

DEEP DIVE: ETHICAL ANALYSIS OF XYZ.COM WORKFORCE DECISION

As a newly appointed board member of XYZ.com, I face a critical tiebreaking vote between two competing proposals designed to address the company's financial crisis. Proposal #1 advocates retaining all employees while implementing an immediate salary freeze with potential 5% pay cuts, distributing financial burden equally across the workforce. Proposal #2 recommends laying off 5% of employees while maintaining wages for the remaining 95%, concentrating harm on a smaller group while signaling aggressive financial management to investors. This analysis examines how act utilitarianism, act deontology, and just consequentialism approach this dilemma, ultimately determining which framework provides the most ethically defensible solution.

How would I vote if I am an act utilitarian? Why?

As an act utilitarian, I vote for Proposal #1 because this action produces the greatest good for the greatest number of people by distributing harm more equitably and minimizing total suffering. Act utilitarianism, rooted in Bentham and Mill's consequentialist framework, evaluates actions based solely on their outcomes, seeking to maximize overall happiness and minimize suffering for all affected parties. The critical question becomes which proposal produces the best aggregate consequences across all stakeholders.

Under Proposal #1, all employees retain employment with 100% job security maintained. The moderate financial hardship of a 5% income reduction distributes across the entire workforce. This approach preserves dignity and career continuity for all workers while maintaining healthcare benefits, retirement contributions, and professional development for the entire workforce. Employees experience psychological security from knowing employment remains stable. No families face sudden unemployment trauma, and employees remain employable with current skills and résumés showing continuous employment. This creates a foundation for long-term organizational recovery built on maintained human capital and workforce stability.

Under Proposal #2, 5% of the workforce experiences catastrophic consequences including complete income loss, loss of healthcare benefits, potential mortgage defaults, family stress, career disruption, damaged professional reputation from employment gaps, and psychological trauma. The remaining 95% of the workforce experiences relief but also survivor guilt, increased workload

as the same work distributes among fewer employees, anxiety about future layoffs, decreased morale, and reduced organizational trust. The Wall Street perception benefit and investor confidence signal represent short-term advantages that do not compensate for the aggregate suffering imposed on displaced workers and their families.

Assuming XYZ.com employs 1,000 workers, Proposal #1 creates 1,000 units of moderate harm through income reduction. Proposal #2 creates 50 units of catastrophic harm through complete job loss plus 950 units of mild-to-moderate harm through survivor guilt and increased workload. Research on unemployment psychology demonstrates that job loss produces significantly greater disutility than proportional income reduction. The key utilitarian insight is that catastrophic harm to 5% outweighs moderate harm distributed across 100%. A 5% pay cut is uncomfortable but manageable, while sudden unemployment threatens basic needs including housing, food, and healthcare and inflicts severe psychological trauma that extends beyond mere income loss.

Act utilitarianism considers all affected parties including employees' families, where 50 families face crisis under Proposal #2 versus 1,000 families facing manageable belt-tightening under Proposal #1. The community impact includes strained social services, reduced local spending, and ripple effects in the local economy under mass layoffs. Company culture maintains organizational cohesion and employee loyalty under Proposal #1 but creates a toxic environment of fear and resentment under Proposal #2. The claim that investor confidence justifies concentrated harm fails utilitarian scrutiny because short-term stock price gains do not outweigh the aggregate suffering of displaced workers and their families. Companies that maintain employee loyalty through difficult times often demonstrate stronger long-term performance, making Proposal #1 potentially superior even on purely financial grounds. Proposal #1 maximizes aggregate welfare by distributing moderate hardship broadly rather than inflicting catastrophic harm narrowly.

How would I vote if I am an act deontologist? Why?

As an act deontologist applying Kantian ethical principles, I vote for Proposal #1 because it treats all employees as ends-in-themselves rather than as mere means to financial recovery, respects their dignity and autonomy, and adheres to universalizable moral maxims. Act deontology, grounded in Kant's Categorical Imperative, evaluates actions based on moral duties and principles rather than

consequences. The first formulation states that we must act only according to maxims we can rationally will as universal law.

