

Ethical theories analysis essay



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Ethical Theories Utilitarianism Utilitarianism is most often associated with Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873). According to utilitarianism principle, a decision is ethical if it provides the greater utility than any other alternative decision. Thus the decision maker must evaluate each decision alternative, and then select the one that yields the greatest net utility (Fritzsche, 1997). There two types of utilitarianism, act and rule. Individual decisions are evaluated under act utilitarianism when the moral value of a decision is determined by the consequences of the specific act (Fritzsche, 1997).

Basically act utilitarianism is a simpler theory and provides an easily understood decision procedure. On the other hand rule utilitarianism seems to give firmer ground, however, to the rules of morality and to role obligations, which are problems for all teleological theories. A further advantage of rule utilitarianism, according to its proponents, is that it eliminates the difficult task of calculating the consequences of each individual act (Boatright, 2007). Benefits of Utilitarianism First, utilitarianism is committed to the maximization of the good and the minimization of the harm and evil. It asserts that society ought always to produce the greatest possible balance of positive value or the minimum balance of disvalue for all persons affected. The means to maximization is efficiency, a goal that persons in business find congenial, because it is highly prized throughout the economic sector (Beauchamp & Bowie, 2004).

Many businesses, as well as government agencies, have adopted specific tools such as cost-benefit analysis, risk assessment, or management by objectives (MBO), all of which are strongly influenced by a utilitarian

philosophy. Another essential feature of utilitarian theory is a theory of the good. Efficiency itself is simply as instrumental good, that is, it is valuable strictly as means to something else. In the corporation, efficiency is valuable as a means to growth and to profit maximization.

Within the ethical theory, efficiency is the means for maximizing human good (Beauchamp & Bowie, 2004). In addition, a third essential feature of utilitarianism is its commitment to the measurement and comparison of goods. With the hedonistic view (maximize pleasure), people must be able to measure pleasurable and painful states and be able to compare one person's pleasure with another's to decide which is greater (Beauchamp & Bowie, 2004). Limitations of utilitarianism Several difficulties are encountered by a manager using consequentialist approach. First, it is often very difficult if not impossible to foresee all the consequences of a business decision. Accurate forecast of outcomes are required in situations where very little data or experience is available.

The more complex the decision, the harder it becomes (Fritzsche, 1997). Second many decisions have consequences that are not easily measured and often lack common measurement units. For example installing emission control equipment on a smokestack to meet the current environmental requirements may cost \$500, 000. Equipment that will reduce emissions to half that amount may cost \$1, 5 million. Which equipment should be purchased? The costs are quite easy to determine.

However, the gain utility from each piece of equipment is a bit more murky (Fritzsche, 1997). Rights Rights-based theory hold that rights from the

justifying basis of obligations because they best express the purpose of morality, which is securing of liberties or other benefits for right holder (Gewirth, 1996). These obligations are of two types: Negative obligations are those that require that we not interfere with the liberty of others, thus securing liberty rights. Positive obligations require that certain people or institutions provide benefits or services, thus benefit rights or welfare rights (Mack, 1985). Correlatively, a negative right is a valid claim to liberty, that is, a right not to be interfered with, and positive right is a valid claim on goods or services (Beauchamp & Bowie, 2004). In addition, negative rights protect an individual from interference both by the government and by other people.

Positive rights, on the other hand, require either the government to provide bearer of the right with certain positive goods or opportunities (De George, 1999). Benefits Rights play an important role in business ethics, and, indeed, in virtually all moral issues. Both employers and employees are regarded as having certain rights. Employers have the right to conduct business as they fit, to make decisions about hiring and promotion, and to be protected against unfair forms of competition (Boatright, 2007).

Moral rights are important, normative, justifiable claims or entitlements. The right to life is justifiable claim, based on our status as rational beings, worthy respect, and end-in-ourselves (De George, 1999). Limitations Rights do not tell the whole story of ethics, especially in the area of personal relationships and rights are always defined for groups of people (humanity, women, indigenous people and workers) Justice Justice, like rights, is an important moral concept with a wide range of applications (Boatright, 2007). Benefits In one of its most general formulations, consists of giving each person his or

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her due, treating equals equally, and unequals unequally. There are various ways of constructing what each person is due, however. Individual might be given what they are due according to their work, their ability, their merit, their need and so on (De George, 1999).

Principle of justice may be divided into three types: distributive justice, retributive justice and compensatory justice. Distributive justice refers to the extent to which society's institutions ensure that benefits and burdens are distributed among society's members in ways that are fair and just. When the institutions of a society distribute benefits or burdens in unjust ways, there is a strong presumption that those institutions should be changed (Velasquez et al, 1990). Retributive justice refers to the extent to which punishments are fair and just. In general, punishments are held to be just to the extent that they take into account relevant criteria such as the seriousness of the crime and the intent of the criminal, and discount irrelevant criteria such as race.

(Velasquez et al, 1990). Compensatory justice is concerned with compensating that party injured by wrongful act. Most people tend to agree that the injured party should be returned to the condition that existed prior to the injury. These includes necessary medical treatment, services, and goods that are need to rectify the injury.

The compensation should equal the loss suffered by the injured party and no more (Fritzsche, 1997). Problems occur when it is not possible to provide complete compensation. A life lost cannot be restored. Proprietary information cannot be covered after it has been distributed to competitors.

In these cases the best that be hoped for is that the wrongdoer will pay for the damage done to the extent that it can be fairly estimated. Discussion on the Normative Ethical Theories To my own understanding all these theories are developed, and used in different level of society as a guide to make the right decision, to act correctly, and to take corrective actions when things are derailed.

These theories enable us to have the environment that we desire. It enables the authorities to enforce the law, enables business to conduct their activity in the right manner, also it enables specific group to fight for their rights to be treated equally. For all these reasons ethical theories lies at the core of humankind in order to have the right guidance to prosper in life. To compare the ethical theories whether any of the theory is superior to another, I think rights and justice are both important moral concept that consists of a wider applications compare to utilitarianism. Although, utilitarianism philosophy has influenced businesses and government to adopt specific tools such as cost-benefit analysis, risk assessment, or management by objectives (MBO). Justice is at the highest rank due to its functionality that allows people to make decision and protect them according to the law.

The foundations of justice can be traced to the notions of social stability, interdependence, and equal dignity. Rights is second as this theory gives people to get some kind of entitlements to protect their right. Rights also part of the law, such as the Human Rights. It is imposed in order to give certain rights to the right holder or group of people. Utilitarianism is ranked last due to its measurement of happiness does not provide equality for everyone. For instance, the case of Malden mills, utilitarian approach

requires the CEO to move operations to Third World country where labor is cheaper would not only benefited the company, it would also have provided jobs for those workers who are desperately needy than American workers.

Instead the CEO rebuilt the business and continues to pay the workers. The argument is that more utility would have been produced by bringing jobs to Third World workers than to those in Lawrence, Massachusetts. Word count 1377 Reference Beauchamp, T. , L & Bowie, N. , E (2004) Ethical Theory and Business, Pearson International-Prentice Hall Boatright, J. R.

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