

Ethics in Product Management

As technology becomes more deeply integrated into everyday life, the ethical implications of product decisions grow increasingly critical. This whitepaper offers a practical guide for product professionals to identify and address ethical blind spots that can lead to harm—whether through data misuse, manipulative design, or misrepresentation. It introduces a clear taxonomy of ethical frameworks, real-world examples of harmful practices, and actionable guidance for making fairer, more responsible product decisions.

Why Ethics Exists in Product Management

Ethics plays a crucial role in product management because it influences decisions that can significantly impact users, customers, stakeholders, and even society at large. At a minimum, product people (Product Owners, product managers, etc.) operating in Agile environments need to integrate agile principles, Scrum Values, and ethical philosophy into their decision making. They should strive to design solutions that are fair, respectful, and trusted. Ethical standards should be a priority when delivering value.

The Central Role of Ethics in Product Management

How product people navigate the intersection between business goals, customer and user needs, and technology have ethical consequences. Ethics plays a central role in areas like:

- User trust and safety
- Stakeholder management
- Societal impact
- Use of technology
- Transparency and accountability

When the role of ethics is neglected in product management, the product's success and sustainability is greatly undermined and at risk.

Ethical Theories and Frameworks in Product Management

There are several theories and frameworks that support ethics in product management. These frameworks guide product people on how to navigate various situations while encouraging reflection on one's values.

Here are some of the most commonly applied theories and frameworks in product management.



Philosophical Ethical Theories

Approaches for evaluating right versus wrong, helping people reason through complex dilemmas and focus on principles, outcomes or personal character

- **Deontology** focuses on adhering to moral duties and principles, regardless of the outcome. In product management, this means prioritizing actions like protecting user privacy and avoiding deceptive practices, even if they could boost short-term profits.
- **Utilitarianism** focuses on the consequences of actions and making decisions that maximize benefits for the majority. In product management, this means prioritizing features that serve most users, even if it adds some complexity for a smaller group.
- **Virtue ethics** focuses on the character and virtues of the individual making decisions as in the individual's openness, honesty, and courage. In the context of product management, virtue ethics would encourage leaders to cultivate personal virtues that promote ethical decision-making to foster a culture of trust and accountability within the team.



Organizational Responsibility and Value Frameworks

Frameworks that look beyond profit and take into account the impact that companies have on people, communities, environment, and society

- **Triple Bottom Line** is a way of thinking about business success that goes beyond making money. It looks at three key areas: People, Planet, and Profit.
- **Corporate Social Responsibility (CSR)** is a company's accountability for its social, economic and environmental impact. It focuses on creating positive outcomes and minimizing harm.
- **Stakeholder Theory** suggests that businesses should create value for all stakeholders including employees, customers, suppliers, communities, and the environment.



Design and Impact Frameworks

Frameworks focusing on user needs and anticipating how a product affects individuals and communities

- **Inclusive Design Framework** ensures that products are accessible and usable by people of all abilities, backgrounds and contexts. This framework promotes diversity and equity.
- **Social Impact Assessment Framework** evaluates how a product or decision will affect communities, focusing on potential benefits and harms.
- **Human Centered Design** focuses on solving real problems for users and considers their needs, emotions, and experiences.



Risk-Oriented Frameworks

Ways to guide decisions in situations of uncertainty and prioritize harm prevention

- **Precautionary Principle** focuses on when an action or decision has potential risks or unknown consequences. The principle helps people prevent harm, even if some benefits are delayed.
- **Justice and Fairness Framework** focuses on equitable treatment and distribution of benefits and burdens among employees and stakeholders.

There is increasing acknowledgement of the importance of integrity in ethical decision-making. A study published in the *Journal of Business Ethics*[1] found that managers apply different ethical theories depending on their context - for example, distinguishing between their professional versus private lives. The study suggests that leaders do not consistently adhere to a single ethical framework but rather adopt a pragmatic approach, selecting the ethical theory that resonates most with the specific situation, which generally creates confusion in organizations.

