

Business ethics assignment



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71203 Business Ethics Assignment 1 Drawing on ethical theory to critique a claim. Businesses putting something back into the local community... ..

Morally obligatory – or not? Utilitarian and Kantian Moral Theory Viewpoints

Tanya Lundie 9118692 27 March 2009 Rainbow (2002) describes ethical theories as being “... the foundations of ethical analysis... ” because they are viewpoints from which guidance can be obtained in the interests of determining “... what counts as acting ethically... ” (The Open Polytechnic, 2009, p. 15).

This essay draws on such ‘ foundations’ to critique a claim about what makes an action morally obligatory for businesses. It is presented in four parts, the aim being to clarify my understanding of the positions of two ethical theories in particular; Utilitarianism and Kantian Moral Theory (Kantianism). First, I’ll explain the purpose of ethical theory in ethics[1]; giving consideration to why only one theory can be right. Next, I’ll outline the abovementioned theories. Then, drawing on their promulgations, I’ll critically discuss the claim, highlighting general problems in the process.

I’ll then outline and assess a criticism detractors might level at each theory, and I’ll close by clarifying my position on what these theories would make of the claim. The purpose of ethical theory can be explained in terms of its role in the normative approach taken to studying ethics. This requires critically considering the basic moral norms people should adhere to in the interests of acting ethically; how they should value humans (and other beings) in their actions (The Open Poly, 2009); what should they consider in so doing; how should they act as a result; and, most importantly, why?

The ultimate aims being, to prescribe conduct; judge actions; underwrite judgements; and, justify moral beliefs. Ethical theories are proposed, criticised, defended, revised, re-proposed and-so-on in on-going pursuit of this aim; becoming reference points on a “... substantial framework...” (Rainbow, 2002). Collectively, they “... attempt to offer fundamental justification for judgements about the morality or immorality of actions, and provide a basis for making claims about moral obligations...” (V Scholes, personal communication, 15 March 2009).

Individually, they provide definitions, supported by reasoned arguments, laying claim to (and justifying) what is of fundamental importance in terms of what counts as an ethically correct action. They are mutually incompatible (The Open Poly, 2009). You can not logically question the morality/immorality of actions with reference to more than one theory at once because you risk finding conflicting and irreconcilable answers given their diverse, sometimes diametrically opposed claims regards just what is fundamental to account for, in valuing others in actions.

Even when more than one theory endorses the same action, the reasoning behind, and justification for, why that action ‘ counts’ will not be the same. Which goes some way to explaining ‘ why only one theory can be right’. I’ll clarify. If each theory claims to have encapsulated the very essence of what is the most fundamental, ethically, about judging and justifying actions, yet they all express disparate, indeed contradictory notions of exactly what that is, there isn’t need to decide which is right[2], to know that only one possibly can be. After all, what is, the most fundamental is singular, one-off... ull-stop! An analogy. Consider all the religious persuasions in the world; all means to

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worship God(s); all laying claim to the fundamental means to do so; yet readily distinguished by the very different ways they go about this. Now, depending on, say, life experience, we will identify with/believe in/follow a ‘personal’ preference. Can we say that it is ‘right’ and another is ‘wrong’? No. But what we can say, with certainty, is that only one can be right. The contrasting positions of Kantianism and utilitarianism epitomise the dichotomy referred to above.

Both make a monistic claim that one thing, and one thing only, is ‘a good in itself’ (Chryssides & Kaler, 1993). The non-consequentialist, deontological[3] approach of the former sees moral importance inhered in the principle (motive) of the action (a good in itself) via our rationality – consequences are immaterial. Whilst the consequentialist, teleological[4] basis for the latter provides that the consequences of the action are determinant of their morality – motives matter only insofar as they are conducive to maximising happiness (a good in itself).

