

Chapter Two:

Normative Theories of Ethics

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MADOFF'S

celebrated hedge fund,

it turns out, was a total

fraud—in essence, a

gigantic Ponzi scheme.

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Overview

- Chapter Two examines the following topics:
- (1) Consequentialist vs. nonconsequentialist theories and egoism
- (2) Utilitarianism, organizations, and self-interest
- (3) Kant's ethics, categorical imperative, good will
- (4) Nonconsequentialism and moral rights
- (5) Utilitarianism and the Optimal Code
- (6) Moral decision making and related obligations, ideals, and effects

Introduction

- **What appropriate principles do we rely on when making moral judgments?**
 - **There is no consensus among those who study ethics.**
 - **A variety of different moral principles and ethical considerations intertwine and sometimes compete.**

Introduction (continued)

- **Ethical dilemmas**: Situations involving conflict between ethical principles or normative priorities
 - Dilemmas have deep impact on the evolution of ethical reflection.
 - Solving ethical dilemmas involves:
 - Appeal to theoretical constructs
 - Reevaluation of established moral standards and inherited intuitions

Consequentialist and Nonconsequentialist Theories

- Consequentialist theories: Those that determine the moral rightness or wrongness of an action based on the action's consequences or results
- Nonconsequentialist (or deontological) theories: Those that do not only determine the moral rightness or wrongness of an action based on the action's consequences

(1) Egoism

- **Egoism**: The view that morality coincides with the self-interest (well-being) of oneself or an organization one is part of
- **Egoists**: Those who determine the moral value of an action based on the principle of self-interest
 - An action is morally right if it promotes one's long-term self-interest.
 - An action is morally wrong if it undermines the agent's self-interest.

(2) Egoism

- Personal egoists: Those who adopt an egoist ethic for themselves but do not make the universal claim that all individuals should do the same
- Impersonal egoists: Claim that the pursuit of one's self-interest should motivate everyone's behavior
- Egoists do not necessarily care only about pursuing pleasure (*hedonism*) or behave dishonestly and maliciously toward others.
- Egoists can assist others if doing so promotes their own well-being.

(3) Egoism

- **Psychological egoism**: The theory of ethical egoism is often justified by psychological egoism – the belief that human beings are only motivated by self-interest
- Even acts of self-sacrifice are inherently self-regarding, insofar as they are motivated by a conscious or unconscious concern with one's own advantage.

(4) Objections to egoism

- (1) The theory is not sound: The doctrine of psychological egoism is false – not all human acts are selfish by nature, and some are truly altruistic.**
- (2) Egoism is not a moral theory at all: Egoism misses the whole point of morality, which is to restrain our selfish desires for the sake of peaceful coexistence with others.**
- (3) Egoism ignores blatant wrongs: All patently wrong actions are morally neutral unless they conflict with one's advantage.**

(1) Utilitarianism

- **Definition**: The moral theory that we should act in ways that produce the most pleasure or happiness (and least amount of suffering) for the greatest number of people affected by our actions
- **Main representatives**: The British philosophers Jeremy Bentham (1748–1832) and John Stuart Mill (1806–1873)
- **The principle of utility**: Actions are right if they promote the greatest human welfare, and wrong if they do not

(2) Utilitarianism

➤ **Six points concerning utilitarianism:**

- (1) In choosing between alternative courses of action, we should consider the net worth of happiness vs. unhappiness produced by each course of action.**
- (2) We should give equal consideration to all individual preferences, then calculate the net worth of the various kinds of pleasures and pains.**

(3) Utilitarianism

- (3) Anything can be morally praiseworthy in some circumstances if it promotes the greatest balance of pleasure vs. pain for the greatest number of people.**
- (4) We should seek to maximize happiness, not only immediately, but in the long run.**
- (5) We should do what is likely to cause happiness and likely not to cause suffering when we lack certainty.**
- (6) We must guard against bias in our utilitarian calculations when our own interests are at stake. So it is advisable to rely on rules of thumb.**

