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# BUSINESS ETHICS AND CORPORATE GOVERNANCE COURSE Code: 4T1

## Unit IV

# PROGRAMME EDUCATIONAL OBJECTIVES: PEO

- Will be recognized as a creative and an enterprising team leader.
- Will be a flexible, adaptable and an ethical individual.
- Will have a holistic approach to problem solving in the dynamic business environment.

# Course Objectives Of BECG

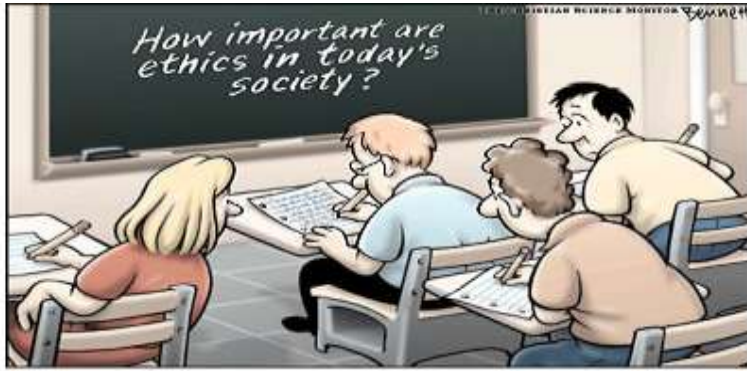
- CO1
- Student learner should be able to contrast the underlying theory of Ethics that is governing the organization under study.
- CO2
- Student learner should be able to design a Code of Ethics for professional behavior within an organization.
- CO3
- Student learner should be able to identify the possible ethical concerns which may be faced by an organization in given situation.

# Course Objectives Of HROB

- CO4
- Student learner should be able to analyze a given situation and assess the negative impact it may have on society.
- CO5
- Student learner should be able to identify the various issues that may arise in the domains of Marketing, Finance, HRM, and Environment in a given organization/situation and suggest corrective action

# WHAT IS BUSINESS ETHICS





- “Business ethics is rules, standards, codes, or principles which provide guidelines for morally right behavior and truthfulness in specific situations.”  
(Lewis)
- “Business ethics is the study of business situation, activities, and decisions where issues of right and wrong are addressed.” (Crane and Matten)
- “Business ethics refers to clear standards and norms that help employees to distinguish right from wrong behaviour at work.” ( The Ethics Resource Centre)

- “Business ethics has to do with the extent to which a person’s behaviour measures up to such standards as the law, organizational policies, professional and trade association codes, popular expectations regarding fairness and what is right, plus one’s own internalized moral standards”. ( William Sauser)
- “Business ethics is disciplined normative reflection on the nature, meaning and context of business activity. As such it deals with comprehensive questions about the justice of the economic context in which business operates and about the nature, function, structure and scope of business in that context, as well as with more specific issues raised by the relationship of business to government, the consumer, its employees, and society at large”. ( Hoffman and Moore)

“Business ethics is a study of moral standards and how these apply to the systems and organizations through which modern societies produce and distribute goods and services, and to the people who work within these organizations. Business ethics, in other words, is a form of applied ethics. It includes not only the analysis of moral norms and moral values, but also attempts to apply the conclusions of this analysis to that assortment of institutions, technologies, transactions, activities, and pursuits that we call business.” (Manuel Velasquez)



# Nature of Business Ethics

Complex

Dynamic

Interdependent

Subjective

# The Nature of Ethics

- **Ethical Dilemma**

- quandary people find themselves in when they have to decide if they should act in a way that might help another person even though doing so might go against their own self-interest

# The Nature of Ethics

- **Ethics**

- The inner-guiding moral principles, values, and beliefs that people use to analyze or interpret a situation and then decide what is the “right” or appropriate way to behave





- **Complex** because of no common consensus
- **Dynamic** because of dynamic nature of business decision making
- **Interdependent** because ethical decision making is dependent on many factors and one's decision affect others.
- **Subjective** because the frameworks referred for ethical decision making are usually normative and are varied in nature. These frameworks differ from people to people and organization to organization.



got ethics?

There may be varied arguments  
ss ethics but one commonly accepted  
t is that intensity of ethics in business  
will always be limited to the extent  
of ethical behaviour shown by those  
who are involved in business.  
**So the human factor is the key.**

# Significant Developments in Business Credited to Business Ethics

- Profit is no more considered as the sole objective of business.
- Instead of maximization of shareholders wealth now the focus of business organizations is on stakeholder approach.
- Many large business organizations are involved in socially responsible activities.
- Environmental issues are now openly discussed by business world.
- Framework of Corporate Governance has improved considerably.

- Many business organizations have already framed their ethical code of conduct and are strictly following it.
- Business ethics is no more considered as an undesirable transgression into the functioning of business organizations. Instead organizations themselves are taking it seriously and now care for business.



# Perceptions Regarding Business Ethics

Rules, Standards or Codes Governing an Individual or Organization

Morality, Virtues, Values

Clarity of Right and Wrong

Honesty, Integrity

Character, Conscience

Situational and Temporal

Being True to Oneself

Stakeholder Approach



# Business Ethics

- **The value of what should be done and what should not be done from the business point of view**



# Ethical issues for business

- Product safety standards
- Advertising contents
- Working environment
- Unauthorized payments
- Employee's privacy
- Environmental issues

# Genesis of Ethics

- Ethics is a Greek word, it means Character or manners.
- Ethics is subjective while morality is objective.
- Ethics is about sense of belongingness to society of business. Formed with a limited vision for economic generation but should resolve conflict with society by servicing the community.

## 3D of Ethics.

- **UNITARIAN VIEW OF ETHICS**

Business is a part of moral structure and moral ethics.