I’ll now outline each in turn. John Stuart Mill[5] (1806-1873) proposed what utilitarians appeal to in moral decision-making; the principle of utility; or, the Greatest Happiness Principle which: ... holds that actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness. By happiness is intended pleasure... absence of pain; by unhappiness, pain, and the privation of pleasure. (Mills, as cited in The Open Poly, 2009, p. 7) The general utilitarian view is that happiness is a good in itself. The greatest good is securing maximal happiness/pleasure (good consequences) and minimal suffering/pain (bad consequences) for everybody, by acting morally well. Each person’s

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happiness counts the same, as Bentham (cited by The Open Poly, 2009, p. 18) points out “... each to count for one, and none for more than one... ” We must assess all possible actions and all persons impacted by such.

We then judge actions as right/wrong in terms of their utility[6]/disutility; by considering the likely good and bad consequences, for all affected, equally and impartially. An action is thus morally good if it results (as far as is reasonably foreseeable) in the most good consequences and least bad ones, on balance, for all likely affected, compared with alternative actions. An agent acts morally well by doing the morally good action most likely to secure “... the greatest happiness for the greatest number of people... ” (The Open Poly, 2009, p. 6). A conventional distinction is made between the classic, act approach and a newer version of the theory – rule utilitarianism. The objective of achieving ‘ greatest overall good’ is unchanged. But, due to disagreement over how best to achieve this, rule utilitarians apply the Greatest Happiness Principle to set general, morally valid, rules of conduct (the best rules, amongst alternatives, in terms achieving the greatest good (help others in distress’ ‘ do not break promises’) and then judge individual actions right/wrong according to these rules.

Act utilitarians steadfastly apply the Principle to individual actions – with the added option of following suggested rules (or not); which allows for combining the good effects of upholding rules, with the good effects of breaking them, if needed (The Open Poly, 2009). Thus, if a particular situation’s right action requires breaking a rule in order to maximise happiness/minimise harm (lying to save a life for instance) the act utilitarian says ‘ so be it’ – it’s morally justified.

Kantianism was pioneered by German philosopher Immanuel Kant (1724-1806) whose moral focus centred on the principle behind the action in terms of the individual agent performing it; their ability to reason; to accept the basis of moral obligations must be universal and impartial (The Open Poly, 2009); to act against personal desires and ulterior motives as a result; hence, to possess the right motivation for acting – ‘good will’ (a good in itself). The moral agent has ‘good will’ because they act solely from a motive of obligation (sense of duty) in recognition that “... following the right action’s principle is morally required in itself ... ” (The Open Poly, 2009, p. 27). For instance, if a promise is to be kept, it’s because a promise is a promise; kept for its own sake, fullstop. Not because being reliable might have spin-offs! Self-interest cannot be the motive nor even any laudable emotion such as loyalty – that may not be immoral, but it is not morally praiseworthy in Kant’s view. How can we judge if an action is done only from a sense of duty? Well, the “... principle of the action... ” must “... respect rational humanity... ” (The Open Poly, 2009, p. 7) by way of accord with the Categorical Imperative of morality[7]; Kant’s universal rule of obligation; designed to guide moral reasoning in determining what moral obligations are, by testing the principles of the actions involved. Its first formulation tests the rule (maxim) we are following in performing the action, for its universalisability: 1. Act only according to that maxim whereby you can at the same time will that it should become universal law. (Kant, as cited in The Open Poly, 2009, p. 28) In other words, could all humanity act on this rule, consistently, without it contradicting its own logic?

If so, it is morally permissible; if not, it means “... it’s not okay to make an exception of ourselves by deciding it’s alright just for just us to do it...” (The Open Poly, 2009, p. 29). Kant insists we do ourselves, only that which we could have everybody else do, without it proving irrational. Consider the rule ‘when I make a promise, I may subsequently decide not to keep it’ – if everybody acted on this, all the time, promises would no longer be promises and promise-making would become completely pointless! The second formulation tests how we treat others in our actions: . Act in such a way that you treat humanity, whether in your own person or in the person of another, always at the same time as an end and never simply as a means. (Kant, as cited in The Open Poly, 2009, p. 28) Or, treat people must be as ends in themselves, never as means to an end. That is, we should treat people in ways that reflect their inherent value and never use them as tools to achieve some other purpose; because, as The Open Poly (2009, p. 29) emphasise “... the value of a person is not... dependent on how useful they are to someone else... Indeed, according to Kant, people have intrinsic value above and beyond the merely instrumental value we accord tools that we use for our own ends. Consider the action of befriending a work colleague. You actually detest them, but hope to cadge a free ride to work. You are using this colleague as means to achieve your own end. Thus, Kantianism deems morally good actions those that show respect for rational humanity; by according with the formulations of the Categorical Imperative (as above); and, the morally good agent puts morally good actions into practise; motivated solely by a sense of duty.

