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Chapter VIII

# The Moral and Business Value of Information Technology: What to do in Case of a Conflict?

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*This chapter explores the question of the value of information technology from a wider angle than the usual financial perspective. The central thesis is that value is always more than just a financial notion, that it always includes a moral or ethical dimension. From this starting point, the paper investigates the different types of values that play a role in information technology. Due to the multitude of values that determine our dealing with information technology, it is clear that there can be conflicts between them. The paper, therefore, proceeds to introduce a framework that allows the conciliation of competing values by introducing values of a higher order, so-called option values and legacy values. It is then demonstrated that this framework can help solve the problem of value conflicts in IT.*

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# INTRODUCTION

The question of this chapter is how the use of IT in business and the resulting gain of business value can be interpreted from an ethical perspective. Of central interest is whether there is a conflict between the business value and the moral value of IT and what to do in that case.

The starting point of the analysis will be the term "value." Value is, among other things, a moral notion. But of course, value does not have to be understood in terms of morality and ethics. If someone talks of the value of their car or house, then economic considerations are the first to come to mind. Talking about the business value of IT therefore seems to be based on an unclear notion. What sort of value are we talking about here? The title of the book clearly points in a certain direction. "Creating business value with IT" implies that there is something that can unequivocally be recognized as business value. Furthermore, this value can be created; it is thus an object of intentional action by (economic) actors. Finally, the creation of business value can be achieved in whatever way by the use of information technology. My argument is that all of the just-mentioned concepts can be ethically relevant. If this is so, then one can ask what the relationship between business and moral value is. If a conflict between them is conceivable, then the next question will be: according to what rules can managers decide between the two?



# THE NOTION OF VALUE

Most readers of this book probably have a very clear idea about what they expect from it and therefore what the business value of IT might be. Presumably, this idea has something to do with the supposition that business value is about money and profits, and that IT is a tool that can be used to increase this value.



## Financial Value

More generally and in the language of economists, a first definition of the notion of value could be that every economic actor wants to maximize his or her profits. Value, in this case understood as financial value, can be created by increasing profits. Therefore, creating business value of IT can be measured by increases in profits. This model contains two problems: first, it confines the notion of value more closely than necessary. Second, it is unrealistic. Because I will elaborate on the first point in greater length later on, let me start with the second, with the lack of realism. Maximization of profit is simply impossible to achieve by a real-life economic actor. In order to achieve it the actor would have to fulfil the conditions of the "economic man," and would have to be completely rational, decide according to preference