*, vol. 63/ (1981), 19.

<sup>11</sup> Drucker, 'What is 'Business Ethics?'

ethical behaviors such as honesty, integrity, transparency, justice, and equality should be employed in the business setting. De George lends weight to Drucker's argument with copious examples as he notes:

The scandals about bribery, insider trading, false advertising, and the like, the stories about Enron and Arthur Andersen and Bernard Madoff's Ponzi scheme, constitute what is generally regarded as misconduct in business and what the general public associates with business ethics—or more precisely, with the failure of businesses to act ethically. The moral norms that are violated apply to all sections of society.<sup>12</sup>

Businesses are conducted by humans, for humans. They act within society and exert a significant influence on society so why should businesses not be held by ordinary ethical principles of society? Therefore, I endorse Drucker's argument that we should discuss business ethics as ethics in business, that is the application of daily ethics to the business environment, as opposed to business ethics as a unique ethical framework for business enterprises.

Drucker's perspective has in turn changed what it means to be a good business person. Drucker's perspective informs that a good business person should be evaluated based on his character, not his ability to make clever economic judgments. This means that, unlike in the past, entrepreneurs' code of ethics should no longer be downplayed. This is so because a personal code of ethics is composed of moral convictions formed through experiences, familial norms, and socialization that serves as the foremost factor responsible for influencing a person's behavior.<sup>13</sup>

Every entrepreneur is confronted with ethical dilemmas that require them to choose from restricted alternatives that sometimes include a violation of moral principles. Entrepreneurs' response to situations is determined by their personal code of conduct. Unfortunately, the impact of a personal code of ethics on business is seldom given sufficient consideration. Erroneously, there is a separation between the person and the entrepreneur. This is the

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<sup>12</sup> R. T. De George, 'A History of Business Ethics' *Economy*, (2 September 2011), para. 2, <https://www.bbvaopenmind.com/en/articles/a-history-of-business-ethics/>, accessed 23 June 2021

<sup>13</sup> Accountlearning.com, 'Factors influencing Business Ethics | What affects Business Ethics?', *Accountlearning.com*, (9 March 2021), para. 7, <https://accountlearning.com/factors-influencing-business-ethics-what-affects-business-ethics/>, accessed 19 July 2021

rationale behind the expression "this is business" when attempting to excuse certain unethical business practices. The expression "this is business" implies that an entrepreneur must do whatever it takes to succeed. An entrepreneur is overlooked to be the Machiavellian prince, ruthless as a lion and cunning as the fox. People that uphold ethical principles at all costs are labeled as cowardly and unfit for the cutthroat business world. Experience has however shown us that the entrepreneur and the individual cannot and should not be separated. An entrepreneur with a lax moral code will likewise have a lax business code of ethics, and vice versa. A personal code of ethics has a significant impact on business. Observably, customers require and demand a certain amount of trust before purchasing a product or service. People arbitrarily evaluate the personal moral standards of the entrepreneur and are more likely to trust a decent individual than a successful businessperson. For instance, there was a time when people from the Northern part of Nigeria enjoyed the patronage and were favoured as business partners because of the belief that they were honest and trustworthy. In the same vein, this is also the reason why people avoid conducting business with certain family members and acquaintances. The awareness of the moral flaws of their family member who is involved in a business prevents them from blindly trusting, as an uninformed outsider might.

### **Algorithmic Bias in Business: Its Origin and Impact**

Bias is an inherent component of human nature. People want to assume that they are rational and logical, but the truth is that we are constantly influenced by our biases borne out of our socialization process. These biases impair people's thinking, shape their views, and affect the decisions and judgments they make every day. Sometimes, cognitive biases are fairly obvious, you might even find that you recognize these tendencies in yourself or others, in other cases, these biases are so subtle that they are impossible to notice.<sup>14</sup> Today, we live in an era where major decisions that have an impact on people are being delegated to algorithms in the hope to be liberated from our biases and prejudices but are we truly liberated?