Now, bearing in mind the theoretical perspectives outlined above, I'll discuss the 'claim[8] that: 'Businesses[9] have a moral obligation to put something back into the local community, because this will improve their standing in the community which in turn will help their profits. 'Do they? Milton Friedman[10] may well concur, but, neither a Kantian nor a utilitarian could agree.

Basically, the reasoning provided (making the business vehicle look good, thereby helping the bottom line) in support of the action involved (giving back to the local community) is simply incongruent with what either theory would purport to justify an action being morally obligatory – for reasons I will outline in the discussion that follows. From the Kantian perspective, having 'consequences' conditionally attached to the suggested action as they are ('... because this will such-and-such... ') means businesses would not be following a right action's principle for its own sake, putting back, solely from a duty motive to 'give back'.

There is no moral significance in the businesses' 'desires' and associated consequences; mention of such is indeed evidence of the absence of goodwill (a good in itself) as well as ulterior motives of self-interest ('desire' to improve image/enhance profitability) and, emotion (fear of not being seen to be sufficiently magnanimous to achieve the 'standing' desired). Further, is the maxim guiding the action a categorical should? No! It has completely hypothetical basis; if you want such-and-such then you should do so-and-so.

The businesses would only be acting in such a way necessary to achieve pre-determined and self-interested ends; and, using the community(s) as means

in the process! Let's consider what the maxim for the action would be; ' I will share my profits with those that assist my earning them, provided I benefit from certain pre-determined spin-offs as a result'. What would happen if this were acted on by all humanity? ' Giving' would become completely conditional on getting something in return – that is self-defeating and contradictory. It undermines its own principle; giving is not taking as well!

It could be argued that Kant did not categorically prohibit the use of persons as means to other persons' ends? Only that they should not be exclusively treated in such a way? After all, the members of the community(s) can exercise their own powers of reason; they do need certain goods and services; if they freely choose to support the businesses, then achieving their own ends becomes part of the businesses' image/profit goal. That said, are the community(s) really being treated exclusively as means to achieve the businesses' goals? A Kantian would say yes! They are being manipulated. Their rational autonomy is not being respected; given the businesses ulterior motives. For such an argument be justified, the businesses would have to have made clear the ' giving back' is entirely conditional on certain ' reciprocation' in return – would they do this, given the outcomes ' desired'? No! I admit some support the claim on the grounds that, given the purpose of a business enterprise, self-serving/emotional motivation only makes business sense and is entirely appropriate; and, if the businesses do benefit in the ways described, they will be in a better position to put even more back into their community(s) – good consequences all round!

But a Kantian would challenge this on two counts. First, acting from emotion and/or self interest (even if the community(s) are also benefitted by/satisfied

with the suggested consequences) might not be immoral, but it is proof there is not the essential duty motive required to make this action morally obligatory. Next, consequences are immaterial; good or bad, they come as they may – after acting on the principle behind the action for its own sake. Yet this claim (‘ the putting back should be done because of... ’) purports to justify the suggested action with reference to... consequences!

That might make a morally obligatory action from a utilitarian perspective, but not that of a Kantian. A Kantian could only support the claim, were it simply ‘ businesses have a moral obligation to put something back into the local community’ fullstop. The motivation for such would be a sense of duty – nothing else; the maxim of the action might be ‘ I will share the benefit of my profits with those that assist my earning them’ – it’s universalisable; and, in their ‘ giving back’ businesses would be recognising the inherent value in the community(s) by treating them as ends in themselves.