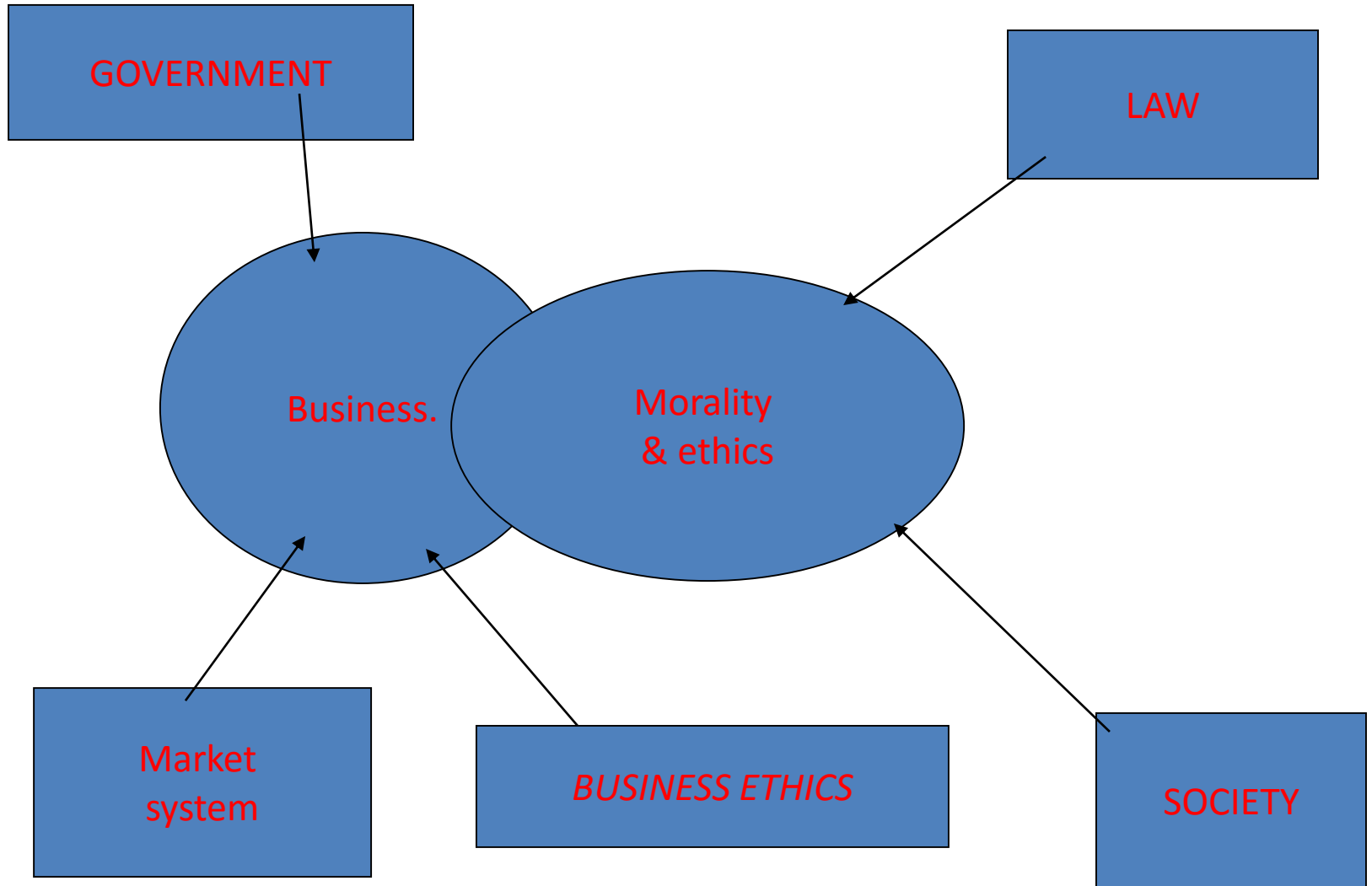
- **SEPARATISTS VIEWS OF ETHICS**

Morality and ethics has no role in business. Society and law deals with ethics and morality.

