

Nonutilitarian philosophers believe that we have a stronger obligation to respect people's rights and avoid injuring them than we do to promote their happiness.

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SUMMARY

Nonconsequentialists needn't be Kantians. W. D. Ross, for instance, rejects both Kantianism and utilitarianism, arguing 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.

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be doing—for instance, volunteering at the local hospital or orphanage, collecting money for third-world development, helping the homeless—that would do more for the general good than what you are doing now or are planning to do tonight or tomorrow? Sure, working with the homeless might not bring you quite as much pleasure as what you would otherwise be doing, but if it would nonetheless maximize total happiness, then you are morally required to do it. However, by following this reasoning, you could end up working around the clock, sacrificing yourself for the greater good. This notion seems mistaken.

Most nonutilitarian philosophers, like Ross, believe that we have some obligation to promote the general welfare, but they typically view this obligation as less stringent than, for example, the obligation not to injure people. They see us as having a much stronger obligation to refrain from violating people's rights than to promote their happiness or well-being. From this perspective, a manufacturing company's obligation not to violate OSHA regulations and thereby endanger the safety of its employees is stronger than its obligation to open up day-care facilities for their children, even though the cost of the two is the same. The company, in other words, has a stronger duty to respect its legal and contractual employment-related obligations than to promote its employees' happiness in other ways. Likewise, for a company to violate people's rights by despoiling the environment through the discharge of pollutants would be morally worse than for it to decide not to expand a job training program in the inner city, even if expanding the program would bring about more total good.

Different nonutilitarian philosophers may weigh these particular obligations differently, depending on their particular moral theory. But they typically believe that we have a stronger duty not to violate people's rights or in some other way injure them than we do to assist people or otherwise promote their well-being. A utilitarian, concerned solely with what will maximize happiness, is less inclined to draw such a distinction.

Many moral philosophers draw a related distinction between actions that are morally required and charitable or **supererogatory actions**—that is, actions that would be good to do but not immoral not to do. Act utilitarianism does not make this distinction. Although we admire Mother Teresa and Albert Schweitzer for devoting their lives to doing good works among the poor, we see them as acting above and beyond the call of duty; we do not expect so much from ordinary people. Yet people who are not moral heroes or who fall short of sainthood may nonetheless be living morally satisfactory lives.

Nonutilitarian theorists see the distinction between morally obligatory actions and supererogatory actions not so much as a realistic concession to human weakness but as a necessary demarcation if we are to avoid becoming enslaved to the maximization of the general welfare. The idea here is that each of us should have a sphere in which we are free to pursue our own plans and goals, to carve out a distinctive life plan. These plans and goals are limited by various moral obligations, in particular by other people's rights, but the demands of morality are not all-encompassing.

MORAL RIGHTS

What, then, are rights, and what rights do people have? Broadly defined, a *right* is an entitlement to act or have others act in a certain way. The connection between rights and duties is that, generally speaking, if you have a right to do something, then someone else has a correlative duty to act in a certain way. For example, if you claim a "right" to drive, you mean that you are entitled to drive or that others should—that is, have a duty to—permit you to drive. Your right to drive under certain conditions is derived from our legal system and is thus considered a **legal right**.

In addition to rights that are derived from some specific legal system, we also have **moral rights**. Some of these moral rights derive from special relationships, roles, or

circumstances in which we happen to be. For example, if Tom has an obligation to return Bob's car to him on Saturday morning, then Bob has a right to have Tom return his car. If I have agreed to water your plants while you are on vacation, you have a right to expect me to look after them in your absence. As a student, you have a right to be graded fairly, and so on.

Even more important are rights that do not rest on special relationships, roles, or situations. For example, the rights to life, free speech, and unhampered religious affiliation are widely accepted, not just as the entitlements of some specific political or legal system but as fundamental moral rights. More controversial, but often championed as moral rights, are the rights to medical care, decent housing, education, and work. Moral rights that are not the result of particular roles, special relationships, or specific circumstances are called **human rights**. They have several important characteristics.

