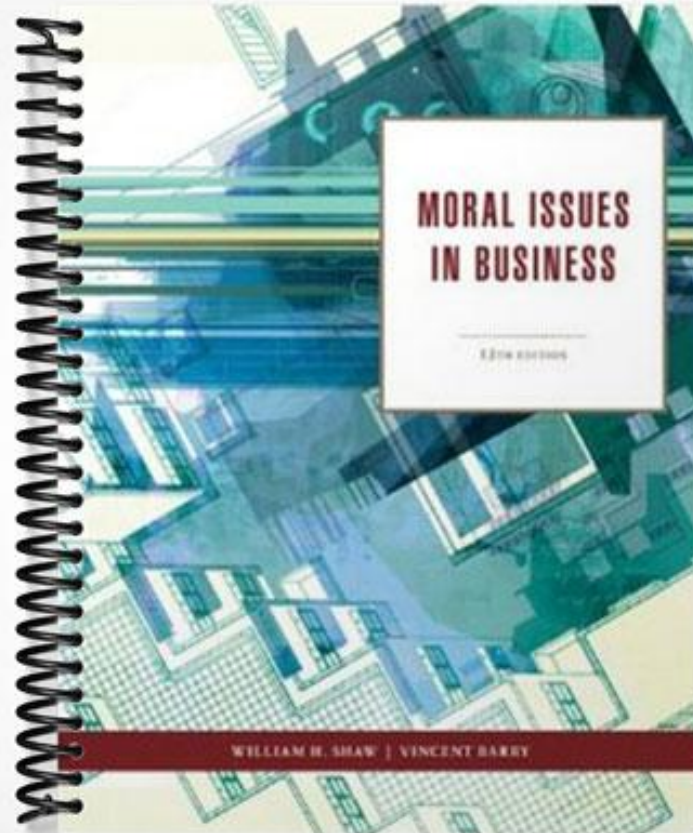


SOLUTIONS MANUAL



MORAL ISSUES IN BUSINESS

8TH EDITION

WILLIAM H. SHAW | VINCENT BARRY

*This Instructor's Manual and/or Test Bank is intended only for the course-related work of instructors using **Moral Issues in Business**, 12th edition. Users are not licensed to place this content on the Internet unless the site is protected by a password available only to students using this book.*

CHAPTER 2

Normative Theories of Ethics

Learning Objectives

After completing this chapter students should be able to:

- Identify, describe, and compare the major normative theories undergirding moral judgments.
- Carefully consider the critiques offered of each of the theories and test their validity.
- Consider the subtleties of Kant's main formulations of the categorical imperative including his emphasis on moral motivation and respect for persons.
- View the positive and negative aspects of applying each theory in an organizational context.
- Discern between ethical egoism and psychological egoism as well as between utilitarianism and Kantianism.
- Identify common ground on which moral decision-making can proceed.
- Have a good understanding of other nonconsequentialist normative themes: duties, moral rights, and prima facie principles.

Glossary

1. **act utilitarianism:** The utilitarian theory that right and wrong are determined by the effects that our actions actually produce (or what we should expect them to produce). A simple version of act utilitarianism states that acts are right if they maximize the good and wrong if they don't.
2. **categorical imperative:** An moral imperative that applies to everyone no matter what their personal interests or desires are. The word 'categorical' refers to overriding and inescapable standards. The word 'imperative' refers to a commandment or requirement. Kant's categorical imperative is his theory of right and wrong—that an action is right if it's something we can rationally will everyone to do in the relevant situation. We say everyone morally ought not kill people unless they are in unusual circumstances and their personal interests and desires can't excuse such immoral behavior, and this seems to imply that we have a categorical imperative against killing people. The justification for each action must be justifications any person can use. The general rules we accept when we act must be general rules that any person can use.