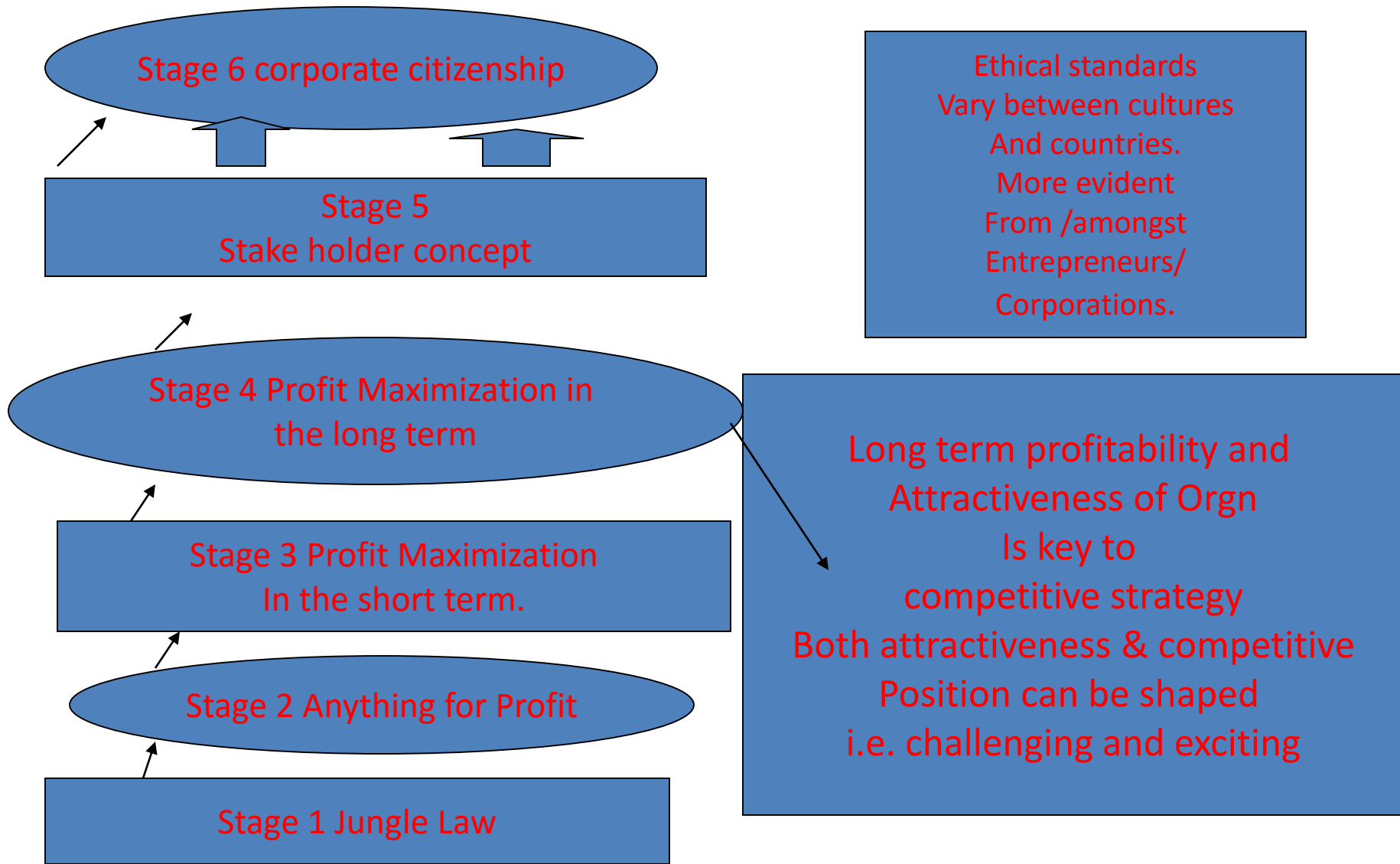
- **INTEGRATED VIEW OF ETHICS**

Ethical behavior and business should be integrated in a new era called Business Ethics.

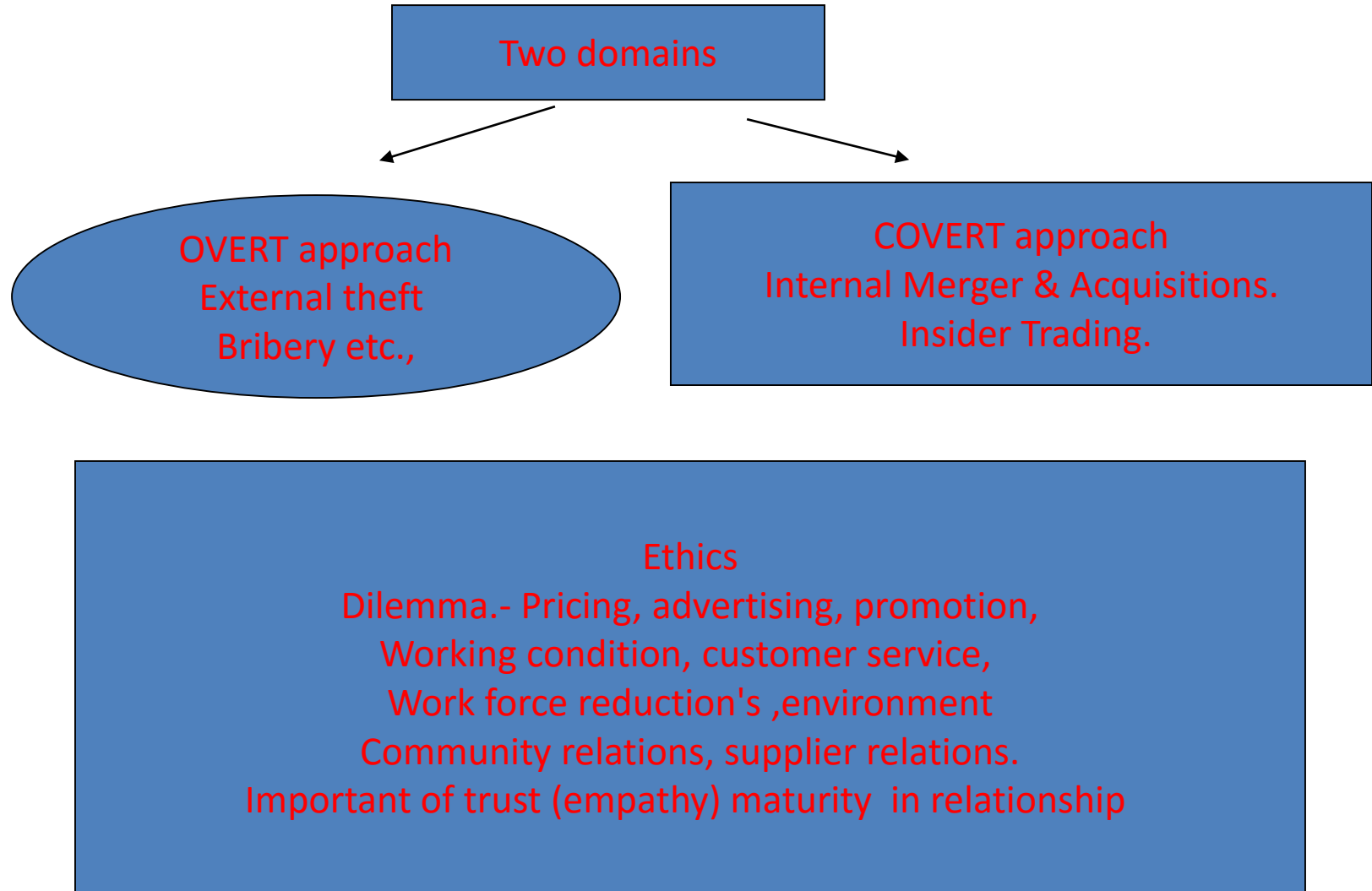
# Integration View of Ethics.



# Ethical Consciousness



# Ethics in Business

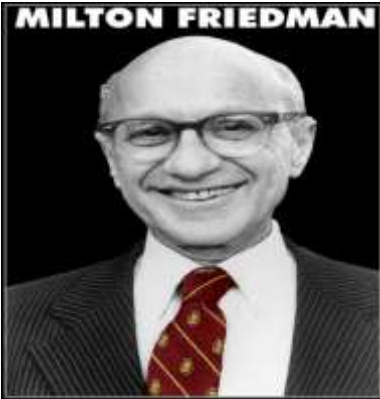


# Objectives of Business Ethics





# Arguments 'against' the Business Ethics



- Milton Friedman, a Nobel laureate had suggested that there is no need for business people to bring ethical factors into their managerial decision making. He believed that when they have occupied the role of business then automatically they are supposed to throw away their role of autonomous moral agent in favour of making efforts for fulfilling the purpose of shareholders. According to Friedman there is one and only social responsibility of business and that is to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which to say, engages in open and free competition without deception or fraud.