First, human rights are universal. For instance, if the right to life is a human right, as most of us believe it is, then everyone, everywhere and at all times, has that right. By contrast, there is nothing universal about your right that I keep my promise to help you move or about my right to drive 65 miles per hour on certain roads.

Second, and closely related, human rights are equal rights. If the right to free speech is a human right, then everyone has this right equally. No one has a greater right to free speech than anyone else. In contrast, your daughter has a greater right than do the daughters of other people to your emotional and financial support.

Third, human rights are not transferable, nor can they be relinquished. If we have a fundamental human right, we cannot give, lend, or sell it to someone else. We cannot waive it, and no one can take it from us. That is what is meant in the Declaration of Independence when certain rights—namely, life, liberty, and the pursuit of happiness—are described as “unalienable.” By comparison, legal rights can be renounced or transferred, as when one party sells another a house or a business.

Fourth, human rights are natural rights, not in the sense that they can be derived from a study of human nature, but in the sense that they do not depend on human institutions the way legal rights do. If people have human rights, they have these rights simply because they are human beings. They do not have them because they live under a certain legal system. Human rights rest on the assumption that people have certain basic moral entitlements merely because of their humanity. No authoritative body assigns them human rights. The law may attempt to protect human rights, to make them explicit and safe through codification, but the law is not their source.

Rights, and in particular human rights, can be divided into two broad categories: negative rights and positive rights. **Negative rights** reflect the vital interests that human beings have in being free from outside interference. The rights guaranteed in the Bill of Rights—freedom of speech, assembly, religion, and so on—fall within this category, as do the rights to freedom from injury and to privacy. Correlating with these are duties that we all have not to interfere with others' pursuit of these interests and activities. **Positive rights** reflect the vital interests that human beings have in receiving certain benefits. They are rights to have others provide us with certain goods, services, or opportunities. Today, positive rights often are taken to include the rights to education, medical care, equal job opportunity, comparable pay, and so on. Correlating with these are positive duties for appropriate parties to assist individuals in their pursuit of these interests.

Thus a child's right to education implies not only that no one should interfere with the child's education but also that the necessary resources for that education ought to be provided. In the case of some positive rights—for example, the right to a decent standard of living, as proclaimed by the United Nations' 1948 Human Rights Charter—who

Human rights have four important characteristics.

Philosophers distinguish negative rights from positive rights.

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SUMMARY

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.

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exactly has the duty to provide the goods and services required to fulfill those rights is unclear. Also, interpreting a right as negative or positive is sometimes controversial. For example, is my right to liberty simply the right not to be interfered with as I live my own life, or does it also imply a duty on the part of others to provide me with the means to make the exercise of that liberty meaningful?

The significance of positing moral rights is that they provide grounds for making moral judgments that differ radically from utilitarianism's grounds. Once moral rights are asserted, the locus of moral judgment becomes the individual, not society. For example, if workers have a moral right to be informed about potentially dangerous working conditions and to decide for themselves whether to undertake the work in question, then it would be wrong to violate this right—even if doing so would somehow promote the common good. Again, if employees have a right to compensation equal to what others receive for doing comparable work, then they cannot be paid less on the grounds that doing so would be economically efficient or in some other way result in greater overall utility.

Utilitarianism, in effect, treats all such entitlements as subordinate to the general welfare. Thus, individuals are entitled to act in a certain way and entitled to have others allow or aid them to so act only insofar as acknowledging this right or entitlement achieves the greatest good. The assertion of moral rights, therefore, decisively sets nonconsequentialists apart from utilitarians.

NONCONSEQUENTIALISM IN AN ORGANIZATIONAL CONTEXT

We have already looked at Kant's ethics in an organizational context, but, as we have seen, many nonconsequentialists (like Ross) are not Kantians, and their ideas also have important implications for moral decision making in business and nonbusiness organizations.