An act[11] utilitarian would not argue with the idea of businesses giving back to their local communities, indeed, it is entirely in keeping with the utilitarianism “... purpose or function... to promote human welfare...” (Beauchamp, Bowie & Arnold, 2008, p. 18). Further, the claim does give regard to the usefulness of the action involved by way of some forward-thinking reasoning. But, that forward-thinking is so limited; the reasoning provided is entirely inadequate!

Before considering the flawed reasoning, any morally obligatory action of this nature would have to be carefully considered, weighing up all likely good and bad consequences, by the business contemplating doing it, on a case-

by-case basis, each time the action were to be performed. Consider, the consequences of particular businesses giving back to their community(s), at any given point in time will vary – by the nature and circumstances of different businesses/communities; and, by nature and circumstance of one business/one community, given change over time.

For instance, if a business were to ‘put back’ to such an extent it were rendered insolvent (adopting the utilitarian ethic can be very demanding (Rachels & Rachels, 2007)) then, weighing up the consequences, the intense pain inflicted on itself would outweigh its community’s relatively mild, collective happiness; or, a business such as a brothel highlighting its existence in a small town community in the way suggested, would surely have only bad consequences – the alternative action would in fact engender the greatest overall good.

A utilitarian would say the claim is so generalised as to render determining the action involved morally obligatory or otherwise, is impossible! Now to the justification provided, given moral significance for a utilitarian inheres in what the action is for. Is there evidence of consideration of the reasonably foreseeable consequences for all potentially affected? ‘The only consequences alluded to are those for the businesses alone. What about good and bad consequences? A utilitarian would need to be securing maximal happiness and minimal harm, again, for all affected, through any morally obligatory action taken.

Is a competitor business going to suffer bad consequences? Some might argue there are only so many dollars and so much community support to go

around; if a business benefits as suggested as a result of ‘giving back’ someone else might suffer the opposite consequences. Bankruptcies? Job losses? These sorts of implications need to be considered. What about consideration of the likely consequences of alternative actions? Any right action is so, only because it better secures the greatest good for the greatest many, compared with alternatives.

Where is indication of consideration given equal and impartial treatment of all affected by this action? A utilitarian would point out there is in fact evidence of unequal and partial consideration of interests – the claim, as it reads, suggests it is only the greatest good for the businesses that is of moral significance here – what if this works against the greatest overall good for all affected? – after all, that is the ultimate good a utilitarian would be seeking in a right action. A utilitarian would caution, in view of the inadequacy of the suggested consequences, that it is simply not sufficient to simply presume that an action will bring about good (or bad) consequences ‘desired’; the assumption has to be reasonable given the circumstances – and this claim seems to risk presenting a far too optimistic, biased view of likely consequences; but, we don’t know what information is available at the time do we? Perhaps a general rule should be followed here? It would seem to make more sense, given the nature of differing businesses and the difficulties predicting likely consequences with any circumstances. The utility principle seems to have been applied

Unless, as a utilitarian would concur, promoting utility in general is unlikely to eventuate in overall unjust outcomes for all concerned, long-term; the risk is in perceiving short-term benefits at the expense of that but that is no

defence for this claim – the justification provided is woefully inadequate even in support of generalised, long-term, overall benefits are envisaged.

perspective is more overarching view is intended, Too general – case by case
Short -term pleasure – personal comm. Action hasn't got right justification =
not accept claim at all. Consequences for all likely affected, good and bad?

Alternatives considered? Seem like very narrow view of consequences
involved – wrong ones? Predicting future Too demanding Basically, the claim
takes a radically non-utilitarian approach to justifying the action involved. A
utilitarian could not accept any part of it. The action alone would be
inadequate; utilitarianism requires the '... because... such-and-such...' the
action and the justification provided are equally inadequate in terms of
justifying this action morally obligatory; there needs to be a far more thorough
evaluation of what will happen as a result of doing it; what is the greatest
overall that can be achieved?