- John Ladd believes that by virtue of basic nature of business organization the possibility of ethical evaluation of its actions is ruled out. Ladd argues that there are specific goals of business which are meant to be achieved and these goals are non-moral. So, business organizations should be evaluated from the point of view of achieving those specific goals successfully or not instead of from the point of view of ethics or morality.
- Another argument against the business ethics is that the organizations and corporations can't be held morally responsible for anything, simply because they don't act, it's the individuals who act.
- According to free economy promoters, the market regulate itself without any need for externally induced controls. So let the rules of the economy and free markets work instead of the rules of ethics.

# Arguments 'for' the Business Ethics

- Those who argue for the business ethics are of the view that the profit is not the only motive of business; business organizations deserves ethical reasoning; business does not enjoy any special status and morality is as much applicable to it as to any one else; and rules of ethics and morality are as much intrinsic to business as the rules of economy and free markets. The acts of bribery, corruption, and deception in business are strongly criticized in this view.
- As the organizations are run by individuals they are as much liable for ethical judgements as any individual. They can't get away by stating their impersonal nature.

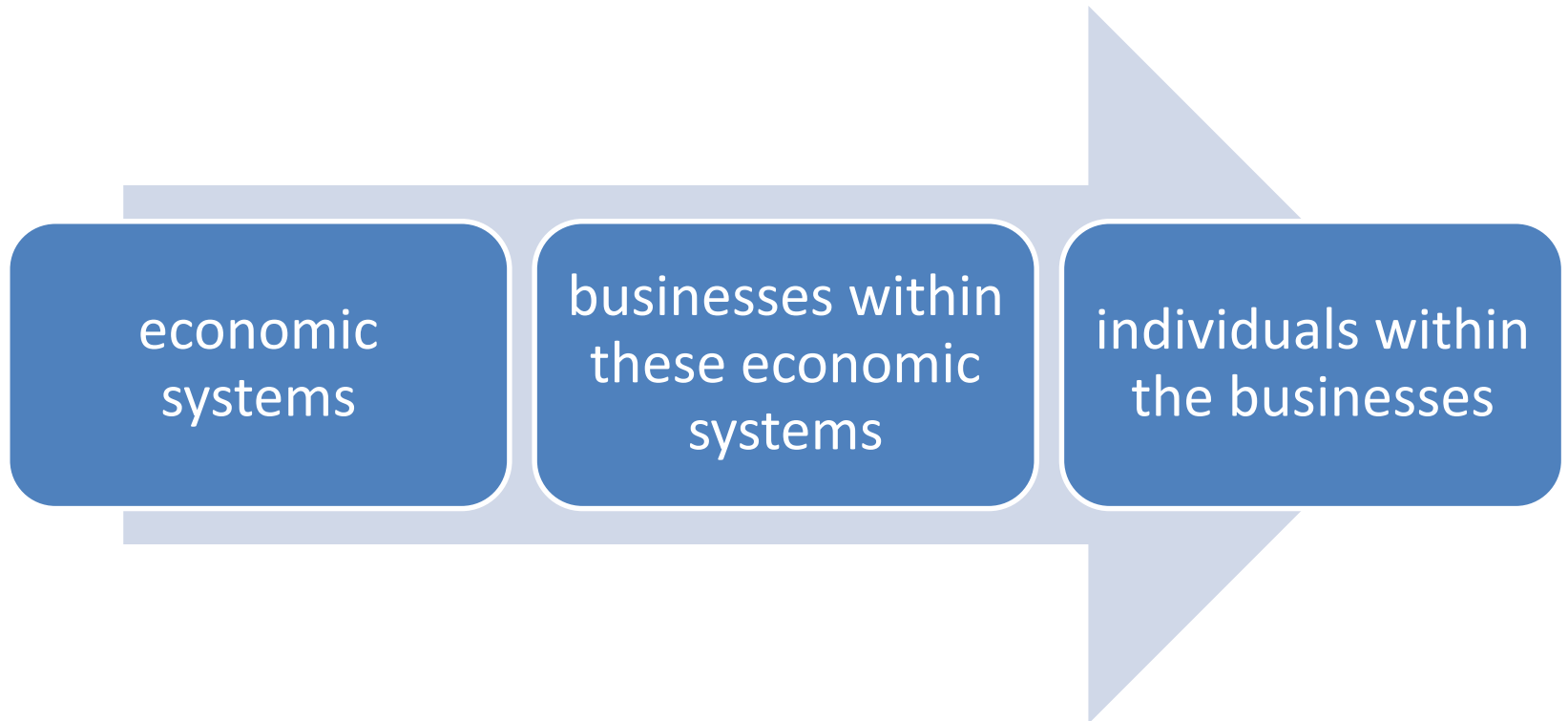
- The special status for business free from ethical evaluation is also opposed by many economists, philosophers, academicians, and other ethicists. They argue that ethics and business can't be separated and there is no ethical relativism between business and others.
- Peter Drucker argues that ethical code remains same for everybody whoever he may be. It is same for rich, poor, kings, business leaders, managers, mighty or meek.