First, in its non-Kantian forms nonconsequentialism stresses that moral decision making involves the weighing of different moral factors and considerations. Unlike utilitarianism, nonconsequentialism does not reduce morality solely to the calculation of consequences; rather, it recognizes that an organization must usually take into account other equally important moral concerns. Theorists like Ross emphasize that, contrary to what Kant believed, there can often be rival and even conflicting moral demands on an organization. For example, obligations to employees, stockholders, and consumers may pull a corporation in different directions, and determining the organization's proper moral course may not be easy.

Second, nonconsequentialism acknowledges that the organization has its own legitimate goals to pursue. There are limits to the demands of morality, and an organization that fulfills its moral obligations and respects the relevant rights of individuals is morally free to advance whatever (morally permissible) ends it has—public service, profit, government administration, and so on. Contrary to utilitarianism, organizations and the people in them need not see themselves as under an overarching obligation to seek continually to enhance the general welfare.

Third, nonconsequentialism stresses the importance of moral rights. Moral rights, and in particular human rights, are a crucial factor in most moral deliberations, including those of organizations. Before it acts, any morally responsible business or nonbusiness organization must consider carefully how its actions will impinge on the rights of individuals—not just the rights of its members, such as stockholders and employees, but also the rights of others, such as consumers. Moral rights place distinct and firm constraints on what sorts of things an organization can do to fulfill its own ends.

CRITICAL INQUIRIES OF NONCONSEQUENTIALISM

1. How well justified are these nonconsequentialist principles and moral rights?

Ross maintained that we have immediate intuitive knowledge of the basic prima facie moral principles, and indeed it would seem absurd to try to deny that it is wrong to cause needless suffering or that making a promise imposes some obligation to keep it. Only someone the moral equivalent of colorblind could fail to see the truth of these statements; to reject them would seem as preposterous as denying some obvious fact of arithmetic—for example, that $12 + 4 = 16$. Likewise, it appears obvious—indeed, as Thomas Jefferson wrote, “self-evident”—that human beings have certain basic and inalienable rights, unconditional rights that do not depend on the decrees of any particular government.

Yet we must be careful. What seems obvious, even self-evident, to one culture or at one time in human history may turn out to be not only not self-evident but actually false. That the earth is flat and that heavier objects fall faster than lighter ones were two “truths” taken as obvious in former centuries. Likewise, the inferiority of women and of various nonwhite races was long taken for granted; this supposed fact was so obvious that it was hardly even commented on. The idea that people have a right to practice a religion that the majority “knows” to be false—or, indeed, to practice no religion whatsoever—would have seemed morally scandalous to many of our forebears and is still not embraced in all countries around the world. Today many vegetarians eschew meat eating on moral grounds and contend that future generations will consider our treatment of animals, factory farming in particular, to be as morally benighted as slavery. So what seems obvious, self-evident, or simple common sense may not be the most reliable guide to morally sound principles.

2. Can nonconsequentialists satisfactorily handle conflicting rights and principles?

People today disagree among themselves about the correctness of certain moral principles. Claims of right, as we have seen, are often controversial. For example, do employees have a moral right to their jobs—an entitlement to be fired only with just cause? To some of us, it may seem obvious that they do; to others, perhaps not. And how are we to settle various conflicting claims of right? Jones, for instance, claims a right to her property, which she has acquired honestly through her labors—that is, she claims a right to do with it as she wishes. Smith is ill and claims adequate medical care as a human right. Because he cannot afford the care himself, acknowledging his right will probably involve taxing people like Jones and thus limiting their property rights.

To sum up these two points: *First*, even moral principles that seem obvious or a matter of common sense have to be examined critically; and *second*, nonconsequentialists should not rest content until they find a way of resolving disputes among conflicting prima facie principles or rights. This is not to suggest that nonconsequentialists cannot find deeper and theoretically more satisfactory ways of grounding moral claims and of handling disputes between them. The point to be underscored here is simply the necessity of doing so.