For a utilitarian to support the claim, the putting back would need to be
done, say '... because... doing so will serve to best satisfy the interests of all
involved (compared with not doing so) thereby securing the greatest
happiness for the greatest many...' " As the claim reads, there simply is no
moral obligation from the utilitarian perspective. REASONING. consider
actions are not good or bad in themselves, only in what they are good or bad
for. Consider the justification provided. Further, "... actions are not good or
bad in themselves... only in what they are good or bad for..." (Chryssides &
Kaler, 1993, p. 91) whilst the claim does give regard to some forward
thinking reasoning. However, the reasoning provided does not make the
action morally obligatory from is all wrong from the utilitarian perspective.

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Criticisms: Opponents of the utilitarian standpoint might well argue it deems as morally good, actions inflicting suffering on a minority in order to benefit a majority – if they engender more good overall than alternatives (The Open Poly, 2009). This seems inconsiderate of the afflicted minority.

Consider: affluent American couple and daughter illegally adopt Nepalese orphan and subject her to childhood of slavery. She sleeps in airless basement; works 14 hours plus 7 days a week; waits on them hand and foot; cleaning, cooking, gardening; no schooling; fed on scraps; treated as less-than-human. She is 25% of the equation; utterly wretched. The other 75% lead lives of indolence and sloth in their palatial home; kept pristine at effectively no cost; and, they derive sadistic pleasure from ill-treating the girl and outsmarting child protection authorities.

They are chuffed. Add up the total sum of happiness/misery as a result of enslaving this child and, yes, the ‘arrangement’ could be construed to maximise happiness given all the resources available (the alternative would make 25% a lot happier, but would not offset a marginal decrease in happiness of the 75% majority). The criticism seems valid – this is morally repugnant! But, I would argue it could be misguided; and I have two lines of defence. First, a point which Bentham himself acknowledged (Chryssides & Kaler, 1993).

Unhappiness in general/pain in particular are far more intensely felt than happiness/pleasure (consider the depths to which suffering slavery/malnutrition/illiteracy would take the child, compared with the relatively mild enjoyment of languor/financial benefit/sadistic pleasure

experienced by the family). In acknowledging this, utilitarianism rules out such gross injustice. Intense suffering by a minority will always outweigh happiness the majority derive as a result of that suffering; the balance of disutility over utility would deem the situation morally wrong.

Second, a rule utilitarian would reason differently; ask ‘ what general rules of conduct tend to promote greatest happiness? ‘ then compare hypothetical societies, one in which the rule ‘ Don’t subject orphaned children to slavery’ is observed, the other it isn’t; decide people will be happier in the first society; accept the rule against enslaving children; and, by appealing to it, conclude what the American family did to the child is totally abhorrent and morally unacceptable. Chryssides & Kaler (1993, p. 99) allude to a “... non-consequentialist inflexibility... with reference to Kantianism. I would have to agree; all the categorical moral rules that hold without exception, in all circumstances! For instance, Kant (as cited in Rachels & Rachels, 2007, p. 123) disallowed all lying; the “... the obliteration of one’s dignity as a human being... ” And, as Rachels & Rachels (2007, p. 123) note in his defence “... there is something in this... ” for lies to be successful, there needs to be a general belief that truth-telling prevails; so, any point in lying requires there not being a universal law permitting it!

For instance, consider a situation where telling a lie would save a life; an intending murderer asking for the whereabouts of his/her intended victim for instance. Surely it is not only reasonable, but morally obligatory, to lie, in the interests of preventing a violent end to a precious human life? Not if you hold Kantian views! You couldn’t universalise the maxim upon which you would act; and, lying would be the epitome of not showing respect for another

person's autonomy – even if he/she is an intending murderer, he/she has the freedom to make his/her own decisions about how to live his/her life.