(4) Utilitarianism

- **Utilitarianism in an organizational context:**
- **Provides a clear and straightforward standard for formulating and testing policies**
- **Offers an objective way for resolving conflicts of self-interest**
- **Suggests a flexible, result-oriented approach to moral decision making**

(5) Utilitarianism

➤ Criticisms of utilitarianism:

- (1) The practical application of the principle of utility involves considerable difficulties.**
- (2) Some actions seem to be intrinsically immoral, though performing them can maximize happiness.**
- (3) Utilitarianism is concerned with the amount of happiness produced, not how the amount is distributed, so the theory can run counter to principles of justice.**

(6) Utilitarianism

- Utility and self-interest: Businesses are concerned with increasing profit and can be viewed as egoistic, but pursuing one's own economic advantage can increase the well-being of society as a whole.
- Adam Smith (1723–1790): The main promoter of classical capitalism who argued that society can flourish if businesses are left to freely pursue their self-interests.

(1) Kant's Ethics

- Immanuel Kant (1724–1804): A German philosopher with a nonconsequentialist approach to ethics
 - Said the moral worth of an action is determined on the basis of good will
 - Good will: The capacity to act from rational moral principles. A person who acts from good will acts “out of duty”.

(2) Kant's Ethics

- The categorical imperative: Morality as a system of laws analogous to the laws of physics in terms of their universal applicability
- The morality of an action depends on whether the *maxim* (or subjective principle) behind it can be willed as a universal law of nature without committing a logical contradiction.
- Perfect duties are violated when universalizing our maxim leads to a contradiction, but imperfect duties are not violated in this way.

(3) Kant's Ethics

- **An example of the categorical imperative:**
 - **A building contractor promises to install a sprinkler system in a project**
 - **But he is willing to break that promise to suit his purposes**
 - **His maxim can be expressed as: “I’ll make promises that I’ll break whenever keeping them no longer suits my purposes”**
 - **By willing the maxim to become a universal law, the contractor undermines promises in general**

(4) Kant's Ethics

Duties	To oneself	To others
Perfect	Not to commit suicide	To keep one's promises
Imperfect	To cultivate one's talents	To help others in need

(5) Kant's Ethics

- **Formulations of the categorical imperative:**
 - (1) Universal acceptability:** To determine whether a principle is a moral law, we need to ask whether the command expressed through it is acceptable to all rational agents
 - (2) Humanity as an end, never only as a means:** All human beings have inherent worth because they possess rationality and they should be treated with respect

(6) Kant's Ethics

- **Kant in an organizational context:**
 - (1) The categorical imperative provides a solid standard for the formulation of rules applicable to any business circumstances.**
 - (2) Kant emphasizes the absolute value and dignity of individuals.**
 - (3) Kant stresses the importance of acting on the basis of right intentions.**

(7) Kant's Ethics

➤ Criticisms of Kant's ethics:

- (1) Kant's ethics is too extreme insofar as it excludes emotion from moral decision making and makes duty paramount.**
- (2) Kant fails to distinguish between excepting oneself from a rule and qualifying a rule on the basis of exceptions.**
- (3) It is not always clear when people are treated as ends and merely as means.**



“Is the categorical imperative an adequate test of right? A moral rule must function without exception, according to Kant. How applicable is that tenet to torture?”

(1) *Prima Facie* Obligations

- **W. D. Ross (1877–1971): British scholar who held that our moral experiences are too complex to be reduced to the principle of utility or the categorical imperative. His beliefs:**
 - **We have various duties that oftentimes come into conflict with each other.**
 - **There are no universal rules for the resolution of conflicts of duties.**
 - **Different situations generate different priority orders of duties.**

(2) Prima Facie Obligations

- **Prima facie obligation**: Can be overridden by a more important duty in specific circumstances

Example:

- **We are in conflict over the duty to keep our promise to a friend and the duty to help a person in need.**
- **We may have to override the promise and favor the more important duty to help the person.**
- **But in some other circumstances we ought to do the opposite.**

(3) *Prima Facie* Obligations

➤ **Basic *prima facie* obligation:**

- (1) Duties of fidelity**
- (2) Duties of reparation**
- (3) Duties of gratitude**
- (4) Duties of justice**
- (5) Duties of beneficence**
- (6) Duties of self-improvement**
- (7) Duties not to injure others**