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UTILITARIANISM ONCE MORE

Until now, our discussion of utilitarianism has focused on the classic and most straightforward version of it, namely, act utilitarianism. According to act utilitarianism, we have one and only one moral obligation, the maximization of happiness for everyone concerned, and every action is to be judged by this standard. But a different utilitarian approach, called rule utilitarianism, is relevant to the discussion of the moral concerns

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SUMMARY

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 (1) nonconsequentialist principles are adequately justified and whether (2) nonconsequentialism can satisfactorily handle conflicting rights and principles.

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characteristic of nonconsequentialism—in particular, relevant to the nonconsequentialist’s criticisms of act utilitarianism. The rule utilitarian would, in fact, agree with many of these criticisms. (Rule utilitarianism has been formulated in different ways, but this discussion follows the version defended by Richard Brandt.)

Rule utilitarianism maintains that the utilitarian standard should be applied not to individual actions but to moral codes as a whole. The rule utilitarian asks what moral code (that is, what set of moral rules) a society should adopt to maximize happiness. The principles that make up that code would then be the basis for distinguishing right actions from wrong actions. As Brandt explains:

A rule-utilitarian thinks that right actions are the kind permitted by the moral code optimal for the society of which the agent is a member. An optimal code is one designed to maximize welfare or what is good (thus, utility). This leaves open the possibility that a particular right act by itself may not maximize benefit. . . . On the rule-utilitarian view, then, to find what is morally right or wrong we need to find which actions would be permitted by a moral system that is “optimal” for the agent’s society.¹⁴

The “optimal” moral code does not refer to the set of rules that would do the most good if everyone conformed to them all the time. The meaning is more complex. The **optimal moral code** must take into account what rules can reasonably be taught and obeyed, as well as the costs of inculcating those rules in people. Recall from Chapter 1 that if a principle or rule is part of a person’s moral code, then it will influence the person’s behavior. The person will tend to follow that principle, to feel guilty when he or she does not live up to it, and to disapprove of others who fail to conform to it. Rule utilitarians must consider not just the benefits of having people motivated to act in certain ways but also the costs of instilling those motivations in them. As Brandt writes:

The more intense and widespread an aversion to a certain sort of behavior, the less frequent the behavior is apt to be. But the more intense and widespread, the greater the cost of teaching the rule and keeping it alive, the greater the burden on the individual, and so on.¹⁵

Thus, the “optimality” of a moral code encompasses both the benefits of getting people to act in certain ways and the costs of bringing that about. Perfect compliance is not a realistic goal. “Like the law,” Brandt continues, “the optimal moral code normally will not produce 100 percent compliance with all its rules; that would be too costly.”¹⁶

Some utilitarian thinkers in earlier centuries adopted or came close to adopting rule utilitarianism (although they did not use that term). For example, the nineteenth-century legal theorist John Austin wrote: “Utility [should] be the test of our conduct, ultimately, but not immediately. . . . Our rules [should] be fashioned on utility; our conduct, on our rules.”¹⁷ This accords well with the rule-utilitarian idea that we should apply the utilitarian standard only to the assessment of alternative moral codes; we should not try to apply it to individual actions. We should seek to determine the specific set of principles that would in fact best promote total happiness for society. Those are the rules we should promulgate, instill in ourselves, and teach to the next generation.

WHAT WILL THE OPTIMAL CODE LOOK LIKE?

Rule utilitarians such as Brandt argue strenuously that the ideal or optimal moral code for a society will not be the single act-utilitarian command to maximize happiness. They contend that teaching people that their only obligation is to maximize happiness would not in fact maximize happiness.

First, people will make mistakes if, before they act, they try to calculate the consequences of each and every thing they might possibly do. *Second*, if all of us were act

The notion of an optimal moral code takes into account the difficulty of getting people to follow a given set of rules.