Kant himself has defended the Kantian position on lying for this sort of circumstance (Rachels & Rachels, 2007). The inflexibility is entirely justified; we are only tempted to make exceptions to the rule not to lie, in situations where truth-telling seems to have bad consequences and lying good ones; and predicting consequences is such an imprecise science! Kantianism avoids such second-guessing altogether. Consequences are immaterial. You simply avoid the confirmable evil – lying; tell the truth and let the consequences come as they may.

Even if the murderer finds and kills the victim as a result, it's not your fault, you have done your duty! I do perceive some 'comfort' in this stance – one right action – but perhaps that is just because I am hopeless at making difficult decisions and weighing up consequences! Besides, I don't think such a responsibility should (or could) be evaded so callously. Kant's logic does seem flawed – we are be morally responsible for the bad consequences of that undisputable evil lying, but we escape similar responsibility for the bad consequences of telling the truth?

Perhaps this defence is not so convincing. Some respond to the criticism of Kantianism's absolute, inviolable rules by suggesting there is the option of making the maxims on which we act more sophisticated. For instance, given the above example, instead of 'I will always tell the truth' or, 'I will never lie' what about 'I will tell the truth to those seeking information for honest purposes'. The problem with this, is; which circumstances permit such

qualifications being made, and which do not? Would misuse of means to ‘ create maxims to suit’ result in making a nonsense of universalisation?

If so, and there is no room in Kantian ethics for bending rules, some suggest modifying Kantianism to discriminate between ‘ prima facie’ and ‘ actual’ duties (Chryssides & Kaler, 1993). The actual duties take precedence over those prima facie (at first appearance), so, if there is conflict, the most important duty is that actually acted on; we are morally absolved of the other. For the intended murder situation for instance, the duty not to lie could be overruled by the duty to put a stop to criminal activity? Both ‘ modifications’ seem attempts to defend the undesirable effects of acting on principle alone.

Kantianism is about acting on principle; perhaps it simply cannot be defended. Conclusion Reasoning – rational respect/all the consequences
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[pic][pic][pic][pic][pic][pic][pic][pic][pic] ————— [1] That is, the normative (prescriptive) study of ethics; as distinguished from the descriptive approach of the social scientists and/or the conceptual study of

significant ethical terms such as right, obligation, justice and so on.

(Beauchamp & Bowie, 2008) [2] One of the most fundamental questions in life! (V Scholes, personal communication, 4 March 2009).

Philosophers have been debating this since 6th century BCE (pre-Socrates)... they still are. [3] [Gk deon= duty} deontological theories base morality on foundational principles of duty/obligation [4] [Gk telos= end} teleological theories base morality on end results (consequences) [5] One of the most influential exponents of this theory. (The Open Poly, 2009). [6] Their usefulness (or lack of it) in terms of ‘ standard’ utility as defined by Greatest Happiness Principle. [7] Imperative – it demands; categorical – commands are binding and absolute (The Open Poly, 2009). [8] It’s an argument!

The premise is relevant and internally consistent (The Open Poly, 2009) but I would challenge its veracity and argue it is highly dependent on the nature of the ‘ business’ and the ‘ local community’ in question. A Wairarapa brothel adopted this philosophy... heightened profile? Yes. Improved image – ‘ helped’ profits as a result? Neither! It was driven out of town! [9]

Businesses? We hold individual’s morally accountable. Businesses are not individuals. We cannot hold businesses morally accountable. To which Goodpaster & Matthews (as cited in Chryssides & Kaler 1993, p. 269) on ‘ moral projection’ reply “... n certain respects concepts and functions normally attributed to persons can be attributed to organisations made up of persons... society finds the idea both intelligible and useful... ” I ‘ morally project’ individual moral responsibility onto the ‘ businesses’ in this claim. [10] On his ‘ social responsibility of business’ Chryssides & Kaler (1993, p. 231) opine “... Friedman is not saying businesses must never seek to do
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good, they may do so provided they do it to serve the goal of profit maximisation... ” [11] The assumption is made that act utilitarianism is representative the main position of utilitarianism.