3. **consequentialist theories:** Theories that claim that moral right and wrong are determined entirely by the consequences or effects of our actions. Utilitarianism is a popular consequentialist theory.
4. **ethical relativism:** The view that right and wrong depends on the culture we live in (or who we are).
5. **good will:** Kant's view of good will is that we have good will when we are motivated by moral reason and behave in accordance with moral reason as a result. He believes that good will is required for any action to have moral worth.
6. **hypothetical imperative:** A nonmoral imperative that depends on our personal interests and desires. We “ought to eat food if we are hungry” is a hypothetical imperative, but it doesn't say what we *morally* ought to do.
7. **Instrumental value:** That which is useful. That which is good at helping us achieve other goods or goals. For example, food isn't good for its own sake. Food isn't good just because it exists. However, food is useful at alleviating hunger and giving us pleasure. Therefore, food is instrumentally good.
8. **Intrinsic value:** That which is worthy of existing for its own sake. John Stuart Mill thinks happiness is intrinsically good and Kant seems to think that humanity has intrinsic value when he says it's an “end in itself.” Intrinsic value contrasts with instrumental value.
9. **maxim:** A subjective principle of action, such as “I will never lie” or “I will only lie when it benefits me.”
10. **negative rights:** We have a negative moral right when no one should interfere with us in certain ways. For example, freedom of speech is a negative right and no one should interfere with us to limit our speech (unless it conflicts with other people's rights).
11. **normative theories:** Theories that tell us when something is right or wrong. *Epistemic* normative theories tell us when we ought to believe something and *ethical* normative theories tell us when we ought to do something.
12. **positive rights:** We have a positive moral right when others should do certain things for us. For example, a moral right to education requires that society somehow gives people an education even if they can't afford to pay for it.
13. **prima facie:** That which only apply in general and can be overridden by other considerations. *Prima facie* duties are our obligations that we must *generally* follow, but they can be overridden by other duties or considerations.
14. **rule utilitarianism:** The theory that right and wrong are based on the results that occur when we adopt certain general rules. According to rule utilitarianism, we should act in accordance with the set of general moral rules that maximize the good.
15. **supererogatory:** Beyond the call of duty. Actions are supererogatory if they're good or praiseworthy but not morally obligated.
16. **utilitarianism:** The theory that right and wrong are based on maximizing the good in the form of the effects that are produced. John Stuart Mill's utilitarianism states that an action is right if it maximizes happiness and minimizes suffering, and it's wrong if it doesn't.

Chapter Summary Points

1. Consequentialist moral theories see the moral rightness or wrongness of actions as a function of their results. If the consequences are sufficiently good, the action is right; if they are sufficiently bad, the action is wrong. However, nonconsequentialist theories see other factors as also relevant to the determination of right and wrong.
2. Egoism is the consequentialist theory that an action is right when it promotes the individual's best interests. Proponents of this theory base their view on the alleged fact that human beings are, by nature, selfish (the doctrine of psychological egoism). Critics of egoism argue that (a) psychological egoism is implausible, (b) egoism is not really a moral principle, and (c) egoism ignores blatant wrongs.
3. Utilitarianism, another consequentialist theory, maintains that the morally right action is the one that provides the greatest good for all those affected. In an organizational context, utilitarianism provides an objective way to resolve conflicts of self-interest and encourages a realistic and result-oriented approach to moral decision making. But critics contend that (a) utilitarianism is not really workable, (b) some actions are wrong even if they produce good results, and (c) utilitarianism incorrectly overlooks considerations of justice and the distribution of happiness.
4. Kant's theory is an important example of a purely nonconsequentialist approach to ethics. Kant held that only when we act from good will (moral reason) does our action have moral worth. Good will is the only thing that is good in itself.
5. Kant's categorical imperative states that an action is morally right if and only if we can rationally will that the maxim (or principle) represented by the action be a universal law. For example, a person making a promise with no intention of keeping it cannot universalize the maxim governing his action, because if everyone followed this principle, promising would make no sense. Kant believed that the categorical imperative is binding on all rational creatures, regardless of their specific goals or desires and regardless of the consequences.
6. There are two alternative formulations of the categorical imperative. The first is that an act is right only if the actor would be willing to be so treated if the positions of the parties were reversed. The second is that one must always act so as to treat other people as ends, never merely as a means to an end (a way to accomplish our goals).
7. Kant's ethics gives us firm standards that do not depend on results; it injects a humanistic element into moral decision making and stresses the importance of acting on principle and from a sense of duty. Critics, however, worry that (a) Kant's view of moral worth is too restrictive, (b) the categorical imperative is not a sufficient test of right and wrong, and (c) distinguishing between treating people as means and respecting them as ends in themselves may be difficult in practice.
8. Other nonconsequentialist theories stress other moral themes. Philosophers such as Ross argue, against both Kant and consequentialists, that we are under a variety of

