

# Major Ethical Perspectives

by Sophia



## WHAT'S COVERED

In this lesson, you will learn about several ways of looking at ethical issues. Specifically, this lesson will cover:

## 1. Utilitarianism

**Utilitarianism** is a popular perspective on ethics, one that is well aligned with economics and the free-market outlook that has come to dominate much current thinking about business, management, and economics. Jeremy Bentham is often considered the founder of utilitarianism, though John Stuart Mill (who wrote "On Liberty and Utilitarianism") and others promoted it as a guide to what is good.

Utilitarianism emphasizes not rules but results. An action (or set of actions) is generally deemed good or right if it maximizes happiness or pleasure throughout society. Originally intended as a guide for legislators charged with seeking the greatest good for society, the utilitarian outlook may also be practiced individually and by corporations.

Bentham believed that the most promising way to obtain agreement on the best policies for a society would be to look at the various policies a legislature could pass and compare the good and bad consequences of each. The right course of action from an ethical point of view would be to choose the policy that would produce the greatest amount of utility, or usefulness.

In brief, the utilitarian principle holds that an action is right if and only if the sum of utilities produced by that action is greater than the sum of utilities from any other possible act. This statement describes "act utilitarianism"—which action among various options will deliver the greatest good to society? **Rule utilitarianism** is a slightly different version; it asks, what rule or principle, if followed regularly, will create the greatest good?

Notice that the emphasis is on finding the best possible results and that the assumption is that we can measure the utilities involved. This turns out to be more difficult than you might think. "The sum total of utilities" clearly implies that in doing utilitarian analysis, we cannot be satisfied if an act or set of acts provides the greatest utility to us as individuals or to a particular corporation; the test is, instead, whether it provides the greatest utility to society as a whole.

Also notice that the theory does not tell us what kinds of utilities may be better than others or how much better a good today is compared with a good a year from today.



### Utilitarianism

A doctrine in the study of ethics that considers actions that are useful or most beneficial to the majority to be the right actions (as opposed to other doctrines that consider the acts themselves in isolation from their utility or benefits).

### Rule Utilitarianism

A form of utilitarianism that looks at a rule and determines its rightness based on utilitarian principles that consider its usefulness.

## 1a. Utilitarianism in Practice

Whatever its difficulties, utilitarian thinking is alive and well in U.S. law and business. It is found in such diverse places as:

- Cost-benefit analysis in administrative and regulatory rules and calculations
- Environmental impact studies
- The majority vote
- Product comparisons for consumer information
- Marketing studies
- Tax laws
- Strategic planning

In management, people will often employ a form of utility reasoning by projecting costs and benefits for plan X versus plan Y. But the issue is that most of these cost-benefit analyses are usually put exclusively in terms of money and/or directed to the benefit of the person or organization doing the analysis and not to the benefit of society as a whole.

An individual or a company that consistently uses the test “What’s the greatest good for me or the company?” is not following the utilitarian test of the greatest good overall. Another common failing is to see only one or two options that seem reasonable.

The following are some frequent mistakes that people make in applying what they think are utilitarian principles in justifying their chosen course of action:

1. Failing to come up with lots of options that seem reasonable and then choosing the one that has the greatest benefit for the greatest number. Often, a decision maker seizes on one or two alternatives without thinking carefully about other courses of action. If the alternative does more good than harm, the decision maker assumes it’s ethically okay.
2. Assuming that the greatest good for you or your company is in fact the greatest good for all This means you are looking at situations subjectively or with your own interests primarily in mind.
3. Underestimating the costs of a certain decision to you or your company.

### IN CONTEXT

The now-classic Ford Pinto case demonstrates how Ford Motor Company executives drastically underestimated the legal costs of not correcting a feature on their Pinto models that they knew could cause death or injury. General Motors was often taken to task by juries that came to

understand that the company would not recall or repair known and dangerous defects because it seemed more profitable not to. In 2010, Toyota learned the same lesson.

4. Underestimating the cost or harm of a certain decision to someone else or some other group of people.

5. Favoring short-term benefits, even though the long-term costs are greater.

6. Assuming that all values can be reduced to money. In comparing the risks to human health or safety against, say, the risks of job or profit losses, cost-benefit analyses will often try to compare apples to oranges and put arbitrary numerical values on human health and safety.