Companies that lack clearly defined ethical principles risk inconsistent decision-making, internal misalignment, and reduced trust among customers, partners, and employees. To be proactive against these issues, organizations should examine their existing ethical frameworks and choose those that best reflect their core values. These choices should be made transparent as a part of their culture and brand.

Ethical Challenges in Product Management

In product management, people often face dilemmas concerning trade-offs between innovation, privacy, and societal impact. Consider this dilemma for a company with a fitness tracking app product.

The company has a fitness tracking app that collects extensive user data to provide personalized health recommendations. The company is considering selling anonymized data to businesses. Selling the data will boost revenue, but risks user backlash and potential legal challenges, especially if the data is misused or if there is a security breach.

Making decisions about trade-offs in product management is not always straightforward. In this example, several factors must be considered, like user trust, legal risks and reputational damage. As mentioned, having transparent ethical frameworks that represent a company's core values help product people make these types of decisions.

Common Dilemmas in Product Management

Here are some typical challenges product people face when managing their product and the value it delivers:

- **The concept of value is subjective:** What one group perceives as beneficial might negatively impact another. For example, a feature that helps advertisers track users might be valuable to the business, but users might see it as invasive.
- **Data privacy and security:** Protecting users and customers should be the most obvious obligation. However, in product development, there are several examples of organizations violating user security. For example, selling data to increase revenue but risking user backlash and legal issues if the data is misused.

- **Dark patterns and manipulative design:** refer to design choices in user interfaces that intentionally manipulate or deceive users into taking actions they typically do not take. For example, pushing users into sharing more personal data than they intended. Or, for instance, when a user learns there are additional fees/charges that are revealed only at the final stage of a transaction.
- **Profit vs. value:** Stakeholders may prioritize revenue over ethical concerns. For example, a company may choose cheaper materials to reduce production costs, but customers expect durability and safety, causing frustration and loss of trust.
- **Addictive mechanics:** Companies may create addictive mechanics to their products. For example, users may enjoy a game but risk negative consequences when it disrupts their behavior and lives.
- **Marketing to vulnerable groups:** Profiting from vulnerable populations can lead to public criticism and harm a brand's reputation. For example, an app that encourages in-app purchases might be confusing for seniors and might lead to unintended spending and frustration.
- **Saying no:** Ethical product management often means rejecting stakeholder requests if they conflict with values like customer safety and well-being, etc.

Ethical Decision-Making in Product Management

Ethical decision-making is the process of evaluating choices on moral principles, societal norms, and organizational values.

In product management, this includes:

- Identifying customers and users impacted by decisions
- Identifying internal stakeholders impacted by decisions
- Considering the benefits and potential harms of product choices
- Ordering actions that align with ethical standards, even if they conflict with short-term goals

The decision process requires transparency, fairness, openness, inclusivity and accountability. For example, when introducing a subscription model for a product, there must be clear information about costs, benefits and cancellation policies.

Value at what cost?

A core responsibility in product management is to deliver value to customers, users, and the organization. However, this responsibility is not absolute; it requires a careful balance to prevent causing harm. Product people and teams should consider the benefits their product provides, but also its potential impacts.

To avoid unnecessary harm, product people can identify and minimize the negative consequences of product decisions. To do this, they should understand practices that cause *direct harm* as well as the *indirect harm* their products can cause.

- **Direct harm:** This refers to harmful consequences that the product directly causes immediately. This includes features that compromise data privacy, cause harmful behaviors, and user manipulation. For example, a subscription feature that hides cancellation options to retain users. Revenue might increase, but that feature can frustrate users and damage trust.
- **Indirect harm:** This refers to harmful consequences that are caused by the product but not immediately. Examples include algorithms or features that contribute to social isolation through extensive screen time. Consider another example of a delivery service that prioritizes speed of delivery. This might indirectly harm workers and the public because of unsafe driving conditions.

