Clarifying the Avenues for Ethical Analysis

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A comprehensive review of the many ways in which scholars have organized *critical thinking* is beyond the scope of this short essay. It is possible, however, to sketch briefly several of the more important types of thinking that have been proposed.

Interest-Based Thinking

One of the most influential avenues of ethical analysis, at least in the modern period, is what we can call *interest-based*. The fundamental idea behind *interest-based* thinking is that the moral acceptability of actions and policies depends solely on their consequences, and that the only consequences that really matter are the interests of the parties affected (usually human beings). *On this view, ethics is all about harms and benefits to identifiable parties.* Moral common sense is governed by *a single dominant objective*: maximizing net expectable utility (happiness, satisfaction, well-being, pleasure). Critical thinking, on this view, amounts to testing our ethical instincts and rules of thumb against the yardstick of social costs and benefits.

There is variation among *interest-based* thinkers, depending on the relevant beneficiary class. For some (called *egoists*) the class is the actor alone -- the short and long term interests of the self. For others, it is some favored group -- Greeks or Englishmen or Americans -- where others are either ignored or discounted in the ethical calculation of interests. Sociologists call the latter phenomenon *ethnocentrism*. The most widely accepted variation of *interest-based thinking* (called *utilitarianism*) enlarges the universe of moral consideration to include all human beings, if not all sentient (feeling) beings. Jeremy Bentham and John Stuart Mill in the 19th Century were the most well-known defenders of utilitarianism.

There are, of course, debates over different aspects of *interest-based thinking*.
- How does one *measure* utility or interest satisfaction? Does economics provide a metric using monetary values?
- For *whom* does one measure interest satisfaction (self, group, humankind, beyond)? How do we factor in the interests of the aged and the unborn? Do animals count?
- What about the *tyranny of the majority* in the calculation? Are some interests just wrong to satisfy even if the majority might be in favor?

In business administration, *interest-based* reasoning often manifests itself as a commitment to the social value of market forces, competitive decision making, and (sometimes) regulation in the public interest. *Interest-based thinking* represents a "democracy of values."

ILLUSTRATIONS. Controversies in human resource management (Company Owned Life Insurance, Employee Assistance Programs) raise questions about the interests of companies in the lives of their key and not-so-key employees. Often the removal of structural conflicts of interest (Sarbanes-Oxley) between the auditing function and consulting are justified as maximizing interests in accurate financial reporting. Arguments for "Environmental Impact Statements" in connection with major private (or public) capital expenditures for roads, buildings, power plants, etc. represent the application of "cost-benefit analysis" (maximizing benefits, minimizing costs). The debate over using ANWR for domestic oil production is a cost-benefit debate that runs up against not only human interests, but the interests of other species. If the interests of the many can be served by the sacrifices of a few, interest-based reasoning is often invoked.

Rights-Based Thinking

A second important avenue can be called *rights-based* thinking. The central idea here is that moral common sense is to be governed *not* by maximizing interest satisfaction, but by equalizing rights protection. And the relevant rights are of two broad kinds: rights to fair distribution of opportunities and wealth (Rawls' *contractarianism*), and rights to basic freedoms or liberties (Nozick's *libertarianism*). Social justice as "fairness" is often explained as a condition that obtains when all individuals are accorded equal respect and equal voice in social arrangements. Basic liberties are often explained in terms of individuals' opportunities for self-development, work's rewards, and freedoms including religion and speech.

Rights can be viewed as interests that we believe are *not* subject to majoritarian adjudication (as in Jefferson's insistence on the *Bill of Rights*). They are "trumps" in debates with utilitarians over "the greatest good for the greatest number."

Problems and questions regarding this avenue include:
- Is there a trade-off between equality and liberty when it comes to rights?
- Does *rights-based thinking* lead to *tyrannies of minorities* that are as bad as tyrannies of majorities?
- Is this type of thinking excessively focused on individuals and their entitlements without sufficient attention to larger communities and the *responsibilities* of individuals to such larger wholes?

In business administration, *rights-based* reasoning is evident in concerns about stakeholder rights (consumers, employees, suppliers) as well as stockholder (property) rights.

ILLUSTRATIONS. Debates about diversity in the workforce (gender, race) often are rooted in rights-based thinking. There are cases about the rights of employees not to be discriminated against on the basis of religion; and cases about the rights of the citizenry against cigarette advertising to minors. As we consider lawsuits against McDonald's for promoting obesity, some think that the limits of rights-based thinking are being reached. Instead, they claim, individuals have to take responsibility for their own choices and they

do not have a rights-claim against corporations. Was the "buyer beware" marketing culture of the first half of the 20th century displaced by a "seller beware" marketing culture in the second half?

Internationally, rights claims come up against *interest-based thinking* in connection with tariff justifications and other WHO issues. The European Union's policies on employee rights to privacy have caused no small amount of interest-frustration on the part of US-based companies with many employees in Europe. It should also be mentioned that debates over giving up certain civil rights or liberties in the name of the greatest good (security against terrorism) illustrate the power of both kinds of ethical thinking.

Duty-Based Thinking

The third avenue, *duty-based thinking*, is perhaps the least unified and well-defined of the four avenues. Its governing ethical idea is *duty* or *responsibility* not so much to other *individuals* as to *communities* of individuals. Duty-based thinking depends ultimately on individuals conforming to the legitimate norms of a healthy community. Ethics is not finally about interests and rights according to the duty-based thinker, since those are too individualistic. Ethics is about playing one's role as a member of a larger whole, either a web of relationships (like the family) or a community (*communitarianism*). The epitome of this line of thinking was expressed in President John F. Kennedy's inaugural: "Ask not what your country can do for you, ask what you can do for your country." In the 19th century, duty-based thinking was defended eloquently by British philosopher F.X. Bradley in his famous essay "My Station and Its Duties."

