

Faculty of Engineering and Mathematical Sciences

Project Management & Engineering Practice
(GENG 5505)

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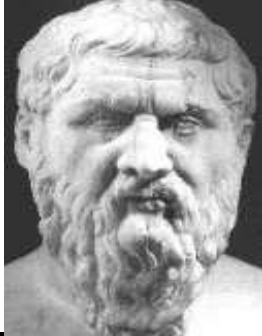
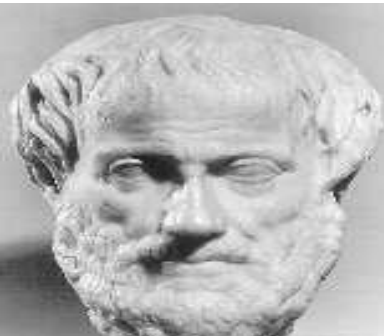
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Moral frameworks: Ethical theories and how
to use them

(Week 9b) - Lecture 15, 2nd May 2024

The Three Greek Philosophers!

Socrates (469 - 399 BCE)	Plato (427 - 347 BCE)	Aristotle (384 - 322 BCE)
Is there a 'value' in life worthwhile as an end not just means to an end?	Soul (3 levels: rational (mind), spirited (will/want) and appetitive (emotion/desire))	"What does it mean to be good?"
Enquiry into 'Good life' & 'Happiness'	Virtue when 3 souls in balance	Human life directed toward Happiness which doesn't result from pleasure, wealth or honour
Perfection of soul	Accepts concept of creator (Theist)	Continually striving for perfection which is an activity of the soul (flourishing of soul)
"That which is unbegotten and immortal" (Beginningless and endless) Transcends time and space		Eudaimonia (well-being) - Flourishing state of the soul.
Virtue as knowledge		Acquisition of goods and satisfaction of desires less important than virtue
Atheist		Completeness through moderation of reason and desire (The Mean)
		Highest form of mortal activity is 'contemplation' since it is complete.
		

Main Ethics Theories

1. Utilitarian/Consequences-based theory

➤ An action is judged as ethical or unethical based on the consequences/outcome

2. Deontological/Duty-based theory Deontological (from Greek deon = duty)

➤ Actions are judged as ethical standing alone & without regard to consequences

3. Virtue-based theory Ongoing quest for goodness and virtue

➤ The focus is on the individual not on the action. Individuals should seek to live a virtuous life

Murphy et al. 2006

- Egoism
- Humanism
- Relativism
- Eastern philosophy

Utilitarian/Consequences-based theory

- Founders Jeremy Bentham & Stuart Mill (19th C.)
- Utilitarian thinking: “The end justifies the mean”
- Focus on action: i.e. Going along with those actions which give the greatest net benefit for the greatest number of people
- Ethically the right action is that that produces more good than bad consequences. (i.e. a pharmaceutical company releasing a new drug with a few side effects: The drug is beneficial to a large number of people combat a particular disease than those troubled by a minor side effect).

Utilitarian/Consequences-based theory continues.....

- Basic principles: a) maximising benefits & b) minimising costs
- Predominates western thinking & particularly business & marketing
 - i.e., cost-benefit analysis, gain of market share to loss of other plus, many other strategic competitive advantage tools
- Consumer sovereignty
- However:
 - Minority rights at risk
 - Who decides what 'good' is?
 - Assumes "end" justifies the "means"!

Ford Pinto Case (Fulop et al. 2004)

- In 1970 Ford Motor Company carried out cost/benefit analysis to determine whether to change the design of the Ford Pinto model;
- Fuel tank placed behind rear axle (a position vulnerable to rear-end collision);
- There had been fatal collisions in which fuel tank had punctured and the car's interior had burst into flames.

➤ The company, after deliberation, decided not to proceed with design changes which would have cost \$11 per model (total costs= \$137 million, total benefits \$49.5 million).

➤ What are your thoughts?

➤ Any link with TBL?

However, cost/benefit analysis leaves a number of questions unanswered:

- Who decides what counts as the benefits and costs to be measured?
- Can a standard measure be reached?
- What counts as consequences?
- How far into the future should consequences be calculated?
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Utilitarianism in summary

➤ Utilitarianism focuses on the consequences of an ethical action:

- An action is right if it produces the best consequences overall
- The greatest good for the greatest number
- An act is right if it maximises overall utility
- The most common form of consequentialism (forward-looking)

Deontological/Duty-based theory

- Is based on the idea that we are morally obliged to follow fundamental rules and principles regardless of consequences (Frankena, 1963)
- Rather than adopting normative forward-looking position emphasising consequences, it is backward-looking
- To do the right thing simply because it is the right thing to do – regardless of consequences – Means rather than end

Deontological/Duty-based theory continues.....

- Morality a matter of duty – duty-based approaches to ethics
- Duty not determined by reference to consequences but rather, to ‘moral rationality’
- Most famous deontologist is Immanuel Kant (1724-1804)
- Argued for logical consistency, a ‘maxim’ which he called a ‘categorical imperative’. Kant proposed 3 formulations of the categorical imperative:

Deontological/Duty-based theory continues.....

- Act as if, through your actions, you were making universal law for everyone to follow. This formula instruct us to do the things that we would tolerate anyone else doing, and not to give ourselves privileges or excuses. Some examples: Resist the temptation to: Bribe contractors, mislead customers, delay payment to suppliers; etc.
- Always treat any human being (self included) as an end in himself/herself, never merely as a mean to an end. Some examples: Respect the safety and dignity of employees/customers; do not take advantage of others' incapacity; etc.
- Act as if you were a member of a community of fellow moral legislators who are ends in themselves. For example, do not force your will upon another, etc.

Deontological/Duty-based theory continues...

- Kantianism (both weak and strong forms):
 - Strong (categorical imperative) 'You must respect rights of future generations and refrain from impinging on them'
 - Weak (conditional imperative) 'If you value future generations then refrain from impinging on them'
- Both forms raise issues:
 - Categorical imperative: Only if ethical ground for decision making is sought.
 - Conditional imperative: What if we don't value?
- Duty-based approaches typically include a list of duties, obligations to be adhered to

➤ Typical duties include:

- Universally binding are duties of fidelity (faith, loyalty), gratitude, justice, beneficence (generosity), self-improvement, non-maleficence (non-harming).
 - Additional principles : Be fair, obey the law, keep promises or contracts, respect the rights of others, do not lie or cheat, help those in need, avoid and prevent harming others, encourage others to follow these principles.
- ## ➤ Duty-based theories suppose impacts are known
- If not and the COST is high, unlikely that firms will respond – i.e. global warming, loss of biodiversity

Duty/Deontological theory in summary

- Deontological theory assesses right action from the perspective of the 'act itself'
- Features of the act itself determine whether it is good or bad
- All people possess rights and in doing so have corresponding duties
- Kant was a deontologist who said that an act was right in so far as it obeyed a maxim which could be universalised (categorical imperative)
- Treat people as ends in themselves not as means to your ends (categorical imperative)

Review

- Both utilitarian/consequentialist and deontological/duty theories are relevant to business
- It is necessary for business to make a profit (consequence) but, not at all costs (deontological)
- Also necessary to take into account interests & consequences other than profit (i.e., social & psychological impact, quality of life (QOL), TBL, etc.
- Necessary restrictions on what can be traded i.e., drugs, child sex and labour, etc. (Deontological considerations)
- Utilitarian considerations, free markets are controlled by respect for persons and their rights.

Readings week 9b

Bentham J., (1748 – 1832), Utilitarianism

Kant I., (1724 – 1804), Deontology