

## Moral Issues in Business

### Chapter Two

### Normative Theories of Ethics

#### Consequentialist Theories

- Egoism - Adam Smith
  - Egoism is a consequentialist theory. What matters for egoists is the consequences of their actions for themselves.
  -
- Utilitarianism - Bentham and Mill
  - Utilitarianism is a consequentialist theory. Right and wrong depends on the consequences of one's actions for everyone who might be affected by them.
    - Jeremy Bentham
      - Bentham was a hedonist. He believed that happiness was a matter of more pleasure and less pain.
      - Bentham thought you could assign pleasure points to an action according to the following categories:
        - Intensity: How intense is the pleasure?
        - Duration: How long will it last?
        - Certainty: How sure are you that the pleasure will occur?
        - Proximity: How soon will the happiness occur?
        - Fecundity: How much more pleasure will this lead to?
        - Purity: How much pain will be mixed with this pleasure?
        - Extent: How many people will experience the pleasure?
    - Quality vs. Quantity
      - Bentham: *Pushpin is as good as poetry.*
      - Mill: *It is better to be a human being dissatisfied than a pig satisfied.*
      - Bentham believed that all pleasures should count equally, but Mill believed that humanity would be better off if the intellectual, moral and aesthetic pleasures were more valued.
    - Principle of Utility
      - The right action is the one that produces the greatest balance of pleasure over pain, or happiness over unhappiness, for everyone affected by that action.
      - Animals count too, since they can feel pleasure and pain.
      - Future generations count, since our actions can have far-reaching consequences.
    - Act Utilitarianism
      - This is the classic form of Utilitarianism. Each separate action must be evaluated in terms of the principle of utility.
    - Rule Utilitarianism
      - Instead of looking at the consequences of a particular act, rule-utilitarianism determines the rightness of an act by a different method. First, the best rule of conduct is found.

This is done by finding the value of the consequences of following a particular rule. The rule the following of which has the best overall consequences is the best rule. (*Penguin Dictionary of Philosophy*)

### **Non-Consequentialist Theories**

- Deontology (The Ethics of Duty)-Immanuel Kant
  - Morality is duty-based
  - Duty is something you are required to do whether you want to or not.
    - Duties are obligations that must be fulfilled no matter the consequences.
  - The Will is our capacity to make decisions and act on them.
  - The Good Will acts out of duty.
  - The Good Will is the only thing that is absolutely good.
    - All other things we think of as good – talents, dispositions, etc. can be used for good OR bad
  - Doing one's duty for Kant is following the Categorical Imperative.
    - Categorical means without exception
      - He contrasts this with hypothetical which means depending on the circumstances. This is consequentialism.
    - Imperative means command
  - A Hypothetical Imperative is an if-then statement - If you want A, then you should do B.
    - If you want to have coffee in the morning, then you should stop at the store on the way home.
  - But the Categorical Imperative is a command or rule that has no exceptions.
  - Categorical Imperative – First Formulation
    - Act only according to that maxim by which you can at the same time will that it should become a universal law.
      - A maxim is a general rule.
      - Ask yourself what general rule would describe what you are thinking about doing. If you cannot will that it should be ok for everyone to do it, then you can't make an exception for yourself or for any other reason.
      - Illogical: You can't at the same time believe that it is ok to steal from a store and at the same time want there to be stores. If everyone thought it was ok to steal from stores, stores couldn't exist.
  - Categorical Imperative – Second Formulation
    - Act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only.
      - Don't use people. Don't exploit or manipulate them.
      - Respect human beings because they can think for themselves and have an independent will.
- Common Sense Morality - W. D. Ross
  - 20<sup>th</sup> century philosopher W. D. Ross perceived that there were fundamental problems with both deontology and utilitarianism.