Rule utilitarians believe that the optimal moral code will not consist of just one rule—to maximize happiness.

utilitarians, practices such as keeping promises and telling the truth would be rather shaky, because we could expect others to keep promises or tell the truth only when they believed that doing so would maximize happiness. *Third*, the act-utilitarian principle is too demanding, because it seems to imply that each person should continually be striving to promote total well-being.

For these reasons, rule utilitarians believe that more happiness will come from instilling in people a pluralistic moral code, one with a number of different principles. By analogy, imagine a traffic system with just one rule: Drive your car in a way that maximizes happiness. Such a system would be counterproductive; we do much better in terms of total human well-being to have a variety of traffic regulations—for example, obey stop signs, yield to the right, and pass only on the left. In such a pluralistic system we cannot justify cruising through a red light with the argument that doing so maximizes total happiness by getting us home more quickly.

The principles of the optimal code would presumably be *prima facie* in Ross’s sense—that is, capable of being overridden by other principles. Different principles would also have different moral weights. It would make sense, for example, to instill in people an aversion to killing that is stronger and deeper than the aversion to telling white lies. In addition, the ideal code would acknowledge moral rights. Teaching people to respect moral rights maximizes human welfare in the long run.

The rules of the optimal code provide the sole basis for determining right and wrong. An action is not necessarily wrong if it fails to maximize happiness; it is wrong only if it conflicts with the ideal moral code. Rule utilitarianism thus gets around many of the problems that plague act utilitarianism. At the same time, it provides a plausible basis for deciding which moral principles and rights we should acknowledge and how much weight we should attach to them. We try to determine those principles and rights that, generally adhered to, would best promote human happiness.

Still, rule utilitarianism has its critics. There are two common objections. *First*, act utilitarians maintain that a utilitarian who cares about happiness should be willing to violate rules in order to maximize happiness. Why make a fetish out of the rules?

Second, nonconsequentialists, while presumably viewing rule utilitarianism more favorably than act utilitarianism, still balk at seeing moral principles determined by their consequences. They contend, in particular, that rule utilitarians ultimately subordinate rights to utilitarian calculation and therefore fail to treat rights as fundamental and independent moral factors.

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MORAL DECISION MAKING: A PRACTICAL APPROACH

Theoretical controversies permeate the subject of ethics, and as we have seen, philosophers have proposed rival ways of understanding right and wrong. These philosophical differences of perspective, emphasis, and theory are significant and can have profound practical consequences. This chapter has surveyed some of these issues, but obviously it cannot settle all of the questions that divide moral philosophers. Fortunately, however, many problems of business and organizational ethics can be intelligently discussed and even resolved by people whose fundamental moral theories differ (or who have not yet worked out their own moral ideas in some systematic way). This section discusses some important points to keep in mind when analyzing and discussing business ethics and offers, as a kind of model, one possible procedure for making moral decisions.

In the abstract, it might seem impossible for people to reach agreement on controversial ethical issues, given that ethical theories differ so much and that people

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SUMMARY

Rule utilitarianism is a hybrid theory. It maintains that the correct principles of right and wrong are those that would maximize happiness if society adopted them. Rule utilitarianism applies the utilitarian standard not directly to individual actions but rather to the choice of the moral principles that are to guide individual action. Rule utilitarianism avoids many of the standard criticisms of act utilitarianism.

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Critics of rule utilitarianism raise two objections.

Recall that moral judgments should be logical and based on facts and sound moral principles.

themselves place moral value on different things. Yet in practice moral problems are rarely so intractable that open-minded and thoughtful people cannot, by discussing matters calmly, rationally, and thoroughly, make significant progress toward resolving them. Chapter 1 stressed that moral judgments should be logical, should be based on facts, and should appeal to sound moral principles. Bearing this in mind can often help, especially when various people are discussing an issue and proposing rival answers.