Proposal #1's implicit maxim is that when facing financial crisis, organizations distribute burden equitably across all stakeholders rather than concentrating harm on vulnerable minorities. This maxim passes the universalizability test because if all organizations adopted this principle during financial hardship, society becomes more just and stable. Shared sacrifice during crisis becomes a sustainable ethical norm that maintains social cohesion and respects the fundamental equality of all employees. Proposal #2's implicit maxim is that when facing financial crisis, organizations sacrifice vulnerable minorities to protect the majority and satisfy external stakeholders. This maxim fails universalizability because if all organizations systematically sacrificed minorities whenever convenient, this undermines the very concept of employment security and trust that makes labor markets function. The maxim is self-defeating because universalized, it creates a dystopian labor market where employees have no rational basis for organizational commitment.

The second formulation requires that we treat humanity, whether in our own person or in any other, never merely as a means but always also as an end. Proposal #2 violates this formulation fundamentally because the 5% of laid-off employees are being used purely as instruments to achieve financial recovery and signal investor confidence. Their inherent dignity, life plans, family obligations, and career aspirations are subordinated entirely to corporate financial interests. They become mere means to stabilize stock prices with their humanity discounted to achieve organizational ends. The reasoning behind Proposal #2 explicitly instrumentalizes these workers because they are sacrificed to protect others and send a message to Wall Street. This language reveals the moral problem because these employees are being treated as objects to be manipulated rather than autonomous persons deserving respect.

Proposal #1 treats all employees as ends-in-themselves by maintaining their employment status and professional identity, preserving their agency and life planning capacity, distributing burden according to each person's capacity through proportional income reduction, and avoiding the profound indignity of rendering anyone expendable. As a rational autonomous agent legislating for a community of equals, no one consents to Proposal #2's principle that some members can be sacrificed for others' benefit. No rational person consents to a system where they might be

arbitrarily selected for catastrophic harm to spare others moderate inconvenience. Some argue that the board has a fiduciary duty to shareholders that conflicts with duties to employees, but Kantian ethics recognizes a hierarchy of duties where duties to persons take precedence over duties regarding property. Shareholders own financial claims on the company, but employees are not owned because they are autonomous persons with dignity that transcends financial calculations. Proposal #2 establishes a dangerous precedent that employees can be sacrificed whenever beneficial to financial interests, and once this principle is accepted, nothing prevents future sacrifices of 10%, 20%, or more as conditions warrant. Proposal #1 respects the Categorical Imperative by treating all employees as ends-in-themselves and adhering to universalizable moral maxims.

How would I vote if I am a just consequentialist? Why?

Applying James Moor's just consequentialism framework, I vote for Proposal #1 because it satisfies the two-stage deliberative process by avoiding unnecessary harm while supporting core human rights and duties, and among ethically permissible options, it produces the best overall consequences. Moor's just consequentialism integrates deontological constraints with consequentialist reasoning, creating a hybrid ethical framework that addresses weaknesses in both pure utilitarianism and pure deontology. The method proceeds through two distinct stages beginning with impartial deliberation to identify ethically permissible policies.

From behind a veil of ignorance where I do not know whether I am in the 5% laid off or the 95% retained, I must identify policies that avoid causing unnecessary harm, protect basic rights including life, health, security, and autonomy, support fundamental duties such as fairness, honesty, and promise-keeping, and are justifiable to all affected parties from an impartial perspective. Proposal #2 fails impartial deliberation because it violates core principles of justice and fairness. It inflicts catastrophic harm on a minority through 100% income loss, healthcare loss, and career disruption to spare the majority moderate inconvenience through potential pay freeze. From an impartial perspective, no rational person consents to a system that concentrates severe harm on some to provide minor benefits to others. The 5% to be laid off face selection by criteria such as seniority, department, or performance metrics that create injustice because long-tenured

employees might be protected while newer employees who may have relocated or made life commitments based on employment face termination.