Algorithms don't work in isolation. Typically, algorithms start with initial input also known as data alongside instructions that describe a specific

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<sup>14</sup> K. Cherry, 'List of Common Cognitive Biases: Common Types of Bias That Influence Thinking', *verywellmind*, (6 November 2022), <https://www.verywellmind.com/cognitive-biases-distort-thinking-2794763>, accessed 1 January 2023

computation. The computation process then produces a result known as output. With the breakneck speed at which the field of artificial intelligence is developing, machines are now being structured to automatically learn from the past, using historical data to make predictions without being explicitly programmed. In the advent where a complex problem is encountered, where we need to perform some predictions, instead of writing a code for it, data is fed to generic algorithms, and with the help of these algorithms, machine builds the logic as per the data and predict the output.<sup>15</sup> At the core of algorithms and machine learning is data. The quantity and quality of data determine the accuracy of the predictions of the models. That is to say, huge and objective data build a better model that predicts accurately while scanty and unrepresentative data produce inaccurate predictions and models.

Unfortunately, the many instances of gender and cultural bias found in AI systems and algorithms speak volume about the kind of data inputted in these algorithms and the general environment of artificial intelligence. Algorithmic bias is a genuine and serious issue for businesses that stems from how artificial intelligence is built. Algorithms are designed by people, rely on people to learn, and operate with selected data sets handpicked by humans to fulfill designated tasks. The root cause of algorithmic bias is human bias. Human bias is fundamental and ubiquitous so much so that data fed to these algorithms reflect them. Biases do not just exist only within the data, there are also cognitive biases that a scientist may have while performing research, experimenting, or implementing algorithms.<sup>16</sup> Sometimes scientists structure the data and results to conform to their already preconceived idea or notion. Although it is termed machine bias, the machine itself has no hand in it. The bias, however, strictly spans from humans and their choice of datasets and their programming.

Amazon's automated recruitment scandal is a case in point. In 2018, it was reported that the company had developed an internal recruitment tool that was trained on resumes submitted to the company over a 10-year period. However, it was found that the tool was biased against women because the

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<sup>15</sup> JavaTpoint, 'Machine Learning Tutorial', *Javatpoint*, (N. D.),  
<https://www.javatpoint.com/machine-learning>,  
accessed 2 January 2023

<sup>16</sup> M. Xiang, 'Human Bias in Machine Learning: What it means in our modern big data world', *towardsdatascience*,  
(18 March 2019), <https://towardsdatascience.com/bias-what-it-means-in-the-big-data-world-6e64893e92a1>, accessed 2 January 2023

majority of resumes the tool was trained on were submitted by men. As a result, the tool was less likely to recommend resumes submitted by women for certain job openings. Another case in point is that of self-driving cars. An estimated 33 million autonomous vehicles will be on the road by 2040, potentially eliminating some of the dangers posed by fallible human motorists.<sup>17</sup> As much as it promises to curtail road accidents as AI is not prone to falling asleep or having road rage, there are issues to bear in mind. Self-driving cars use a variety of sensors to navigate, including cameras, lidar, radar, and ultrasonic sensors. These sensors work together to create a map of the car's environment and to detect and identify objects, such as other vehicles and pedestrians. However, it has been reported that these systems may have difficulty recognizing people with darker skin tones. This is because the algorithms used to identify objects and people in the car's environment are often trained on data sets that primarily include images of light-skinned individuals. As a result, the algorithms may not perform as well on individuals with darker skin tones, who are underrepresented in the training data. Working with datasets that are not diverse and making generalizable conclusions have ripple effects.

We are well aware of these algorithmic biases but it behooves us to ask, are these biases honest mistakes or are they something more? Is it a mere coincidence that algorithmic bias mirrors along societal prejudices? Women have been vocal about being discriminated against at work and not having equal opportunities as their male counterparts and now hiring algorithms are being biased against women. The black lives matter movement is very popular for launching campaigns against the second handedness in which black people are treated, now self-driving cars are failing to recognize black people. Some might argue that algorithmic bias can be an honest mistake. That is to say when creating models, the data scientist or team may not be aware of certain biases, or not have the proper resources or knowledge on how to mitigate them. However, how can we excuse neglecting a particular gender or race from the process that goes into the invention of a technology that affects humanity in its entirety? This, I think, is a result of willful Negligence. As Robertson

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<sup>17</sup> J. Miley, 'Autonomous Cars Can't Recognize Pedestrians with Darker Skin Tones: People with darker skin are more at risk of being hit by a self-driving vehicle', *InterestingEngineering*, (9 August 2021), <https://interestingengineering.com/culture/autonomous-cars-cant-recognise-pedestrians-with-darker-skin-tones>, accessed 2 January 2023

Davies famously said “The eye sees only what the mind is prepared to comprehend,” so, it is not crazy to think that the creators of AI technologies sometimes gather data that conform to their age-long ideas and opinions. More so, the field of artificial intelligence is a guarded one and is primarily dominated by men that are mostly white. Is it then a coincidence that most algorithmic bias reflect the prejudices and stereotypes associated with white men?