Problems and questions regarding this avenue include:
- a concern that individualism might get swallowed up in a kind of collectivism (under the communitarian banner), and
- puzzles surrounding the "weighing" of potentially conflicting duties, e.g., duties stemming from different relationships (e.g., family) and communities (workplace) to which decision makers may belong.

In business administration, *duty-based thinking* appears in appeals to principles like the fiduciary duties and obligations of Boards of Directors; invocations of "public trust" in connection with calls for more independence in the accounting profession; and in calls for corporate community involvement.

ILLUSTRATIONS. Debates over the "patriotism" of corporations that move their headquarters offshore to avoid taxes indicate that *duty-based thinking* is alive and well in our society. (*CALPERS* came close to eliminating such companies from its portfolio; and the US Congress came close to changing the law on this subject.) Controversies surrounding "socially responsible investing" (SRI), both in the US and in the European Union invoke obligations and responsibilities (*duty-based*) of investors (institutional and individual) to contribute to the common good and avoid supporting socially destructive enterprises (e.g., cigarette companies).

Several recent case studies revolve around the question of whether marketing credit cards to potentially vulnerable populations (immigrants, senior citizens, college students who are new to credit) have a special *duty* that they might not have in relation to the rest of their customers, whatever the bank's *interests* might be.

In general, ethical challenges over "divided loyalties" involve *duty-based thinking*, e.g., work/family; employer/client; company/community; department/college/university.

Virtue-Based Avenues

In *virtue-based thinking,* decisions are subjected to scrutiny *not* on the basis of their consequences for individuals' interests or rights, or for their fidelity to relationships. The focus here is on developing and reinforcing certain *character traits*, and, in the case of organizations, *cultures*. (The focus is also on *avoiding* certain habits, vices, and cultures that could corrupt the decision maker.) There is an emphasis in virtue-based thinking on the habits that *give rise* to actions, because too often "the right thing to do" cannot be identified other than by saying "the *right* thing to do is what this virtuous individual (e.g., Socrates) or organization *would* do."

The traditional list of basic (or "cardinal") virtues includes prudence, temperance, courage, and justice. Theologians add faith, hope, and love to this list.[1] "Love, and do what you will," said Augustine, indicating that the virtue of love was ethically more basic and more directly practical than attempts at determining "the right thing to do" (in terms of interests, rights, or duties). *Newsweek* magazine devoted an issue to the theme of virtue-based ethics in American culture. One of the articles observed that:

> [T]he cultivation of virtue makes individuals happy, wise, courageous, competent. The result is a good person, a responsible citizen and parent, a trusted leader, possibly even a saint. Without virtuous people, according to this tradition, society cannot function well. And without a virtuous society, individuals cannot realize either their own or the common good.[2]

Problems or questions associated with *virtue-based thinking* include: What are the central virtues and their relative priorities in a postmodern world in which moral consensus seems fragmented? Are there *timeless* character traits that are not culture-bound, so that we can recommend them to anyone, particularly those in leadership roles?
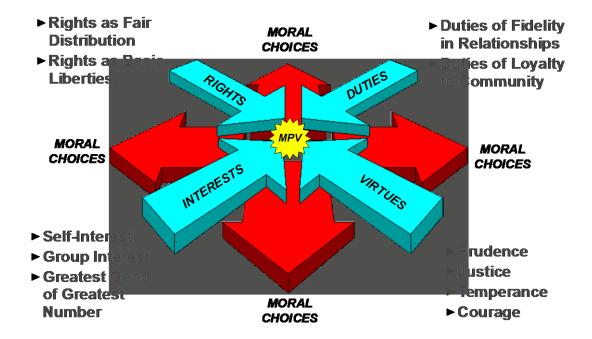
In business administration, the language of virtue is often heard in executive hiring situations as well as in management development training. Some of the more popular management books over the years have suggested virtue-based thinking in their titles: *In Search of Excellence* (Peters and Waterman, 1982), *The Seven Habits of Highly Effective People* (Covey, 1989), *Good to Great* (Collins, 2001).

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[1] The "Seven Deadly Sins," by contrast, all involve vices or habits that are destructive of the self or of others. *Virtue-based thinking* is concerned as much with avoiding vices as with supporting virtues.
[2] Kenneth L. Woodward, "What is Virtue?" *Newsweek* (June 13, 1994), pp. 39-39. Note that at the end of this passage, Woodward *may* be saying that virtue is ultimately justified in terms of the *common good* (interests, rights, duties?). On the other hand, he may be saying that a virtuous society would be its own reward, even if it did *not* result in the common good.

The *Columbia Accident Investigation Board* report (August 28, 2003) observed that "NASA's organizational *culture* and structure had as much to do with this accident as the external tank foam." So too with the *characters* of Skilling, Fastow, Ebbers, *et al.*?

Summary Graphic

► Rights as Fair
Distribution

► Rights as Basic
Liberties

MORAL
CHOICES

► Self-Interest
► Group Interest
► Greatest Good
of Greatest
Number

► Duties of Fidelity
in Relationships

Duties of Loyalty
to Community

MORAL
CHOICES

RIGHTS   DUTIES

MPV

INTERESTS   VIRTUES

MORAL
CHOICES

MORAL
CHOICES

Prudence
Justice
Temperance
► Courage

The Moral Point of View and Four Avenues of Ethical Thinking

Each of these four main types of ethical thinking could be pursued at great length, both conceptually and historically. For our present purposes, it is enough to see them as *concentrations* of critical thinking in ethical matters. Each represents a "voice" in an ethical conversation across millennia. Individuals and organizations must make their own decisions, in the end, but these "voices" may well serve as consultants to conscience. All have in common the aspiration to give practical meaning to "the moral point of view" in human life.