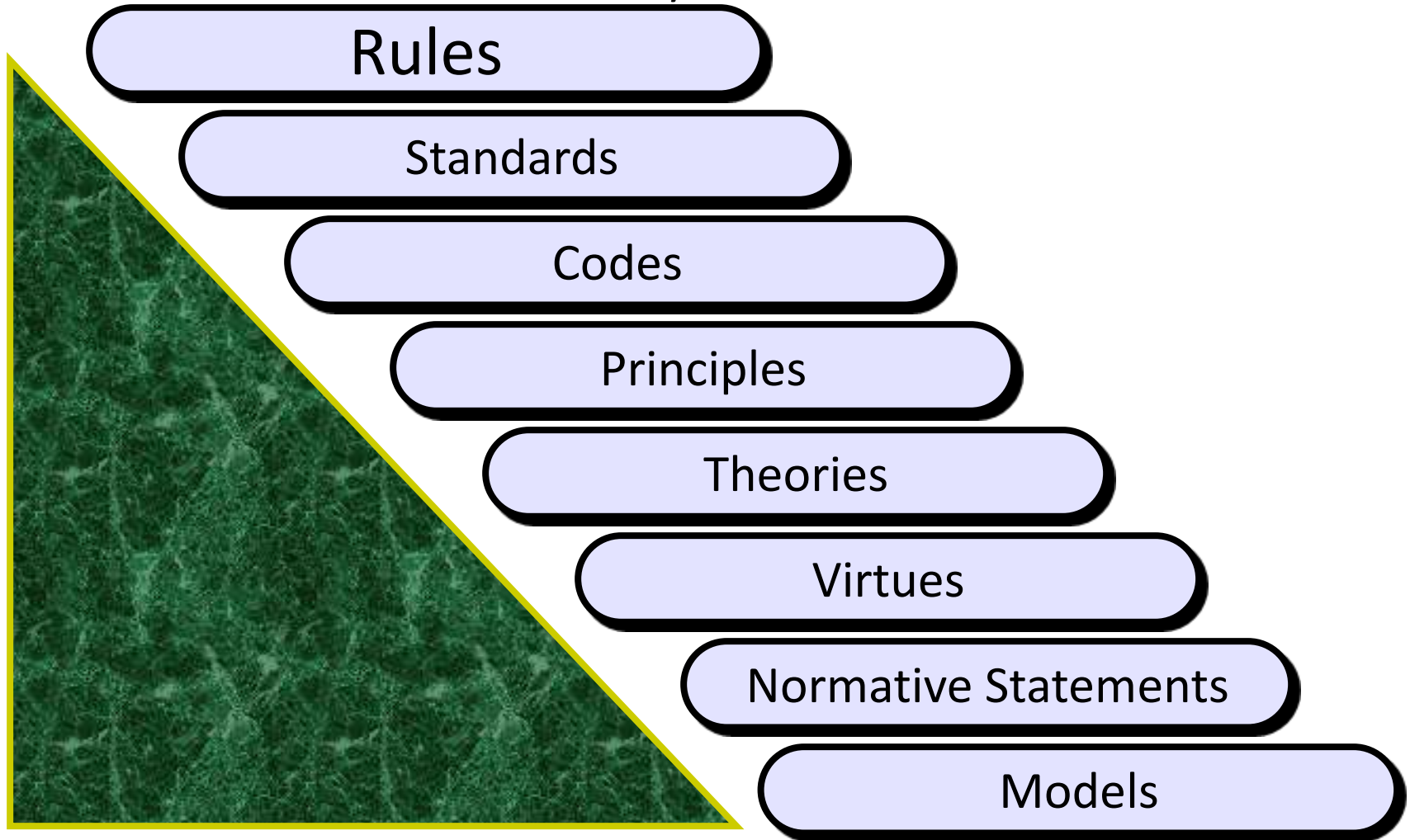
- For business to operate successfully and in accepted manner these social interactions should provide mutual benefits and for that ethics is one key element that make these interactions mutually fruitful.
- Against the argument of allowing rules of economy and free markets to operate without ethical considerations, ethicists argue that businesses operate in a society and their actions have both direct and indirect impact on the society and so many cases of fraud, corruption, and bribery have come up in recent times doing excessive harm to the society that relevance of ethics to business is more than ever. Rules of free markets in no way can justify fraud, corruption, bribery, deception, and other immoral acts.

# Three Role of Business Ethics

The first role of business ethics is to do three level investigation



The second role is to develop theoretical foundations of universal nature for business ethics on the basis of three level investigation or study such as:



The third role is to test the developed theoretical foundations in various practical situations of business decision making for their applicability and effectiveness, so that solutions for simple as well as complex ethical situations in business can be found without creating any confusion and with full acceptability of the concerned objects. Without the applicability of universals to the particular situations, theoretical foundations degenerate into dogma and ideology. So this role of business ethics has complete practical application and has most significance for business.