The recurrent instances of algorithmic bias in AI technologies reveal what is at stake when AI dismisses core values such as inclusivity, dependability, and explicability. The ubiquity of artificial intelligence poses issues about the vulnerability of human rights in the absence of ethical AI. AI is capable of enforcing already existing biases that can lead to the discrimination and marginalization of a particular gender and group. Unfortunately, machine-induced discrimination and marginalization are somewhat more difficult to tackle as a result of the ideology of machine objectivity and the opacity of AI systems. Artificial intelligence (AI) uses deep learning (DL), an algorithmic system of deep neural networks, which on the whole remain opaque or hidden from human comprehension.<sup>18</sup> We rely on algorithms to make decisions in almost every aspect of our lives in these modern times. However, we are kept in the dark as to how the decisions are made and are sometimes incapable of resolving the issues raised. In 2015, Google faced a scandal involving its image recognition technology and how it categorized and labeled photos of Black people. The company's image recognition algorithms were found to be mislabeling photos of Black people as gorillas. In an attempt to fix the hitch in their system, Google took down gorillas entirely from their tech. One might argue that Google tackled the issue flimsily because they did not want to allocate proper resources to fix the problem or it can be said that the reason why they did not constructively resolve the issue was that they were unable to figure out why the issue occurred in the first place. For a major company like Google with the wherewithal to hire the best minds to encounter such difficulty, speaks volumes of the complexities of AI systems and how little we know about them.

Many authors treat opacity as one of the central threats posed by our increasing reliance on AI.<sup>19</sup> Not only do algorithms run the risk of

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<sup>18</sup> W. J., von Eschenbach, ‘Transparency and the Black Box Problem: Why We Do Not Trust AI’, *Philos. Technol.* Vol. 34, 1611, (2021).

<sup>19</sup> B. Vaassen, ‘AI, Opacity, and Personal Autonomy’, *Philos. Technol.* Vol. 35/88, 76, 2022

reinvigorating historical discrimination, encoding and reinforcing it once more in our societies,<sup>20</sup> but it also disarms its victims of marginalization, leaving them with no means to demand real change as they can barely express what is wrong with the system despite their inclination or experience of wrongdoing. Scientists find it almost impossible to explain what goes on in the Blackbox let alone ordinary members of a group. In addition to the opacity of AI systems, victims of algorithmic bias are also constrained by the ardent belief in the ideology of machine objectivity. The idea of machine objectivity implies an amoral box of logic that constructs a world of representations and solutions through mathematics and data analysis.<sup>21</sup> By virtue of the machine's emotionlessness and dealing strictly with numbers, it is not cluttered by identity politics, stereotypes, and prejudices that plague humans as a result of their unique cultural history and biological makeup that machines do not share.<sup>22</sup> That is to say, the agelong weight of objectivity that scientists carried over the years has been transferred to machines. In simpler terms, the ideology of machine objectivity presupposes the idea that machines are perfect, independent, impartial, and cannot make mistakes as they are unaffected by human shortcomings and biases. Hence, people make recourse to machines to justify their decisions and actions.

However, the problem with the ideology of machine objectivity is that it leaves out the fact that algorithms and machines are human inventions and the data inputted in them are from humans. Here, this saying holds true: 'garbage in, garbage out' (GIGO), that is to say, the computer system reproduces what it is fed. Hence, if it's fed biased data, it reproduces biased results. Human beings are a product of nature/nurture. Our biological and social makeups determine who we are and influence our decisions and thought processes. In this case, can we boast of a bias-free algorithm? That does not seem to be the case. This is so because both data and machine learning models are objects for which meaning is made in each step of the development pipeline, from data selection over an annotation to model training and

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<sup>20</sup> Maize, 'What is the AI black box problem?', *maize.io*, (15 June 2018), para. 3, <https://www.maize.io/magazine/what-is-ai-s-black-box-problem/>, accessed 3 January 2023.