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## 2. Deontology

In contrast to the utilitarian perspective, **deontology** - presented in the writings of Immanuel Kant - purports that having a moral intent and following the right rules is a better path to ethical conduct than achieving the right results.

A deontologist like Kant is likely to believe that ethical action arises from doing one's duty and that duties are defined by rational thought. Duties, according to Kant, are not specific to particular kinds of human beings but are owed universally to all human beings.

Kant therefore uses "universalizing" as a form of rational thought that assumes the inherent equality of all human beings. It considers all humans as equal, not in the physical, social, or economic sense, but equal before God, regardless of their gender, age, race, sexual orientation, or religion.

For Kantian thinkers, this basic principle of equality means that we should be able to universalize any particular law or action to determine whether it is ethical.

➔ **EXAMPLE** If you were to consider misrepresenting yourself on a resume for a particular job you really wanted and you were convinced that doing so would get you that job, you might be very tempted to do so. "What harm would it be?" you might ask yourself. "When I have the job, I can prove that I was perfect for it, and no one is hurt, while both the employer and I are clearly better off as a result!"

Kantian ethicists would answer that your chosen course of action should be a universal one— a course of action that would be good for all persons at all times.



### TERM TO KNOW

#### Deontology

A doctrine in the study of ethics that looks at an action in isolation to determine if it is right or wrong, as opposed to looking only at its consequences.

### 2a. Deontology in Practice

There are two requirements for a rule of action to be universal:

- Reversibility
- Consistency

Consider reversibility: If you make a decision as though you didn't know what role or position you would have

after the decision, you would more likely make an impartial one— you would more likely choose a course of action that would be most fair to all concerned, not just you. Again, deontology requires that we put duty first, act rationally, and give moral weight to the inherent equality of all human beings.

➔ **EXAMPLE** In considering whether to lie on your resume, reversibility requires you to actively imagine both that you were the employer in this situation and that you were another well-qualified applicant who lost the job because someone else padded his resume with false accomplishments. If the consequences of such an exercise of the imagination are not appealing to you, your action is probably not ethical.

The second requirement for an action to be universal is the search for consistency. This is more abstract. A deontologist would say that since you know you are telling a lie, you must be willing to say that lying, as a general, universal phenomenon, is acceptable.

But if everyone lied, then there would be no point to lying, since no one would believe anyone. It is only because honesty works well for society as a whole and is generally practiced that lying even becomes possible! That is, lying cannot be universalized, for it depends on the preexistence of honesty.

Similar demonstrations can be made for actions such as polluting, breaking promises, and committing most types of crime. But these are the easy cases for Kantian thinkers. In the gray areas of life as it is lived, the consistency test is often difficult to apply.

➔ **EXAMPLE** If breaking a promise would save a life, then Kantian thought becomes difficult to apply. If some amount of pollution can allow employment and the harm is minimal or distant, Kantian thinking is not all that helpful.

Finally, it should be noted that the well-known Golden Rule, “Do unto others as you would have them do unto you,” emphasizes the easier of the two universalizing requirements: practicing reversibility (“How would I like it if someone did this to me?”).

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## 3. Social Justice Theory

**Social justice** theorists worry about “distributive justice,” or the fair way to distribute goods among a group of people. Marxist thought emphasizes that members of society should be given goods according to their needs.

But this redistribution would require a governing power to decide who gets what and when. It also requires taking something from someone else to get the goods in the first place. Capitalist thought takes a different approach, rejecting any giving that is not voluntary.

Certain economists, such as the late Milton Friedman, also reject the notion that a corporation has a duty to give to unmet needs in society, believing that the government should play that role. Even the most dedicated free-market capitalist will often admit the need for some government intervention and forms of welfare, such as Social Security, Medicare, assistance to flood-stricken areas, along with some public goods (such as defense, education, highways, parks, and support of key industries affecting national security).

People who do not see the need for public goods (including laws, court systems, and the government goods and services just cited) often question why there needs to be a government at all. One response might be, “Without government, there would be no corporations.” Thomas Hobbes believed that people in a “state of nature” would rationally choose to have some form of government. He called this the social contract, where people give up certain rights to government in exchange for security and common benefits.