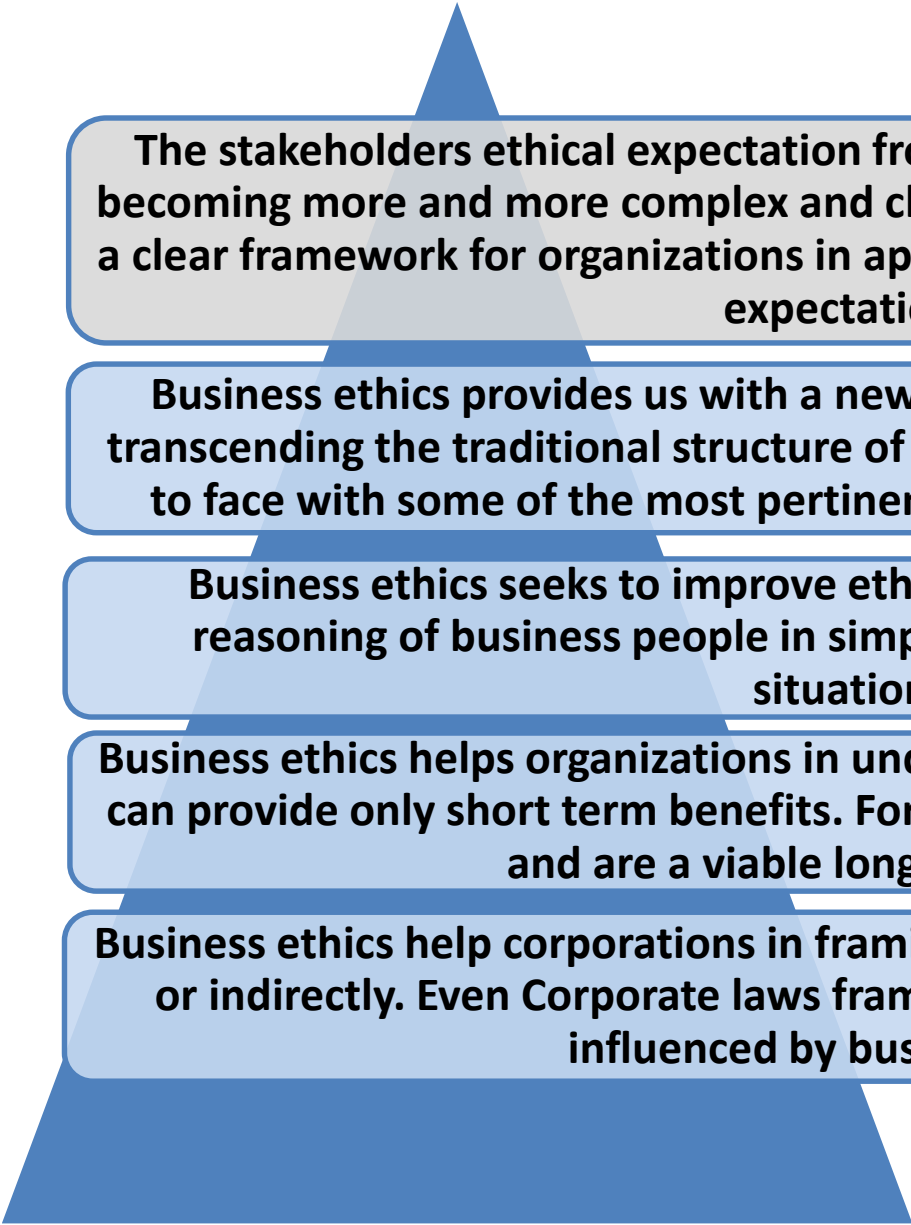
# Importance of Business Ethics

**Business ethics provides unbiased opinions about the economic systems, business practices, and individual behaviors.**

**Business is made aware of its obligations towards stakeholders. The actions and behavior of organizations are even questioned when any of these obligations are not met. This helps organizations in looking beyond their self interests.**

**Business ethics adds a new dimension of ethical reasoning in business.**

**Unethical behaviors of business have the potential to cause lot of harm on individuals, communities, and on environment. By making people understand about the causes and consequences of these unethical behaviors, business ethics seeks to improve the human condition.**



**The stakeholders ethical expectation from the business organizations are becoming more and more complex and challenging. Business ethics provides a clear framework for organizations in appreciating and understanding these expectations.**

**Business ethics provides us with a new set of knowledge and reasoning transcending the traditional structure of business studies and brings us face to face with some of the most pertinent questions faced by the society.**

**Business ethics seeks to improve ethical decision making and moral reasoning of business people in simple as well as complex business situations.**

**Business ethics helps organizations in understanding that unethical practices can provide only short term benefits. For long term success, ethics are must and are a viable long term strategy.**

**Business ethics help corporations in framing corporate code of ethics directly or indirectly. Even Corporate laws framed by the Governments are also influenced by business ethics**

# Morality and Ethics

Morality is concerned with understanding of what is right and wrong behaviour. In the study of business ethics many people treat the concept of ethics and morality as same. There is no harm in it. However treating them as different but strongly inter-related is a better approach in enriching the field of business ethics. Morality could be considered as one of the subject matter of study in business ethics.

# Difference between Morality and Ethics

## Ethics

1. Ethics is the study of framework such as standards, principles, rules or codes and traits for ensuring right action, behaviour or conduct.
2. Ethics is the philosophical study of morality
3. Ethics encompasses morality
4. Ethics attempts to bring rationalization to morality
5. Ethics tries to systemize morality
6. Ethics legitimizes morality
7. Ethics is covert as well as overt

## Morality

**Morality is right action, conduct or behaviour**

**Morality is the subject matter of ethics**

**Morality is the sub-field of ethics**

**Morality gets rationalization through ethics**

**Morality becomes systematic through ethics**

**Morality gets legitimized through ethics**

**Morality is overt**

# Dealing with Ethical Issues

**There are no absolute or indisputable rules or principles that can be developed to decide if an action is ethical or unethical**

# Ethics and the Law

*Neither laws nor  
ethics are fixed  
principles*

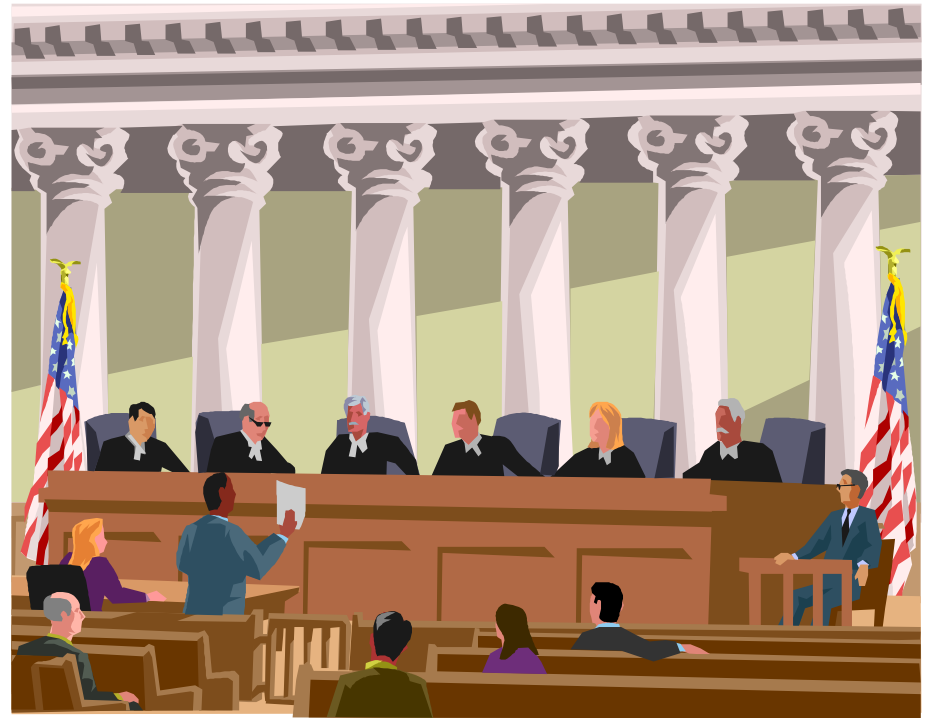


# Ethics and the Law

**Ethical beliefs lead to the development of laws and regulations to prevent certain behaviors or encourage others**

# Ethics and the Law

**Laws can change or disappear as ethical beliefs change**





# Changes in Ethics Over Time

Managers must confront the need to decide what is appropriate and inappropriate as they use a company's resources to produce goods and services

# Question?

Who has a claim on a company's resources?