<sup>21</sup> S. Regan, 'Bias in Machine Learning and Difficulty in Modeling Objective Reality', *medium.datadriveninvestor*, (29 November 2018), para. 1, <https://medium.datadriveninvestor.com/even-our-machines-are-racist-c89360b4e1a3>, accessed 3 January 2023

<sup>22</sup> Regan, 'Bias in Machine Learning and Difficulty in Modeling Objective Reality',

analysis.<sup>23</sup> Framing algorithms as evolving under their inertia, as providing more efficient, accurate decisions, and as outside the realm of any critical examination or moral evaluation<sup>24</sup> is a faulty ideology. Put another way, the dogmatic belief that the designs of AI inventors are neutral and as such algorithms and machines are objective makes light of the moral responsibility that should be placed on companies that invent and use AI-related systems. By not recognizing the intrinsic shortcomings or flaws of these AI inventions we are invariably overlooking the moral responsibilities of the inventors or users of AI systems, particularly in business, thus, leaving room for moral laxity in their operations. In essence, by acknowledging and understanding the biases that are ingrained in algorithms' design, we may determine the accompanying accountability of companies that create, develop, and use algorithms.

### **Algorithmic Bias in Business: Ethical Considerations**

Unwittingly, ethics and moral values such as honesty, sincerity, fraternity, and integrity were at the bedrock of human evolution since the dawn of civilization.<sup>25</sup> At this time, their relevance must be emphasized if we are to establish a sustainable new era. The ethical principles of fairness, accountability, and transparency also play major roles in the achievement of ethical algorithms. When given or taking the responsibility of making significant decisions, society anticipates that its members will uphold particular societal principles. They ought to render fair decisions. They ought to be accountable and transparent about their decision process even as they are becoming increasingly automated. Monitoring algorithms are more complex and distinct from human decision-making. Ethical algorithm design begins with a precise understanding of what kinds of behaviours we want algorithms to avoid (so that we know what to audit for) and proceeds to design and deploy algorithms that avoid those behaviors (so that auditing does not simply become a game of whack-a-mole).<sup>26</sup> The process to ensure an ethical

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<sup>23</sup> Z. Waseem, Z. Lulz, J. Bingel, & I. Augenstein, 'Disembodied Machine Learning: On the Illusion of Objectivity in NLP', *Cornell University*, (28 June 2021), <https://arxiv.org/abs/2101.11974>, accessed 3 January 2023.

<sup>24</sup> M. Kirsten, 'Algorithmic Bias and Corporate Responsibility: How companies hide behind the false veil of the technological imperative', in K. Martin, ed., *Ethics of Data and Analytics* (Taylor and Francis, 2021), 1

<sup>25</sup> Banerjee, 'Importance of business ethics in the age of innovation and intelligence' 7.

<sup>26</sup> M. Kearns & A. Roth, 'Ethical algorithm design should guide technology regulation',

algorithm has been mostly mathematical. This is because algorithmic bias can be measured. For instance, in a case where a particular gender is massively being denied an opportunity to attain certain positions in an organization or the potential of a particular race to commit a crime is overestimated, it is possible to demand that such harms not befall one group (such a racial minority or gender) more so than another. Algorithms have recently been developed that may impose such requirements even on very refined subgroups that combine numerous protected classifications, such as race, gender, age, income, and handicap status. For instance, software developers can enforce constraints that demand that the rate of rejection of women for certain leadership roles in an organization should not be outrageously higher than the rejection rate of their male counterparts. Measures such as these can give room for a level playing ground in cases where a particular group or class of people feel they are being marginalized. Quite progressive is the fact algorithms and models can be probed to ascertain the magnitude of bias or harm against a particular group. For example, a stark difference in false positive rates between black and white inmates in a recidivism prediction algorithm known as COMPAS was the subject of a well-publicized 2016 ProPublica article.<sup>27</sup> Note that checking that an algorithm has similar false positive rates across two populations does not require the code of the algorithm; all that is necessary is black-box experimentation allowing us to compute a small number of averages.<sup>28</sup>