In your own life and in this course, you will see an ongoing balancing act between human desires for freedom and human desires for order; it is an ancient tension. Some commentators also see a kind of social contract between corporations and society; in exchange for perpetual duration and limited liability, the corporation has some corresponding duties toward society.

Also, if a corporation is legally a “person,” as the Supreme Court reaffirmed in 2010, then some would argue that if this corporate person commits three felonies, it should be locked up for life and its corporate charter revoked.



#### TERM TO KNOW

##### **Social Justice**

A doctrine in the study of ethics that considers distribution of wealth, privileges, and opportunities in a society rather than the good of individuals.

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## 4. Social Contract Theory

Modern social contract theorists, such as Thomas Donaldson and Thomas Dunfee, observe that various communities, not just nations, make rules for the common good.

Your college or school is a community, and there are communities within the school (fraternities, sororities, the folks behind the counter at the library circulation desk, the people who work together at the university radio station, the sports teams, the faculty, the students) that have rules, norms, or standards that people can buy into or not. If not, they can exit from that community, just as we are free (though not without cost) to reject U.S. citizenship and take up residence in another country.

Donaldson and Dunfee’s integrative social contract theory stresses the importance of studying the rules of smaller communities along with the larger social contracts made in states (such as Colorado or California) and nation-states (such as the United States or Germany). Our Constitution can be seen as a fundamental social contract.

It is important to realize that a social contract can be changed by the participants in a community, just as the U.S. Constitution can be amended. Social contract theory is thus dynamic— it allows for structural and organic changes. Ideally, the social contract struck by citizens and the government would allow for certain fundamental rights such as those we enjoy in the United States, but it need not.

People can give up freedom-oriented rights (such as the right of free speech or the right to be free of unreasonable searches and seizures) to secure order (freedom from fear, freedom from terrorism).

➞ **EXAMPLE** Many citizens in Russia now miss the days when the Kremlin was all powerful; there was less crime and more equality and predictability to life in the Soviet Union, even if there was less freedom.

Thus, the rights that people have in positive law come from whatever social contract exists in the society. This view differs from that of the deontologists and that of the natural-law thinkers such as Gandhi, Jesus, or Martin Luther King Jr., who believed that rights come from God or, in less religious terms, from some transcendent moral order.

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## 5. Communitarianism

Another important movement in ethics and society is **communitarianism**. Communitarians emphasize that rights carry with them corresponding duties; that is, there cannot be a right without a duty.

Interested students may wish to explore the work of Amitai Etzioni. Etzioni was a founder of the Communitarian Network, which is a group of individuals who have come together to bolster the moral, social, and political environment. It claims to be nonsectarian, nonpartisan, and international in scope.

The relationship between rights and duties - in both law and ethics - calls for some explanations:

1. *If you have a right of free expression, the government has a duty to respect that right but can put reasonable limits on it.*

➞ **EXAMPLE** You can legally say whatever you want about the U.S. President, but you can't get away with threatening the President's life. Even if your criticisms are strong and insistent, you have the right (and our government has the duty to protect your right) to speak freely. In Singapore during the 1990s, even indirect criticisms of the political leadership were enough to land you in jail or at least silence you with a libel suit.

2. *Rights and duties exist not only between people and their governments, but also between individuals.*

➞ **EXAMPLE** Your right to be free from physical assault is protected by the law, and when someone walks up to you and punches you in the nose, your rights - as set forth in the positive law of your state - have been violated. Thus, other people have a duty to respect your rights and to not punch you in the nose.

3. *Your right in legal terms is only as good as your society's willingness (and duty) to provide legal remedies through the courts and political institutions of society.*

A distinction between basic rights and nonbasic rights may also be important. Basic rights may include such fundamental elements as food, water, shelter, and physical safety.

Another distinction is between positive rights (the right to bear arms, the right to vote, the right of privacy) and negative rights (the right to be free from unreasonable searches and seizures, the right to be free of cruel or unusual punishments).

Yet another is between economic or social rights (adequate food, work, and environment) and political or civic rights (the right to vote, the right to equal protection of the laws, the right to due process).