First, in any moral discussion, make sure that the participants agree about the relevant facts. Often moral disputes hinge not on matters of moral principle but on differing assessments of what the facts of the situation are, what alternatives are open, or what the probable results of different courses of action will be. For instance, the directors of an international firm might acrimoniously dispute the moral permissibility of a new overseas investment. The conflict might appear to involve some fundamental clash of moral principles and perspectives when, in fact, it is the result of some underlying disagreement about the likely effects of the proposed investment on the lives of the local population. Until this factual disagreement is acknowledged and dealt with, little is apt to be resolved.

Second, once there is general agreement on factual matters, try to spell out the moral principles to which different people are, at least implicitly, appealing. Seeking to determine these principles will often help people clarify their own thinking enough to reach a solution. Sometimes they will agree on what moral principles are relevant and yet disagree over how to balance them. Identifying this discrepancy can be helpful. Bear in mind, too, that skepticism is in order when someone's moral stance on an issue appears to rest simply on a hunch or an intuition and cannot be related to some more general moral principle. As moral decision makers, we are seeking not only an answer to a moral issue but an answer that can be publicly defended, and the public defense of a moral judgment usually requires an appeal to general principle. By analogy, judges do not hand down judgments based simply on what strikes them as fair in a particular case. They must relate their decisions to general legal principles or statutes.

A reluctance to defend our moral decisions in public is almost always a warning sign. If we are unwilling to account for our actions publicly, chances are that we are doing something we cannot really justify morally. In addition, Kant's point that we must be willing to universalize our moral judgments is relevant here. We cannot sincerely endorse a principle if we are not willing to see it applied generally. Unfortunately, we occasionally do make judgments—for example, that Alfred's being late to work is a satisfactory reason for firing him—that rest on a principle we would be unwilling to apply to our own situations; hence the moral relevance of the familiar question: "How would you like it if . . . ?" Looking at an issue from the other person's point of view can cure moral myopia.

SUMMARY

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 determine where the emphasis should lie among these different considerations.

OBLIGATIONS, EFFECTS, IDEALS

As a practical basis for discussing moral issues in organizations, it is useful to try to approach those issues in a way that is acceptable to individuals with differing moral viewpoints. We want to avoid presupposing the truth of one particular theoretical perspective. By emphasizing factors that are relevant to various theories, both consequentialist and nonconsequentialist, we can find some common ground on which moral decision making can proceed. Moral dialogue can thus take place in an objective and analytical way, even if the participants do not fully agree on all philosophical issues.

What factors or considerations, then, seem important from most ethical perspectives? Following Professor V. R. Ruggiero, we can identify three shared concerns.¹⁸ The first is with *obligations*, that is, with the specific duties or moral responsibilities that we have in a given situation. Every significant human action—personal and professional—arises in the context of human relationships. These relationships,

the roles we have assumed, and the expectations created by our previous actions can be the source of particular duties and rights. In addition, we are obligated to respect people's human rights. Obligations bind us. In their presence, morality requires us, at least *prima facie*, to do certain things and to avoid doing others. Even utilitarians can agree with this.

A second concern common to most ethical systems is with the *effects* of our actions. When reflecting on a possible course of action, one needs to take into account its likely results. Although nonconsequentialists maintain that things other than consequences or results can affect the rightness or wrongness of actions, few if any of them would ignore consequences entirely. Almost all nonconsequentialist theories place some moral weight on the results of our actions. Practically speaking, this means that in making a moral decision, we must identify all the interested parties and how they would be affected by the different courses of action open to us.

The third consideration relevant to most ethical perspectives is the impact of our actions on important *ideals*. An **ideal** is some morally significant goal, virtue, or notion of excellence worth striving for. Clearly, different cultures impart different ideals and, equally important, different ways of pursuing them. Our culture respects virtues such as generosity, courage, compassion, and loyalty, as well as more abstract ideals such as peace, justice, and equality. In addition to these moral ideals, there are institutional or organizational ideals: efficiency, product quality, customer service, and so forth. Does a particular act serve or violate these ideals? Both consequentialists and nonconsequentialists can agree that this is an important consideration in determining the moral quality of actions.