It is important to note here that fairness and accountability in algorithms, values that contribute to ethical algorithms require algorithmic transparency. However, the demand for algorithms raises concerns about copyright infringement. In fact, companies are at odds with the demand for more accessibility of their algorithms as they argue that it is going to expose their competitive edge. The argument centering around copyright infringement is very valid, but ethical considerations demand that algorithms be made available for scrutiny at least to regulatory bodies and experts that will, by law, be sworn to secrecy. Transparency cannot be left out of the table in the face of many instances of algorithmic bias and harm. We have over the years been entrusting our data to these large tech companies. It is not out of place to ask

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Brookings, (13 January 2020), <https://www.brookings.edu/research/ethical-algorithm-design-should-guide-technology-regulation/>, accessed 4 January 2023.

<sup>27</sup> Kearns & Roth, 'Ethical algorithm design should guide technology regulation', para. 4.

<sup>28</sup> Kearns & Roth, 'Ethical algorithm design should guide technology regulation', para. 4.

that they entrust their algorithms to the hands of individuals working in the interest of the public.

As the impact of business on the lives of people continues to increase in this algorithmic era, people are placing greater demands on businesses. This demand is not empty rhetoric. Those companies that have failed to incorporate ethics into their operations have lost their market share. Baron and Hoje posit a model that explains the effect of social pressure in business as they note that:

Businesses operate in three interrelated markets: the product market shaped by customers, the capital market shaped by investors, and the “market for social pressure” in which government, activists, and non-governmental organizations (NGOs) put demands on companies to increase their social performance. The pressure comes through actions such as regulatory enforcement, product boycotts, internet campaigns, and statements to the press. The data showed that the impact of social pressure was due almost entirely to “private politics” — actions by activists and NGOs — rather than “public politics” stemming from government actions.<sup>29</sup>

They concluded that social pressure and social performance are mutually reinforcing. Experience has shown that when social pressure is increased, social performance improves. Businesses have improved the quality of their products and services as a result of a widespread understanding of business ethics. Social pressure is not new to the business environment. As far back as the 1990s, Nike experienced bad publicity because of their silence on the issue of ‘sweat shop’ a slang used to describe manufacturing facilities in foreign nations where employees receive unfair wages and work in poor conditions, relative to American laws and ethical standards.<sup>30</sup> Nike famously had to overcome image issues when it first detached itself from “sweat shop” criticism, but then advocated higher standards when massive public boycotts hurt the company.<sup>31</sup>

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<sup>29</sup> M. Shao, ‘Social Pressures Affect Corporate Strategy and Performance’, *Stanford Business*, (1 December 2009), para. 3, <https://www.gsb.stanford.edu/insights/social-pressures-affect-corporate-strategy-performance>, accessed 2 August 2022

<sup>30</sup> Chron, ‘Is Outsourcing an Ethical Practice?’ *Chron*, (16 July 2020), para. 5, <https://smallbusiness.chron.com/can-external-social-pressure-influence-business-ethics-43961.html>, accessed 21 July 2022

<sup>31</sup> Chron, ‘Is Outsourcing an Ethical Practice?’

Now, the prying eyes of the media and inventive technology like CCTV cameras, mobile phones, and social media have rendered people more vulnerable to exposure in the modern era. Due to the reach of social media, not only is it simpler to pry, but the stories are also one click away from being viral. Social pressures are not only directed toward business ethics alone but also personal code of ethics that is believed to have a considerable influence on ethics in business. CEOs and employees alike have experienced the exposure of their dirty secrets and the repercussions. Travis Kalanick, the CEO of Uber, resigned in response to shareholder pressure stemming from allegations of rape against Uber drivers, his employees. The rape issue not only led to Mr. Kalanick's early retirement but also badly harmed the reputation of the company. More so, Mr. Kalanick's reputation for ruthlessness and machismo with persistent stories about organizational sexism and disputes with local authorities, taxi companies, and drivers over their terms led to some deeply uncomfortable reports about the culture inside Uber.<sup>32</sup> Mark Cuban an American entrepreneur while describing Mr. Kalanick, told the New York Times that "Travis's biggest strength is that he will run through a wall to accomplish his goals, and his biggest weakness is that he will run through a wall to accomplish his goals."<sup>33</sup> The fall of Mr. Kalanick and his business from grace demonstrates that the "anything goes" mentality of business is appalling to society and detrimental to businesses in the long term.