distinct moral obligations. These are *prima facie*, meaning that any one of them may be outweighed in some circumstances by other, more important moral considerations. Nonconsequentialists believe that a duty to assist others and to promote total happiness is only one of a number of duties incumbent on us.

9. Nonconsequentialists typically emphasize moral rights—entitlements to act in a certain way or to have others act in a certain way. These rights can rest on special relationships and roles, or they can be general human rights. Rights can be negative, protecting us from outside interference, or they can be positive, requiring others to provide us with certain benefits or opportunities.
10. In an organizational context, nonconsequentialism (in its non-Kantian forms) stresses the plurality of moral considerations to be weighed. While emphasizing the importance of respecting moral rights, it acknowledges that morality has limits and that organizations have legitimate goals to pursue. Critics question whether (a) nonconsequentialist principles are adequately justified and whether (b) nonconsequentialism can satisfactorily handle conflicting rights and principles.
11. Rule utilitarianism is a hybrid theory. It maintains that the proper principles of right and wrong are those that would maximize happiness if society adopted them. Thus, the utilitarian standard does not apply directly to individual actions but rather to the adoption of the moral principles that guide individual action. Rule utilitarianism avoids many of the standard criticisms of act utilitarianism.
12. Despite disagreements on controversial theoretical issues, people can make significant progress in resolving practical moral problems through open-minded and reflective discussion. One useful approach is to identify the (possibly conflicting) obligations, ideals, and effects in a given situation and then to identify where the emphasis should lie among these different considerations.

Teaching Suggestions

Chapter 2 deals with several important normative theories of ethics (that is, with several rival theories of right and wrong). Note that ethical relativism and the divine command theory, which were discussed in chapter 1, can also be seen as normative theories and thus contrasted with the theories of this chapter.

Students should be reminded that the main purpose of normative theories of ethics is that we apply them to our reasoning process. Students can be expected, encouraged, or required to apply these theories when they write essays and present arguments. Each normative theory is ideally supposed to be (a) complete (maximally comprehensive)—it should be able to explain why everything is right and wrong, and (b) accurate—it should correctly identify which actions are right and which are wrong.

Students can assess the comprehensiveness and accuracy of each moral theory and consider objections. This requires them to understand how to apply each moral theory to each

situation and understand what makes each theory intuitive (consistent with our considered moral beliefs). Each theory is intuitive insofar as we already know quite a bit about right and wrong and each theory should be consistent with the most uncontroversial moral beliefs we have. For example, we all know that charity is generally good, stealing is generally wrong, and killing people is generally wrong. Each moral theory should be able to explain that these actions are good or wrong even though the explanations can differ.

Consequentialist theories, nonconsequentialist theories, and virtue ethics will all be briefly described below and applied to explain some of our considered moral beliefs.

1. Consequentialist theories: For the consequentialist, the key to determining whether an action or rule is ethically appropriate is a determination of the consequences of performing the action or following the rule. Here you should distinguish between egoism, where the scope is very narrow—viz. the individual—and utilitarianism, where the scope is broad—namely, all those affected by performing the action or following a rule. Once this is done, there are at least two different important issues that you can raise for the students to discuss:

a. In considering the consequences, we are considering the effects that performing an action or following a rule can have. But the effects on whom or on what? On humans On all sentient creatures? On ecosystems?

b. What sorts of consequences should we be interested in? For instance, John Stuart Mill and Jeremy Bentham focused on pleasure and pain, which they equated with happiness and suffering. But is this what we want to focus on? If so, is there only one kind of pleasure?