#### TERM TO KNOW

##### **Communitarianism**

A doctrine that emphasizes the effects of community and society on an individual's development, de-emphasizing individualism.

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## 6. Aristotle and Virtue Theory

**Virtue theory**, or virtue ethics, has received increasing attention over the past twenty years, particularly in contrast to utilitarian and deontological approaches to ethics. Virtue theory emphasizes the value of virtuous qualities rather than formal rules or useful results.

Aristotle is often recognized as the first philosopher to advocate the ethical value of certain qualities, or

virtues, in a person's character. Aristotle believed that all activity was aimed at some goal or perceived good and that there must be some ranking that we do among those goals or goods.

Happiness may be our ultimate goal, but what does that mean, exactly? Aristotle rejected wealth, pleasure, and fame, and embraced reason as the distinguishing feature of humans, as opposed to other species. And since a human is a reasoning animal, happiness must be associated with reason. Thus, happiness is living according to the active (rather than passive) use of reason. The use of reason leads to excellence, and so happiness can be defined as the active, rational pursuit of personal excellence, or virtue.

Aristotle named fourteen virtues:

1. Courage, particularly in battle
2. Temperance, or moderation in eating and drinking
3. Liberality, or spending money well
4. Magnificence, or living well
5. Pride, or taking pleasure in accomplishments and stature
6. High-mindedness, or concern with the noble rather than the petty
7. Unnamed virtue, which is halfway between ambition and total lack of effort
8. Gentleness, or concern for others
9. Truthfulness
10. Wit, or pleasure in group discussions
11. Friendliness, or pleasure in personal conduct
12. Modesty, or pleasure in personal conduct
13. Righteous indignation, or getting angry at the right things in the right amounts
14. Justice

From a modern perspective, some of these virtues seem old-fashioned or even odd. Magnificence, for example, is not something we commonly speak of. Three issues emerge:

1. How do we know what a virtue is these days?

2. How useful is a list of agreed-upon virtues anyway?

3. What do virtues have to do with companies, particularly large ones where various groups and individuals may have little or no contact with other parts of the organization?

As to the third question, whether corporations can "have" virtues or values is a matter of lively debate. A corporation is obviously not the same as an individual. But there seems to be growing agreement that organizations do differ in their practices and that these practices are value driven. If all a company cares about is the bottom line, other values will diminish or disappear.

Quite a few books have been written in the past twenty years that emphasize the need for businesses to define their values in order to be competitive in today's global economy.



#### TERM TO KNOW

##### Virtue Theory

A theory in the study of ethics that emphasizes character and virtue over duties or consequences of actions. Examples are Aristotle's virtues of integrity, empathy, warmth, courage,



## SUMMARY

In this lesson, you learned that throughout history, people have pondered what it means to "do what is right." Some of the main answers have come from the differing perspectives of ethical thought.

**Utilitarianism** is a perspective that values actions producing the greatest good for the greatest number of people. **Utilitarianism in practice** can involve activities like cost/benefit analyses, majority votes, and strategic planning. **Deontology** is a perspective that values moral intent over results.

**Deontology in practice** involves the application of consistency and reversibility.

**Social justice theory, social contract theory, and communitarianism** all focus on society at large. Social justice theory is concerned with the fair distribution of resources, while social contract theory looks at how the rules adapted by smaller communities can be beneficial at a more global level. Communitarianism is the belief that all rights carry certain responsibilities with them. Finally, **virtue theory**, often attributed to **Aristotle**, places more importance on practicing virtuous qualities than following set rules.

Best of luck in your learning!

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## TERMS TO KNOW

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### Rule Utilitarianism

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### Social Justice

A doctrine in the study of ethics that considers distribution of wealth, privileges, and opportunities in a society rather than the good of individuals.

### Utilitarianism

A doctrine in the study of ethics that considers actions that are useful or most beneficial to the majority to be the right actions (as opposed to other doctrines that consider the acts themselves in isolation from



their utility or benefits).

**Virtue Theory**

A theory in the study of ethics that emphasizes character and virtue over duties or consequences of actions. Examples are Aristotle's virtues of integrity, empathy, warmth, courage, conscientiousness, and zeal.