- A. Employees
- B. Customers
- C. Suppliers
- D. Stakeholders

# Stakeholders and Ethics

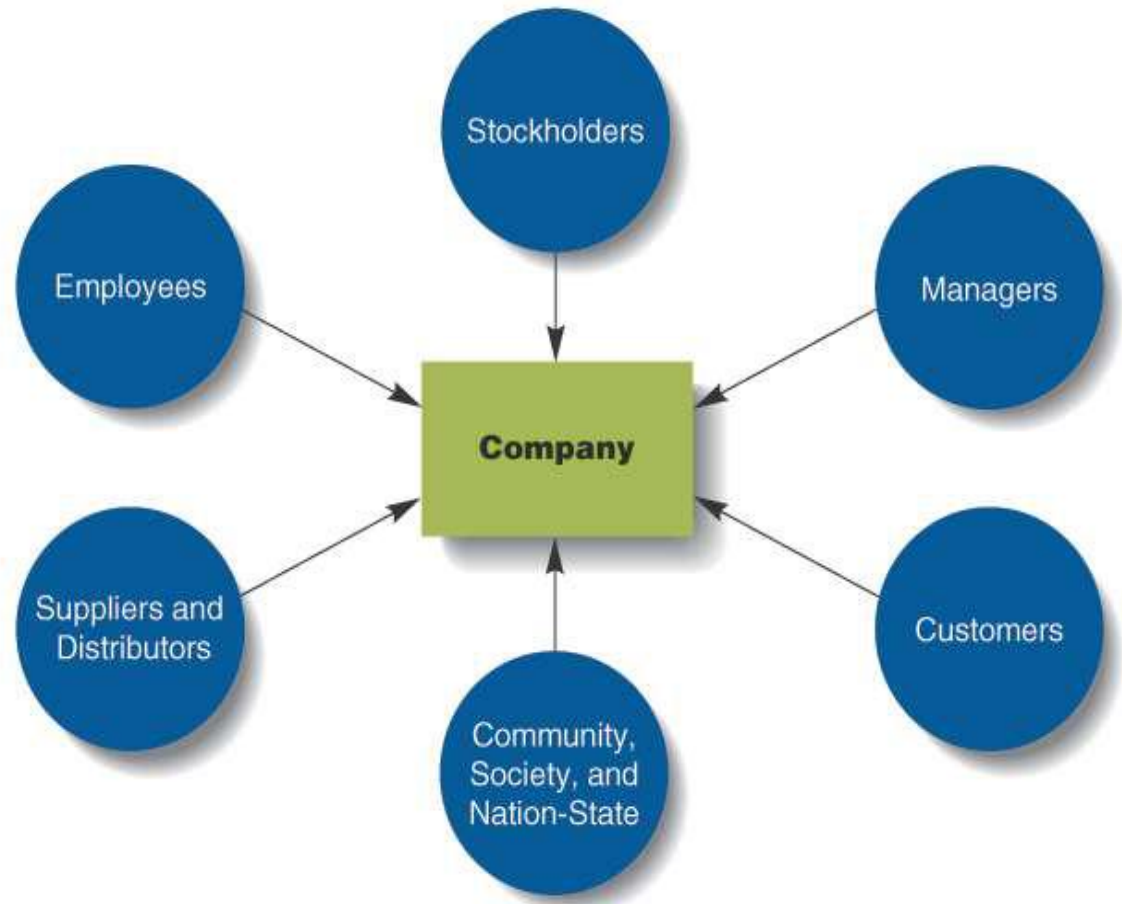
- **Stakeholders –**
  - people and groups affected by the way a company and its managers behave
  - supply a company with its productive resources and have a claim on its resources

# Stakeholders and Ethics

When the law does not specify how companies should behave, managers must decide what is the right or ethical way to behave toward the people and groups affected by their actions

# Types of Company Stakeholders

**Figure 4.1**  
**Types of Company Stakeholders**



# Stockholders

- Want to ensure that managers are behaving ethically and not risking investors' capital by engaging in actions that could hurt the company's reputation
- Want to maximize their return on investment

# Managers

- Responsible for using a company's financial capital and human resources to increase its performance
- Have the right to expect a good return or reward by investing their human capital to improve a company's performance
- Frequently juggle multiple interests

# Managers

Problem has been that in many companies corrupt managers focus not on building the company's capital and stockholder's wealth but on maximizing their own personal capital and wealth



# Discussion Question: Managers

Is it ethical for managers to receive vast amounts of money from their companies?

- A. Yes
- B. No
- C. Sometimes
- D. Never



# Employees

Companies can act ethically toward employees by creating an occupational structure that fairly and equitably rewards employees for their contributions

# Suppliers and Distributors

- Suppliers expect to be paid fairly and promptly for their inputs
- Distributors expect to receive quality products at agreed-upon prices

# Vendor Conduct

## Gap's Code of Vendor Conduct

**Table 4.1**

**Some Principles from the Gap's Code of Vendor Conduct**

As a condition of doing business with Gap Inc., each and every factory must comply with this Code of Vendor Conduct. Gap Inc. will continue to develop monitoring systems to assess and ensure compliance. If Gap Inc. determines that any factory has violated this Code, Gap Inc. may either terminate its business relationship or require the factory to implement a corrective action plan. If corrective action is advised but not taken, Gap Inc. will suspend placement of future orders and may terminate current production.

**I. General Principles**

Factories that produce goods for Gap Inc. shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules and regulations.

**II. Environment**

Factories must comply with all applicable environmental laws and regulations. Where such requirements are less stringent than Gap Inc.'s own, factories are encouraged to meet the standards outlined in Gap Inc.'s statement of environmental principles.

**III. Discrimination**

Factories shall employ workers on the basis of their ability to do the job, without regard to race, color, gender, nationality, religion, age, maternity or marital status.

**IV. Forced Labor**

Factories shall not use any prison, indentured or forced labor.

**V. Child Labor**

Factories shall employ only workers who meet the applicable minimum legal age requirement or are at least 14 years of age, whichever is greater. Factories must also comply with all other applicable child labor laws. Factories are encouraged to develop lawful workplace apprenticeship programs for the educational benefit of their workers, provided that all participants meet both Gap Inc.'s minimum age standard of 14 and the minimum legal age requirement.

**VI. Wages & Hours**

Factories shall set working hours, wages and overtime pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater. While it is understood that overtime is often required in garment production, factories shall carry out operations in ways that limit overtime to a level that ensures humane and productive working conditions.