(When discussing utilitarianism, bear in mind that the Shaw and Barry defer discussion of rule utilitarianism until later in the chapter and that they also discuss utilitarianism in chapter 3 in the context of justice and economic distribution.)

How can a consequentialist theory apply to our considered moral beliefs? Consider Mill's act utilitarianism that states that all actions are right if they maximize happiness and wrong if they don't. In that case:

a. charity is good whenever it actually helps people avoid suffering or attain happiness (such as when we give food to hungry people who can't afford food). Charity isn't good when it fails to actually help anyone (or if we have reason to expect that it won't). Sometimes the media can reveal corruption found in a charity and we have a good reason to give to the charities that we think will do the most good.

b. stealing is wrong whenever it causes more suffering than the happiness it provides. Stealing is not only likely to make people suffer emotionally when they find out someone stole from them, but stealing often takes away a person's ability to care for themselves. For example, if you take food away from someone, they might not be able to care for themselves as well. Nonetheless, stealing isn't necessarily wrong in every situation. Stealing from the wealthy might be necessary to live a decent life when we have no

reasonable means of attaining money. (Consider Robin Hood who stole from the rich to give to the poor.)

c. killing people is wrong whenever it causes more suffering than the happiness it brings. Killing people can not only cause pain to the person that dies, but it can cause people grief. The loved ones of the person who dies are especially relevant. Nonetheless, killing people might be necessary for the “greater good” in some situations. For example, it might be justified when defending a country in war time or when necessary to protect innocent people with law enforcement.

2. **Nonconsequentialist theories:** Turning to nonconsequentialist theories, you will want to discuss Immanuel Kant, W.D. Ross, and a rights-based ethical approach. In the case of Kant, you can focus on the notions of duty and intention, and how they figure into determinations of what is morally permissible. This will lead to a discussion of Kant’s concept of the categorical imperative. You can then move on to Ross and contrast Kant with Ross. Whereas for Kant duties can never conflict, for Ross they are *prima facie* and we often have to choose between them. Here, you can ask how you are supposed to decide between competing, *prima facie* duties. Finally, you can discuss the notion of human rights. Many people talk about human rights (e.g., the right to life, the right to liberty), but there are lots of questions about such rights. You can, for instance, ask how we decide which rights are human rights (and in so doing, contrast them with legal rights), whether such rights are exceptionless, and what exactly it means to call them “human” rights (what about animals, for instance -- a topic that will come up again in chapter 11 of Shaw and Barry).

How can a nonconsequentialist theory apply to our considered moral beliefs? Consider the first formulation of Kant's categorical imperative that states that we must act using principles that we can rationally will all people to obey. In that case:

a. charity is morally permissible whenever we give to charity to help people (out of respect for their humanity) because we can rationally will that everyone would give to charity to help each other in this way. Kant might not say charity is “good” or “supererogatory” but it is certainly permissible.

b. stealing is morally impermissible whenever we do it out of greed because we can't rationally will everyone to steal out of greed. If they did, it would undermine the whole point of having property in the first place. Assuming having property is rational, then stealing out of greed is not rational. Having property seems rational insofar as it helps us achieve our goals. We can have property out of self-respect to live our lives efficiently. We each have food, shelter, and clothing because it helps us care for ourselves, and caring for ourselves tends to be a lot more efficient than caring for others.

c. killing people is morally impermissible whenever we do it out of anger because we can't rationally will everyone to kill others out of anger. If they did, it would become self-defeating because almost everyone would kill out of anger at one point or another and no one would be left to do what's 'morally right.' Additionally, almost everyone has an interest

to live and we can't rationally demand that everyone kills out of anger unless we are also willing to be killed out of anger.