In isolating these three concerns common to almost all ethical systems—obligations, effects, and ideals—Ruggiero provided a kind of practical synthesis of consequentialist and nonconsequentialist thought that seems appropriate for our purposes. A useful approach to moral questions in an organizational context will therefore reflect these considerations: the obligations that derive from organizational relationships or are affected by organizational conduct, the ideals at stake, and the effects or consequences of alternative courses of action. Any action that honors obligations while respecting ideals and benefiting people can be presumed to be moral. An action that does not pass scrutiny in these respects will be morally suspect.

This view leads to what is essentially a two-step procedure for evaluating actions and making moral choices. The *first step* is to identify the important considerations involved: obligations, effects, and ideals. Accordingly, we should ask if any basic obligations are involved. If so, what are they and who has them? Who is affected by the action and how? How do these effects compare with those of the alternatives open to us? What ideals does the action respect or promote? What ideals does it neglect or thwart? The *second step* is to decide which of these considerations deserves emphasis. Sometimes the issue may be largely a matter of obligations; other times, some ideal may predominate; still other times, consideration of effects may be the overriding concern.

If two or more obligations conflict, it is obvious that we should choose the stronger one, and when two or more ideals conflict, or when ideals conflict with obligations, we should obviously honor the more important one. Similarly, when rival actions have different results, we should prefer the action that produces the greater good or the lesser harm. But in real-world situations, deciding these matters is often difficult, and there is no easy way of balancing obligations, effects, and ideals when these considerations pull in different directions. The fact is that we have no sure procedure for making such comparative determinations, which involve assessing worth and assigning relative priorities to our assessments. In large part, the chapters that follow attempt to sort out the values

A two-step approach to moral decision making is to identify the relevant obligations, ideals, and effects and then decide which consideration deserves the most emphasis.

and principles embedded in the tangled web of frequently subtle, ill-defined problems we meet in business and organizational life. It is hoped that examining these issues will help you (1) identify the obligations, effects, and ideals involved in specific moral issues and (2) decide where the emphasis should lie among the competing considerations.

STUDY CORNER

KEY TERMS AND CONCEPTS

act utilitarianism	hypothetical imperative	optimal moral code
business egoism	ideal	positive rights
categorical imperative	legal rights	prima facie obligations
consequentialist theories	maxim	psychological egoism
egoism	moral rights	rule utilitarianism
eminent domain	moral worth	supererogatory actions
good will	negative rights	universal acceptability
hedonism	nonconsequentialist theories	utilitarianism
human rights	normative theories	

POINTS TO REVIEW

- consequentialist vs. nonconsequentialist normative theories (p. 56)
- personal vs. impersonal egoism (p. 57)
- the difference between egoism as an ethical theory and egoism as a psychological theory (p. 58)
- three problems with egoism (pp. 58–60)
- Bentham’s and Mill’s differing views of pleasure (pp. 60–61)
- six points about utilitarianism (pp. 61–62)
- three features of utilitarianism in an organizational context (pp. 62–63)
- three critical inquiries of utilitarianism (pp. 63–65)
- the deathbed-promise example (pp. 63–64)
- business as combining self-interest and social good (or egoism and utilitarianism) (pp. 65–66)
- the convenience store owner and acting from a sense of duty (p. 67)
- Martin’s promise as an illustration of the categorical imperative (p. 68)
- hypothetical imperatives vs. the categorical imperative (p. 68)
- two alternative formulations of the categorical imperative (p. 69)
- three features of Kant’s ethics in an organizational context (p. 70)
- three critical inquiries of Kant’s ethics (pp. 70–72)
- how Ross’s theory differs from utilitarianism and from Kant’s categorical imperative (p. 73)
- four important characteristics of human rights (p. 75)
- the difference between negative and positive rights (p. 75)
- how rule utilitarianism differs from act utilitarianism (p. 78)
- the optimal moral code and the analogy with traffic rules (p. 79)
- two objections to rule utilitarianism (p. 79)
- two points drawn from Chapter 1 that can help moral discussions (p. 80)
- two-step procedure for morally evaluating actions and choices (p. 81)