Proposal #2 uses employees as mere tools to manipulate investor perceptions by sending a message to Wall Street, violating their right to be treated as persons with inherent worth. While not absolute, reasonable employment security functions as a quasi-right in modern labor ethics because employers have duties of good faith and arbitrary termination for financial signaling violates implicit employment contracts. Proposal #2 is ethically impermissible under Stage 1 deliberation because it fails the test of impartial justifiability by violating core rights and duties. Proposal #1 satisfies impartial deliberation because all employees contribute proportionally to addressing crisis, embodying fairness where everyone sacrifices according to capacity. It respects core rights by maintaining employment, healthcare, and professional identity, and while income reduction causes hardship, it does not violate basic rights to security and livelihood. Behind the veil of ignorance, rational agents prefer a system where financial crises are addressed through shared moderate sacrifice rather than concentrated catastrophe. Proposal #1 is ethically permissible under Stage 1 because it respects core rights and duties while addressing legitimate business needs.

Having eliminated Proposal #2 as ethically impermissible, Stage 2 asks which permissible option produces best consequences. Proposal #1 preserves human capital because all employees remain with skills retained, maintains organizational culture because trust and morale are damaged less than under layoffs, provides long-term stability because companies that maintain workforce loyalty through crisis often outperform those that conduct layoffs, and avoids concentrated social harm in the community. Advocates of Proposal #2 claim that signaling seriousness to investors produces better long-term outcomes through higher stock prices leading to access to capital and company survival ultimately saving more jobs. This argument fails just consequentialism's framework because even if layoffs produced better long-term outcomes, the means of instrumentalizing employees to manipulate investor perceptions violates basic fairness and cannot be justified impartially. The premise is questionable because research on layoff effectiveness shows mixed results where companies often do not achieve predicted financial benefits and morale and productivity costs are substantial. Alternative signals exist because management can signal seriousness through other means including executive pay cuts, operational efficiency improvements, and strategic pivots that do not violate employee rights.

All three frameworks converge on Proposal #1, but just consequentialism provides the most plausible and complete analysis. It integrates strengths of both theories by incorporating deontological constraints in Stage 1 while retaining consequentialist sensitivity to outcomes in Stage 2, avoiding weaknesses of pure versions of either theory. Pure utilitarianism is vulnerable to utility monster objections that sacrifice minorities for aggregate benefit, while pure deontology struggles with tragic dilemmas where all options violate some duty. Just consequentialism resolves both problems through staged analysis. The framework provides clear decision procedure by first eliminating options that violate core rights and duties, then optimizing consequences among remaining choices. This is more actionable than abstract appeals to categorical imperatives or utility calculations. The framework explains why Proposal #2 feels wrong by violating Stage 1 fairness constraints while also accommodating legitimate concern for organizational survival through Stage 2 consequences. Business ethics requires balancing stakeholder interests including shareholders, employees, customers, and community, and just consequentialism's two-stage process structures this balancing by establishing non-negotiable moral constraints first, then optimization within those constraints.

Facing XYZ.com's financial crisis, I cast my tiebreaking vote for Proposal #1 over Proposal #2. This decision is supported by act utilitarianism because it maximizes aggregate welfare by distributing moderate harm over concentrated catastrophe, act deontology because it treats all employees as ends-in-themselves rather than instruments for financial recovery, and most compellingly just consequentialism because it satisfies impartial fairness constraints while producing superior overall consequences. The convergence of all three frameworks on the same conclusion strengthens confidence in this decision. While Proposal #1 imposes real hardship on all employees, it does so in a manner that respects human dignity, distributes burden fairly, and maintains the organizational cohesion necessary for long-term recovery. Proposal #2's promise of signaling strength to investors cannot justify the profound injustice of treating employees as expendable resources to be sacrificed for financial optics.