3. **Virtue ethics:** Shaw and Barry don't discuss virtue ethics, such as Aristotle's ethical perspective. The focus of virtue ethics is what makes a good person rather than when an action is right or wrong, and some philosophers think it is important to discuss virtue ethics as an alternative to both consequentialism and nonconsequentialism. It can be a good idea to at least briefly discuss virtue ethics with the students. Aristotle's virtue ethics is taught in many ethics classes in particular. I will briefly discuss Aristotle's virtue ethics here.

First, Aristotle argues that the main goal in life is to attain personal happiness (flourishing). This is what he calls our “most final end” or “ultimate end.” A 'final end' is a goods that we understand to be *worthy* of seeking for its own sake (or ills we understand to be worthy of avoiding for its own sake). When someone seeks happiness, we don't want to say that such a goal is irrational. We don't think we should only seek happiness if it helps us get rich (or attain some other good). In fact, happiness might be something that can't be used to achieve anything greater than itself at all. This is why Aristotle thinks happiness is the greatest good or “most final end.”

Final ends should be contrasted with instrumental goods and can be taken to be synonymous with 'intrinsic value.' However, final ends are not necessarily good just for existing, and many philosophers use the word 'intrinsic value' in that way.

Second, Aristotle argues that we have habits and skills that help us attain greater happiness or *constitute the highest form of happiness by being attained*. In particular, these skills should emphasize what we are (i.e. human beings) because what we are will determine how we can be happy. In particular, becoming the best kind of person will make us the happiest kind of person by developing distinctly human capacities: (a) our ability to reason well because we are rational animals and (b) our ability to cooperate and socialize with others because we are political animals. Being a political animal is why we have a natural tendency to care about people in general, and love family and friends in particular. A general goal of being a political animal is to get along with people and help them.

Third, Aristotle argues that virtues require us to avoid extremes by finding a golden mean. For example, courage requires us to be afraid when appropriate by avoiding cowardice (being afraid when we shouldn't) and foolhardiness (not being afraid when we should be); and temperance (moderation in satisfying our desires) requires us to avoid over-indulgence and under-indulgence.

Fourth, Aristotle doesn't think we can know how to be virtuous through theorizing alone. Instead, we need to refine our ability to be ethical thoughtlessly. This can require an ability to intuitively know what should be done without the need for argument and it requires a sensitivity to the situation, which can be incredibly complex. Aristotle would be skeptical of (a) the idea of using a decision-procedure to determine right and wrong, and (b) boiling right and wrong down to a set of rules.

Fifth, Aristotle's main concern is what makes a good person and what we need to do to become ethical human beings. This requires us to know how to actually behave ethically and be motivated to do what we believe is right.

Aristotle's virtue ethics can apply to our considered moral beliefs in the following ways:

a. charity exemplifies a virtue whenever it's done out of moderate generosity rather than wasteful forms of generosity. We have to look out for our own needs and interests to be happy, but it's appropriate to share our wealth with others when we have more than we need because we are political animals and we care for others. Additionally, we are happier when we get along with others and make friends, and charity can help us achieve that goal.

b. stealing is wrong whenever it's done out of greed because greed exemplifies an extreme that often thwarts our happiness. Helping people is consistent with our natural tendency to care for others, but stealing tends to thwart our goals of getting along with others. Stealing is not necessarily wrong because it could be done out of moderate self-respect or love when we have no better way to attain money and survive.

c. killing people is generally wrong whenever it's done out of immoderate rage because such rage is an extreme emotional response to wrongs. We have a tendency to exaggerate the wrongs done to us and to kill people based on those wrongs implies that the person who wronged us “deserves to die,” which is false. It is possible that killing a person can be just in extenuating circumstances (like war), but it generally thwarts our need to get along with others and our desire to help people (rather than harm them).

Questions for Discussion

Introduction

What are the appropriate principles to rely on when making moral judgments?

Consequentialist and Nonconsequentialist Theories

In considering the consequences, we are considering the effects that performing an action or following a rule can have. But the effects on whom or on what? On humans? On all sentient creatures? On ecosystems?

What sorts of consequences should we be interested in? For instance, John Stuart Mill and Jeremy Bentham focused on pleasure and pain, which they equated with happiness. But is this what we want to focus on? If so, is there only one kind of pleasure?