Social pressure has a tremendous effect on society because it trickles down from business to society at large. Byars and Stanberry throw more light on this assertion as they note that:

As instances of this type of pressure on corporations increase around the world, stakeholder groups become simultaneously less isolated and more powerful. Firms need customers. Customers need employment, and the state needs taxes just as firms need resources. All stakeholders exist in an interdependent network of relationships, and what is most needed is a sustainable system that enables all types of key stakeholders to establish and apply influence.<sup>34</sup>

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<sup>32</sup> Z. Kleinman, 'Uber: The scandals that drove Travis Kalanick out', *BBC*, (21 June 2017), para. 7, <https://www.bbc.com/news/technology-40352868>, accessed 21 July 2021

<sup>33</sup> Kleinman, 'Uber: The scandals that drove Travis Kalanick out', para. 9

<sup>34</sup> S. Byars, & K. Stanberry, *Business Ethics*, *Openstax*, Houston Texas, (2018), para. 9, <https://openstax.org/books/business-ethics/pages/3-4-corporate-social-responsibility-csr>, accessed on 3 August 2021

Decisions that businesses take have a tremendous impact on society. Since they do, people should have the right to exert pressure and influence what and how a business is being run. However, the ability to exercise pressure depends on several antecedents such as country-specific characteristics.<sup>35</sup> Knowledge of consumer rights and social consciousness are important factors in the exercise of social pressure. Unfortunately, social pressure is not popular in most African countries due to the lack of knowledge of consumer rights and social consciousness. This lack is borne out of the structure of society. The education sector is flawed and activism has been watered down by public office holders that use subtle and even military means to scare the public into silence. The situation is so bad that it is difficult to easily identify any social pressure exerted on a business in Nigeria that yielded positive results. Indigenous businesses with the right connections, and multinational corporations with large purses for kickbacks are protected by the Nigerian government amidst their unethical practices.

### **Conclusion**

The development or modification of ethical frameworks that are suitable for the new ethical gray areas brought about by the emergence and ubiquity of AI-related technologies should be commensurate with the speed at which artificial intelligence is developing especially in business. The issue of algorithmic bias emanating from AI in business have far-reaching impacts hence, all hands should be on deck when it comes to the resolution. The opacity and complexity of AI systems compel one to think of the discovery and resolution of ethical issues in business in this algorithmic era as an activity or process exclusive to tech developers. However, the role and importance of ethicists should not be downplayed in the ploy to achieve an ethics-conscious business environment which in this era is largely dependent on the development and deployment of responsible AI.

As much as we like to reiterate the prioritization of people and the planet before profit as highlighted in the 3 Ps of business as what ought to be, that is not the case. Business enterprises have shown that they prioritize profit-making above every other thing else. In fact, one can argue, and rightly so that

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<sup>35</sup> J. P., Doh & T. R. Guay, 'Corporate social responsibility, public policy, and NGO activism in Europe and the United States: An institutional-stakeholder perspective', *Journal of Management Studies*, 43, (2006), 46.

the breakneck speed at which AI is being invented and deployed in business is motivated by the zeal of businesses to maximize profit. It is then safe to wonder what it will be like to leave the discussions surrounding ethics in the hands of these businesses. This is why it is imperative to include ethicists and stakeholders in the process and execution of business models, as they would always bring a dynamic perspective to the conversations. Also, since ethicists are squarely focused on the ethical considerations of AI-related technologies, they are better positioned to anticipate the ethical issues that are likely to emanate from AI-related technologies thus making the resolution process proactive rather than reactive which is largely the case today. Ethics in business in this algorithmic era should be a mutual effort between ethicists and tech developers. Ethicists are already doing their bit when it comes to the achievement of a responsible AI. Some research in ethics and AI are even being sponsored by benevolent companies. Notwithstanding the progress already made, I think that there is a need and room for more. To be able to curtail the destructive potential of AI systems and build a system that serves humanity and not the one percent, ethicists should be given a prominent place in the AI industry and be included in the invention and deployment of AI technologies. This implies that the findings of ethicists should not be relegated to the libraries or looked at as mere commentary, but be taken into serious consideration by regulators.

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