Harmful Practices in Product Management

Harmful practices include dark patterns. Dark patterns are manipulative design strategies in user interfaces that intentionally lead users toward actions that they might not have chosen otherwise. Plenty of dark patterns exist in products[2] and research shows that dark patterns significantly influence users' decisions.[3]

Some examples of dark patterns in user interfaces:

- **Bait and switch:** This tactic involves promoting a product at a low price to attract customers, only to inform them that the product is unavailable and redirect them to a more expensive option.
- **Forced continuity:** Automatically continuing a service after a free trial ends and billing the user without giving an explicit reminder or easy way to cancel.
- **Sneak into Basket:** Adding additional products to the user's shopping cart without their explicit consent, often through the use of opt-out checkboxes.
- **Hidden costs:** surprise users with additional charges at the end of a purchase process, after they have already entered their payment information.
- **Confirm shaming:** Guilting users into opting into something. For example, when declining a newsletter subscription, a pop-up appears that says "No thanks, I prefer to stay uninformed." Instead of just saying "No thanks" the rest of the statement is worded to imply that the user is making a foolish choice.

Other harmful practices include:

- **Anti-competitive** practices are strategies that reduce or eliminate competition in the market such as price fixing, market division and monopolistic behaviors. These can lead to higher prices and reduced choices for consumers.
- **Greenwashing** misleads customers about the environmental benefits of a product or company practices.
- **Environmental negligence** ignores environmental regulations and sustainability that result in pollution and ecological harm. This negligence can lead to long-term environmental consequences and legal issues.
- **Financial misconduct** is an engagement in unethical financial practices like fraud, diminishing financial systems and stakeholder trust. This can lead to legal consequences or loss of investor confidence.
- **Privacy violations** concern misuse or inadequate protection of consumer data that might lead to breaches of privacy and potential identity theft. As a result, such violations may lead to legal actions and loss of consumer trust.

A study analyzing approximately 53,000 product pages from 11,000 shopping websites discovered 1,818 instances of dark patterns - designs that trick users into making unintended choices.[4] Another study on mobile applications analyzed 240 popular mobile apps and found that 95% of them contained at least one form of dark pattern.[5]

Transparency and Accountability in Product Management

Agile principles and the Scrum Values emphasize embracing transparency, openness and ethical collaboration with stakeholders, including customers. This approach helps teams deal with uncertainty in an ethical way.

Accountability reflects a commitment to owning the results of decisions that were made delivering customer outcomes and business value. Product people should own these results and actions, whether positive or negative, intended or unintended. The choices made during product development are reflected in the quality of features, the order, go-to-market strategies, profitability, and ultimately customers and users outcomes.

Likewise, ethical practices cannot be ignored, and should be completely transparent. From a practical perspective, a Product Owner might want to create ethical guidelines with teams and stakeholders. Creating principles for product decisions upholds clarity and helps discover major ethical issues in a product.

Ethical Stakeholder Management

Ethical stakeholder management refers to the notion that every product decision affects people, including customers, users, employees, partners, and communities. It calls for consideration of competing interests with transparency, fairness and a sense of responsibility for a broader impact.

Ethical stakeholder management requires a deliberate strategy that considers balancing different needs, competing priorities, transparency, fairness, inclusivity, and accountability.

The following activities are some examples of how to approach ethical stakeholder management:

- Understanding stakeholder needs and expectations
- Engaging stakeholders regularly
- Facilitating conversations around conflicting interests
- Incorporating ethical frameworks that guide decision-making and are aligned with customer values, organizational values, societal expectations and stakeholder needs
- Educating stakeholders about ethical implications of decisions and goals
- Acting according to the situation and context while being guided by your ethical standards
- Advocating for ethical practices, even under pressure to deliver quick solutions
- Continuously reflecting, learning, and improving

Integrating Ethics in Product Management

There are several practices that support ethical product management. While these approaches can help reduce the inherent biases in human thinking, it is important to recognize that completely eliminating bias is nearly impossible. The following practices and artifacts can help:

- **Measurable goals and metrics:** Ethical intentions must translate into observable outcomes. Define specific metrics, for instance, related to fairness, accessibility, inclusivity, sustainability and transparency.
- **Visualize measures, data, results, product lifecycle, etc.:** Transparency improves when teams make their thinking visible. Visualized and understood data and transparent actions helps teams and stakeholders understand decisions and their ethical context. Also, they might help to pivot or change direction, if needed.
- **Maintain a record of decisions you have made:** This approach supports accountability and reflection. Record not only “what” was decided but “why” as it helps understand reasons, observe patterns and avoid ethical missteps in the future.
- **Encourage open feedback:** A culture of openness invites different perspectives and sees early identifications of risks. It does not concern only users and customers, but also non-dominant voices on the team or community. This approach might help avoid unintended harm on these groups.

- **Lead by example:** Opt for ethical solutions. Choose transparency over convenience, privacy over data collection, inclusion over exclusion. You set the tone. You may strive for ethical solutions.
- **Be transparent in communication:** Explain the product choices, especially difficult trades-off. Use honest language. This builds trust internally and externally.
- **Consider ethical audits with stakeholders:** Review features, external voices, processes, data, ethical risks. These can be informal discussions or the part of a process, for example, at Sprint Reviews.
- **Value user data privacy and security:** Respect user data. It goes beyond legal compliance. Ethical product management means only using data that you truly need, store it responsibly, give users real control.
- **Avoid dark patterns:** If you recognize that your product uses any of dark patterns, consider having a conversation with stakeholders and take necessary actions.
- **Ethics as a design constraint:** Treat ethical values as a requirement in your features. You can add them into the description or acceptance criteria in the same way as you include legal requirements. Consider them as non-negotiable. They might include user dignity, inclusivity, transparency, accessibility and so on.

Conclusion

Ethics in product management is a fundamental responsibility that influences trust, sustainability and societal impact of products as the balance between delivering value and avoiding harm is required throughout the entire product life cycle. In fact, ethical product management can be considered as an opportunity to build trust and create value and impact.

Product people who care about ethics should ensure that their products contribute positively to society, mitigate harm, and uphold their company's values. In the end, ethical choices are business decisions with real-work impact.



This [Scrum.org](https://scrum.org) whitepaper was written in collaboration with Magdalena Firlit and Patricia Kong

About Scrum.org

Scrum.org, the Home of Scrum, was founded by Scrum co-creator Ken Schwaber as a mission-based organization to help people and teams solve complex problems. We do this by enabling people to apply Professional Scrum through training courses, certifications and ongoing learning all based on a common competency model.

Resources:

- Scrum Guide
- Dark Patterns
 - <https://webtransparency.cs.princeton.edu/dark-patterns/>
 - <https://arxiv.org/abs/2412.09147>
 - https://colingray.me/wp-content/uploads/2024/02/2024_Grayetal_CHI_OntologyDarkPatterns.pdf
 - <https://academic.oup.com/jla/article/13/1/43/6180579>
 - <https://arxiv.org/abs/1907.07032>
 - <https://dl.acm.org/doi/pdf/10.1145/3313831.3376600>
 - <https://learningloop.io/glossary/dark-patterns>
- Philosophical Theories
 - <https://www.philosophos.org/ethical-theories-virtue-ethics-utilitarianism-deontology>
- Business Ethics
 - <https://link.springer.com/article/10.1007/s10551-020-04489-2>
 - <https://www.jstor.org/stable/3857397>
- Ethical Dilemmas: Decision Making and Resolution.
 - <https://www.leadersnavigation.com/ethical-dilemmas-2/>
 - <https://www2.deloitte.com/us/en/pages/advisory/solutions/the-importance-of-trust-in-your-organization.html>

References:

- [1] "A Role for Virtue Ethics in the Analysis of Business Practice"
- [2] "An Ontology of Dark Patterns: Foundations, Definitions, and a Structure for Transdisciplinary Action"
- [3] "Shining a Light on Dark Patterns"
- [4] "Dark Patterns at Scale: Findings from a Crawl of 11K Shopping Websites"
- [5] "UI Dark Patterns and Where to Find Them: A Study on Mobile Applications and User Perception"