Psychological Egoism/Problems with Egoism

We all care about ourselves, but how much sense does it make to see self-interest as the basis of right and wrong? Do we really want to say that someone acting altruistically is behaving immorally?

Utilitarianism and the Dan River Case

Suppose that the Dan River project did expose workers to a “high risk” of contracting lung

disease. If so, then a small group of individuals—633 textile workers at ten locations in Danville, Virginia—were being compelled to carry the burden of isolating the cause of brown lung disease. Is that just? Although their critics would say no, utilitarians would respond that it is, if the experiment maximizes the total good of society. Does it?

Kant's Ethics and Good Will

What determines our duty? How do we know what morality requires of us? Kant answered these questions by formulating what he called the “categorical imperative.” Do you agree? What do you think?

Other Nonconsequentialist Perspectives

Consider an example that Kant himself discussed. Imagine that a murderer comes to your door, wanting to know where your friend is so that he can kill her. Your friend is in fact hiding in your bedroom closet. Most people would probably agree that your obligation to your friend overrides your general obligation to tell the truth and that the right thing to do would be to lie to the murderer to throw him off your friend's trail. Although you have a genuine obligation to tell the truth, it is a *prima facie* obligation, one that other moral considerations can outweigh. Kant disagreed. He maintained that you must always tell the truth—that is, in all circumstances and without exception. For him, telling the truth is an absolute or categorical obligation, not a *prima facie* one. What would you do if you were in this situation? Do you agree with Kant? Ross?

Aristotle's Virtue Ethics

Aristotle raises many questions for us: Is he right that happiness is the most final end? What other final ends are there? Is he right that we're rational and political animals? Is he right that being happy requires us to develop our uniquely human capacities – our ability to get along with others and become more rational? Is he right to be skeptical of moral rules and decision procedures?

Objections

Is there any reason to prefer one ethical theory above the rest? What are the best objections to each of the theories, and how could an advocate of the theories defend them from the objections?

Additional Resources for Exploring Chapter Content

Further Reading

- Essays by Bernard Williams [see footnote 2]
- Consequentialist and Nonconsequentialist Theories [see footnotes]
- Jeremy Bentham texts
- John Stuart Mill texts
- Immanuel Kant texts [see footnote 10]
- W.D. Ross texts
- Adam Smith, *The Wealth of Nations* (1776)

- Aristotle texts

Internet Resources

- Virtue Ethics
<http://plato.stanford.edu/entries/ethics-virtue/>
- Aristotle's Ethics
<http://plato.stanford.edu/entries/aristotle-ethics/>
- Aristotle's *Nicomachean Ethics*
http://www.constitution.org/ari/ethic_00.htm
- John Dobson, “Applying virtue ethics to business: The Agent-Based Approach”
http://ejbo.jyu.fi/articles/0901_3.html
- Identify common ground on which moral decision-making can proceed.
<http://www.ethicsweb.ca/guide/moral-decision.html>
- News stories and case information on the 2000 Firestone tires/ Ford Explorer recall (pg. 58-59)
http://money.cnn.com/2000/08/09/news/firestone_recall/
http://www.citizen.org/autosafety/suvsafety/ford_frstone/
http://www.driveusa.net/ford_firestone_chronolgy.htm
- Forbes Magazine’s “The Ford-Firestone Blowout” includes a history of Forbes’ coverage of the story’s development and important perspectives
<http://www.forbes.com/2001/06/20/tireindex.html>
- Time Magazine featured the Ford Pinto in its 2007 article “The 50 Worst Cars of All Time”
http://www.time.com/time/specials/2007/article/0,28804,1658545_1658498_1657866_00.html
- More information on the Dan River experiment
http://www.cpcs.umb.edu/labor_notes/files/06703.pdf

Other Resources

Novel

- *Atlas Shrugged* by Ayn Rand

Film

- *The Fountainhead*, 1949
(based on the novel and screenplay by Ayn Rand)