(4) *Prima Facie* Obligations

- **Assisting others:**
- **Nonconsequentialists believe that we have a much stronger obligation to refrain from violating people's rights than to promote their happiness or well-being.**
- **Moral philosophers argue that utilitarianism fails to distinguish between morally required acts and supererogatory acts (i.e., those acts that exceed the call of duty).**

(5) *Prima Facie* Obligations

- **Moral rights**: A *right* is an entitlement to act or have others act in a certain way.
 - Some moral rights derive from special relationships, roles, or circumstances in which we happen to be.
 - Moral rights that are not the result of particular roles, special relationships, or specific circumstances and apply to all people are called “human rights.”

(6) *Prima Facie* Obligations

➤ Key features of human rights:

- (1) Human rights are universal**
- (2) Human rights are applied equally to all**
- (3) Human rights are inalienable and not transferable**
- (4) Human rights are natural in that they do not depend on human institutions**

(7) Prima Facie Obligations

- **Categories of human rights:**
 - (1) Negative rights:** Those that reflect the vital interests that humans have in being free from outside interference (such as the freedom of speech, assembly, religion, etc.)
 - (2) Positive rights:** Those that reflect the vital interests that humans have in receiving certain benefits (such as the right to education, medical care, equal job opportunity, etc.)

(8) Prima Facie Obligations

- **Nonconsequentialism in an organizational context:**
 - (1) Moral decision making involves the weighing of different moral factors and considerations.**
 - (2) This theory acknowledges that the organization has its own legitimate goals to pursue.**
 - (3) It stresses the importance of moral rights and especially human rights.**

(9) Prima Facie Obligations

- **Criticisms of nonconsequentialism:**
- (1) Ross maintained that moral truths are known intuitively, i.e. they are self-evident.**
- (2) Critics question whether intuition is always a reliable guide for establishing moral truths.**
- (3) They say that appeals to intuition and should be critically assessed.**
- (4) It is not always clear how issues with conflicting rights and principles ought to be resolved.**

(1) Utilitarianism Once More

- Rule utilitarianism: This modified version of utilitarianism aims to avoid the criticisms directed at the classical account of utilitarianism known as *act utilitarianism*.
- Rule utilitarians maintain that the utilitarian standard should be applied not to individual actions but to moral codes as a whole.
- Moral discriminations must be based upon the principles of an *optimal moral code*.

(2) Utilitarianism Once More

- What should an optimal moral code should look like? Rule utilitarians argue for a pluralistic moral code on three grounds:
- (1) People will make mistakes if they try to calculate the results of every given action in advance.
 - (2) Important rules will be undermined if all individuals were act utilitarians.
 - (3) It is too demanding for individuals to ask them to promote total well-being.

(3) Utilitarianism Once More

➤ Criticisms of rule utilitarianism:

- (1) By sacrificing the priority of the principle of utility, they tend to overestimate the value of rules.**
- (2) They are still bound by the consequentialist approach to morality, which is to evaluate the worth of various acts in terms of their results.**
- (3) Therefore they fail to acknowledge the independent value status of moral and human rights.**

(1) Moral Decision Making

➤ **How do we reach an agreement on controversial ethical issues in business?**

(1) In any moral discussion, make sure participants agree about the relevant facts.

(2) Once an agreement on factual matters is reached, try to spell out the moral principles endorsed by the participants.

(3) Articulate the common grounds between the diverse ethical viewpoints of the participants.

(2) Moral Decision Making

➤ **V. R. Ruggiero's two-step approach to moral decision making:**

(1) Identify the relevant considerations involved – obligations, ideas, and effects

(2) Determine which of these considerations deserve emphasis in the situation at hand

(3) Moral Decision Making

➤ Guidelines for handling cases involving conflicting obligations, ideals, and effects:

(1) Choose the stronger of two or more conflicting obligations.

(2) Honor the more important of two or more conflicting ideals.

(3) Of two or more rival actions, choose the one that produces the greater good or the lesser harm.