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Taking stock: Ethics as the entrepreneur's trump card

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Entrepreneurship alters society. Consider Elon Musk's Neuralink, a U.S.-based neurotechnology startup that develops an implantable brain computer interface. Together with other applications, the technology ought to reduce paralytic symptoms in physically disabled people in the future. In 2022, Neuralink was investigated for allegedly violating the Animal Welfare Act through irresponsible experiments that had 'needlessly' killed nearly 1,500 animals. These accusations resulted in public scandal. In response, the venture highlighted legal conformity, having passed inspections by the U.S. Department of Agriculture. Two years after the scandal, Neuralink is still operating today, currently, initiating human trials to test the brain chip technology.

Albeit specific and extreme, this example illustrates a type of ethical dilemma that is common in entrepreneurship: **an action that** may or may not adhere to personal values but **violates socially accepted principles, while promising meaningful future benefits**. These positive consequences relate to the economy, technology, or society in the broadest sense. In the case of Neuralink, is it ethically right to risk an animal's life during R&D, so to hopefully improve a person's livelihood in the future? If so, how many animal deaths can you justify through how many improved human lives? Entrepreneurs should consider three types of ethical perspectives before (not) taking action: societal principles and the law, consequences, and personal values. First, if we assume legality, the venture's animal experiments are ethically fine because they adhere to the legal frameworks. Depending on the country, culture, and more proximate context, though, society may disagree, such that societal principles deem the action ethically wrong. Consider how, for example, animal advocates, vegetarians, or pet owners will oppose the use of any animal experiments. Secondly, some stakeholders argued that killing the animals created more accumulated harm compared to the uncertain future benefits for humans. When focusing on these consequences, the action is ethically wrong. Still, the possible success of Neuralink will contribute to economic growth through creating job opportunities or developing a new market, and through fostering tremendous technological progress. Based on these consequences, the animal experiments are ethically justifiable. Lastly, personal values may compete with or adhere to either ethical assessment. If important stakeholders interpret ethicality differently from the entrepreneurs, they may constrain access to critical resources or complicate a venture's future operations through heightened scrutiny. In the worst case, these consequences lead to failure, business liquidation, and even personal bankruptcy. Depending on the scale and scope of an action and its consequences and on who is involved or affected, ethical assessments again vary. Admittedly, in the case of Neuralink – due to his extraordinary financial and social capital – changes in terms of resource access do not influence the entrepreneur's ethical assessment.

Ultimately, the decision of what is ethically right and wrong, and what action to take or not, lies with the individual. Notably, not only entrepreneurs who genuinely want to act ethically right should deliberately shift between different ethical perspectives (personal values, societal principles, and consequences), ponder each of their repercussions, and assess which possibly negative implications they are most willing to face. Beyond that, those entrepreneurs who merely do not want to act ethically wrong, as well as those who would not mind acting ethically wrong benefit from taking stock of ethical implications in entrepreneurial action.

In sum, entrepreneurs should leverage ethics as a trump card in their startup journey, which allows them to strategically prepare for possible negative repercussions of actions before they play out.

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