FOR FURTHER REFLECTION

1. What value, if any, do you see in business students studying the basics of ethical theory?
2. Which normative theory or general approach to ethics do you find the most plausible or attractive, and why?
3. Can people who disagree about normative ethical theory still reach agreement on practical ethical questions in the business world? If so, how?



CASE 2.1

Hacking into Harvard

EVERYONE WHO HAS EVER APPLIED FOR admission to a selective college or who has been interviewed for a highly desired job knows the feeling of waiting impatiently to learn the result of one's application. So it's not hard to identify with those applicants to some of the nation's most prestigious MBA programs who thought they had a chance to get an early glimpse at whether their ambition was to be fulfilled. While visiting a *Businessweek Online* message board, they found instructions, posted by an anonymous hacker, explaining how to find out what admission decision the business schools had made in their case. Doing so wasn't hard. The universities in question—Harvard, Dartmouth, Duke, Carnegie Mellon, MIT, and Stanford—used the same application software from Apply Yourself, Inc. Essentially, all one had to do was change the very end of the applicant-specific URL to get to the supposedly restricted page containing the verdict on one's application. In the nine hours it took Apply Yourself programmers to patch the security flaw after it was posted, curiosity got the better of about 200 applicants, who couldn't resist the temptation to discover whether they had been admitted.¹⁹

Some of them got only blank screens. But others learned that they had been tentatively accepted or tentatively rejected. What they didn't count on, however, were two things: first, that it wouldn't take the business schools long to learn what had happened and who had done it and, second, that the schools in question were going to be very unhappy about it. Harvard was perhaps the most outspoken. Kim B. Clark, dean of the business school, said, "This behavior is unethical at best—a serious breach of trust that cannot be countered by rationalization." In a similar vein, Steve Nelson, the executive director of Harvard's MBA program, stated, "Hacking into a system in this manner is unethical and also contrary to the behavior we expect of leaders we aspire to develop."

It didn't take Harvard long to make up its mind what to do about it. It rejected all 119 applicants who had attempted to access the information. In an official statement, Dean Clark wrote that the mission of the Harvard Business School "is to educate principled leaders who make a difference in the world. To achieve that, a person must have many skills and qualities, including the highest standards of integrity, sound judgment and a strong moral compass—an intuitive sense of what is right and wrong. Those who have hacked into this web site have failed to pass that test." Carnegie Mellon and MIT quickly followed suit. By rejecting the ethically challenged, said Richard L. Schmalensee, dean of MIT's Sloan School of Management, the schools are trying to "send a message to society as a whole that we are attempting to produce people that when they go out into the world, they will behave ethically."

Duke and Dartmouth, where only a handful of students gained access to their files, said they would take a case-by-case approach and didn't publicly announce their individualized determinations. But, given the competition for places in their MBA programs, it's a safe bet that few, if any, offending applicants were sitting in classrooms the following semester. Forty-two applicants attempted to learn their results early at Stanford, which took a different tack. It invited the accused hackers to explain themselves in writing. "In the best case, what has been demonstrated here is a lack of judgment; in the worst case, a lack of integrity," said Derrick Bolton, Stanford's director of MBA admissions. "One of the things we try to teach at business schools is making good decisions and taking responsibility for your actions." Six weeks later, however, the dean of Stanford Business School, Robert Joss, reported, "None of those who gained unauthorized access was able to explain his or her actions to our satisfaction." He added that he hoped the applicants "might learn from their experience."