- He wrote that each of us feels intuitively that there are certain duties or obligations that should be honored, unless some other moral consideration stands in the way of our doing so.
- He gave a list of examples of such duties, which he called *prima facie* duties, but it is not to be taken as a complete list. There may be others that did not occur to him.
  - Fidelity (faithfulness): If we make a promise, we should keep the promise.
  - Gratitude: If someone does something to assist us, we should repay them for their kindness.
  - Reparation: If we injure someone, we should make up for the harm we did them.
  - Justice: If we see that someone is being treated unfairly, we should do what is in our power to correct the injustice.
  - Beneficence: We should improve the lives of others when we are able.
  - Self-improvement: We should improve our own lives (morally, intellectually, physically) to the extent we are able.
  - Non-maleficence: We should avoid harming others.
- Ross says that moral dilemmas occur when we are faced with conflicts among these obligations. When situations occur when we must set aside one obligation to fulfill another, we must use our capacity for rational judgment to determine which obligation takes precedence in that situation.
- Ross believed that this “common sense” theory incorporates
  - the insight from deontology that we are rational beings worthy of respect and
  - the insight from utilitarianism that we live our lives in context and so must be free to examine the situation in which we find ourselves in order to make our moral judgments.
  - It avoids the “too rigid” objection against deontology and the “too flexible” objection against utilitarianism.

### **Alternative Approaches to Morality**

- Feminist Ethics – Carol Gilligan

### **The Heinz Dilemma**

A woman was near death from a unique kind of cancer. There is a drug that might save her. The drug costs \$4,000 per dosage. The sick woman's husband, Heinz, went to everyone he knew to borrow the money and tried every legal means, but he could only get together about \$2,000. He asked the doctor scientist who discovered the drug for a discount or let him pay later. But the doctor scientist refused.

*Should Heinz break into the laboratory to steal the drug for his wife? Why or why not?*

### **Kohlberg's Theory of Moral Development**

Kohlberg's theory of moral reasoning is a stage theory. In other words, everyone goes through the stages sequentially without skipping any stage. However, movement through these stages are

not natural, that is people do not automatically move from one stage to the next as they mature. In stage development, movement is effected when cognitive dissonance occurs ... that is when a person notices inadequacies in his or her present way of coping with a given moral dilemma.

#### Level One: **Pre-conventional Morality**

- Stage 1: Punishment-Obedience Orientation
  - Summary: The concern is for self - "Will I get into trouble for doing (or not doing) it?" Good behaviour is associated with avoiding punishment.
- Stage 2: Instrumental Relativist Orientation
  - Summary: The concern is "What's in it for me?" Still egocentric in outlook but with a growing ability to see things from another person's perspective. Action is judged right if it helps in satisfying one's needs or involves a fair exchange.

#### Level Two: **Conventional Morality**

- Stage 3: Good Boy-Nice Girl Orientation
  - Summary: The concern is "What will people think of me?" and the desire is for group approval. Right action is one that would please or impress others. This often involves self-sacrifice but it provides the psychological pleasure of 'approval of others.' Actions are also judged in relation to their intention.
- Stage 4: Law and Order Orientation
  - Summary: The concern now goes beyond one's immediate group(s) to the larger society ... to the maintenance of law and order. One's obligation to the law overrides one's obligations of loyalty to one's family, friends and groups. To put it simply, no one or group is above the law.

#### Level Three: **Post-Conventional Morality**

- Stage 5: Social Contract Orientation (utilitarianism)
  - Summary: The concern is social utility or public interest. While rules are needed to maintain social order, they should not be blindly obeyed but should be set up (even changed) by social contract for the greater good of society. Right action is one that protects the rights of the individual according to rules agreed upon by the whole society.
- Stage 6: Universal Ethical Principle Orientation (Kant)
  - Summary: The concern is for moral principles ... an action is judged right if it is consistent with self-chosen ethical principles. These principles are not concrete moral rules but are universal principles of justice, reciprocity, equality and human dignity.

From Gilligan, Carol. (1982). *In a different voice: Psychological theory and women's development*. Cambridge: Harvard University Press. (pp. 26-28)

[Gilligan, a student of Professor Kohlberg, observed that two children, Jake and Amy, gave very different answers to the Heinz dilemma]

#### Jake's Response

- Jake, at eleven, is clear from the outset that Heinz should steal the drug. Constructing the dilemma, as Kohlberg did, as a conflict between the values of property and life, he discerns the logical priority of life and uses that logic to justify his choice:

- *For one thing, a human life is worth more than money, and if the druggist only makes \$1,000, he is still going to live, but if Heinz doesn't steal the drug, his wife is going to die. (Why is life worth more than money?) Because the druggist can get a thousand dollars later from rich people with cancer, but Heinz can't get his wife again. (Why not?) Because people are all different and so you couldn't get Heinz's wife again.*
- Asked whether Heinz should steal the drug if he does not love his wife, Jake replies that he should, saying that not only is there "a difference between hating and killing," but also, if Heinz were caught, "the judge would probably think it was the right thing to do." Asked about the fact that, in stealing, Heinz would be breaking the law, he says that "the laws have mistakes, and you can't get writing up a law for everything that you can imagine."
- Thus, while taking the law into account and recognizing its function in maintaining social order (the judge, Jake says, "should give Heinz the lightest possible sentence"), he also sees the law as man-made and therefore subject to error and change. Yet his judgment that Heinz should steal the drug, like his view of the law as having mistakes, rests on the assumption of agreement, a societal consensus around moral values that allows one to know and expect others to recognize what is "the right thing to do."
- Fascinated by the power of logic, this eleven-year-old boy locates truth in math, which, he says, is "the only thing that is totally logical." Considering the moral dilemma to be "sort of like a math problem with humans," he sets it up as an equation and proceeds to work out the solution. Since his solution is rationally derived, he assumes that anyone following reason would arrive at the same conclusion and thus that a judge would also consider stealing to be the right thing for Heinz to do.

#### Amy's Response

- In contrast, Amy's [also 11] response to the dilemma conveys a very different impression, an image of development stunted by a failure of logic, an inability to think for herself. Asked if Heinz should steal the drug she replies in a way that seems evasive and unsure:
- *Well, I don't think so. I think there might be other ways besides stealing it, like if he could borrow the money or make a loan or something, but he really shouldn't steal the drug--but his wife shouldn't die either.*
- Asked why he should not steal the drug, she considers neither property nor law but rather the effect that theft could have on the relationship between Heinz and his wife:
- *If he stole the drug, he might save his wife then, but if he did, he might have to go to jail, and then his wife might get sicker again, and he couldn't get more of the drug, and it might not be good. So, they should really just talk it out and find some other way to make the money.*
- Seeing in the dilemma not a math problem with humans but a narrative of relationships that extends over time, Amy envisions the wife's continuing need for her husband and the husband's continuing concern for his wife and seeks to respond to the druggist's need in a

way that would sustain rather than sever connection. Just as she ties the wife's survival to the preservation of relationships, so she considers the value of the wife's life in a context of relationships, saying that it would be wrong to let her die because, "if she died, it hurts a lot of people and it hurts her."

- Since Amy's moral judgment is grounded in the belief that, "if somebody has something that would keep somebody alive, then it's not right not to give it to them," she considers the problem in the dilemma to arise not from the druggist's assertion of rights but from his failure of response.

### **Allen Cypher's Notes on *In a Different Voice***

(<http://www.acypher.com/BookNotes/Gilligan.html>)

- How do people make decisions about morality?
  - Gilligan has found that men and women use fundamentally different approaches. And since men have dominated the discussion of moral theory, women's perspective is often not taken seriously, and is considered to be less developed and sophisticated. Her findings are based on interviews.
    - **The male approach** to morality is that individuals have certain basic rights, and that you have to respect the rights of others. So morality imposes restrictions on what you can do.
    - **The female approach** to morality is that people have responsibilities towards others. So morality is an imperative to care for others.
  - Gilligan summarizes this by saying that male morality has a "justice orientation", and that female morality has a "responsibility orientation".
  - She also outlines 3 stages in moral development.
    - The first is a **selfish stage**,
      - All children start out with a selfish orientation.
    - the second is a **belief in conventional morality**,
      - Female children then learn to care for others, and that selfishness is wrong. So in their second, conventional, stage, women typically feel it is wrong to act in their own interests, and that they should value instead the interests of others. They equate concern for themselves with selfishness.
    - the third is **post-conventional**. This is a progression from selfish, to social, to principled morality.
      - In the third, post-conventional stage, they learn that it is just as wrong to ignore their own interests as it is to ignore the interests of others. One way to this understanding comes through their concern with connecting with others. A connection, or relation, involves two people, and if either one is slighted, it harms the relationship.

Sources:

<http://www.vtaide.com/png/Kohlberg.htm>

<http://www.haverford.edu/psych/ddavis/p109g/gilligan.jake-amy.html>