# Customers

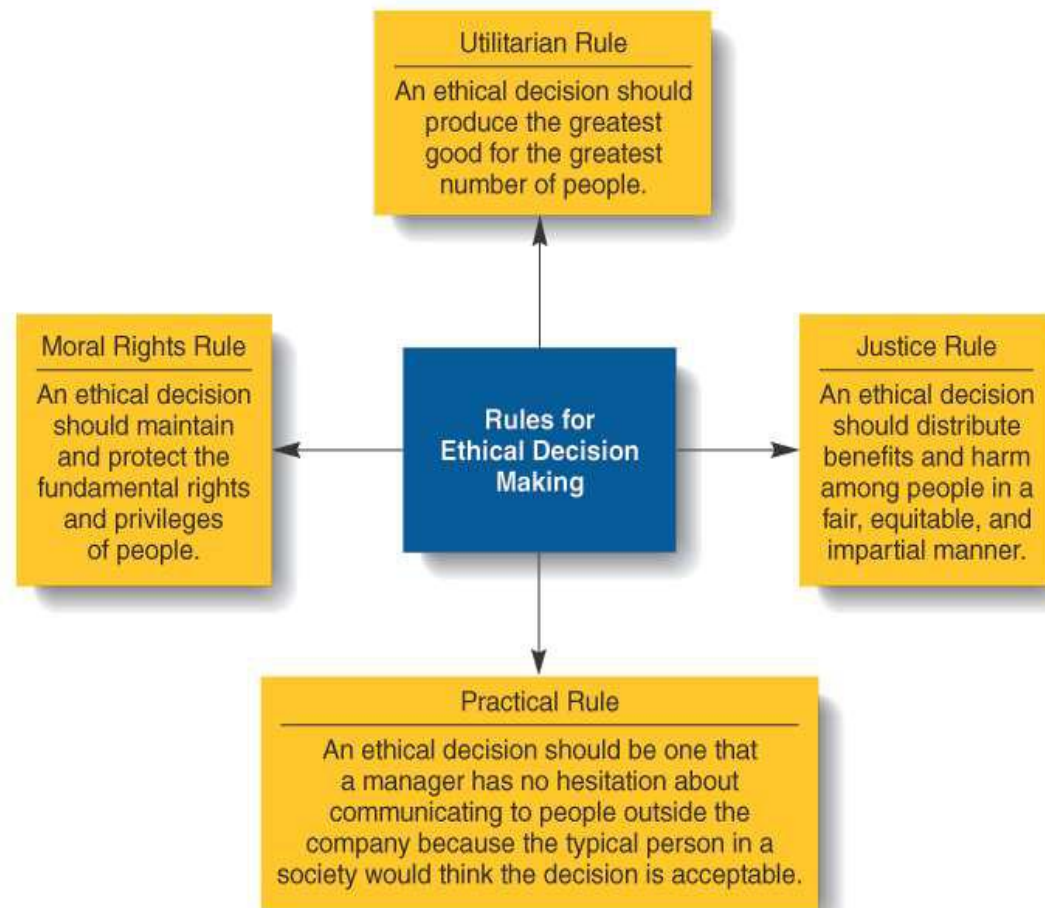
- Most critical stakeholder
- Company must work to increase efficiency and effectiveness in order to create loyal customers and attract new ones



# Community, Society, and Nation

- Community
  - Physical locations like towns or cities in which companies are located
  - A community provides a company with the physical and social infrastructure that allows it to operate
- A company contributes to the economy of the town or region through salaries, wages, and taxes

# Ethical Decision Making



**Figure 4.3**

# Question?

Which ethical decision rule produces the greatest good for the greatest number?

- A. Utilitarian Rule
- B. Moral Rights Rule
- C. Justice Rule
- D. Practical Rule



# Ethical Decision Models

## Utilitarian Rule

- Decision that produces the greatest good for the greatest number
  - How do you measure the benefits and harms that will be done to each stakeholder group?
  - How do you evaluate the rights and importance of each group?

# Effects of Ethical/Unethical Behavior

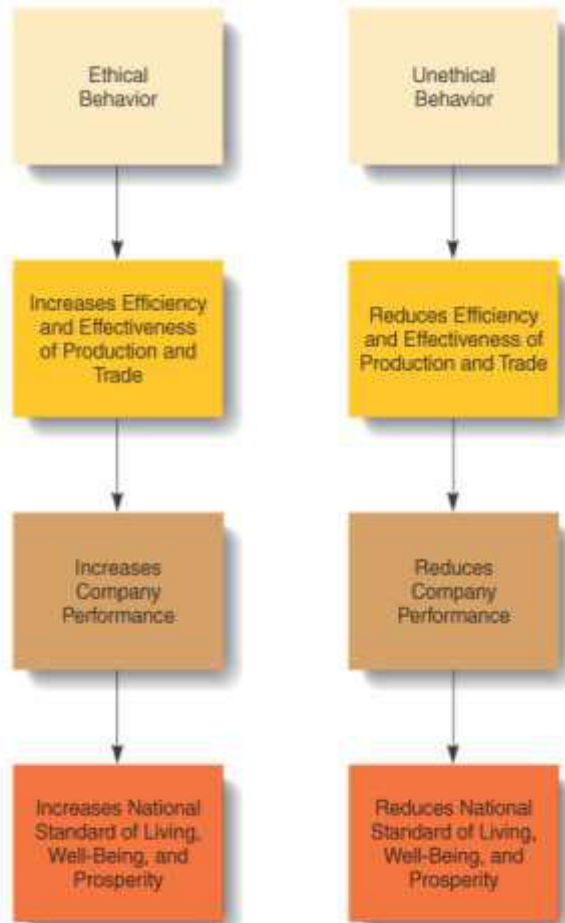


Figure 4.4

# Ethical Decision Models

- Moral Rights rule
  - Decision that best maintains and protects the fundamental or inalienable rights and privileges of the people affected by it
- Justice rule
  - Decision that distributes benefits and harms among people and groups in a fair, equitable, or impartial way

# Ethical Decision Models

## **Practical rule**

- Decision that a manager has no hesitation about communicating to people outside the company because the typical person would think it is acceptable

# Practical Decision Model

1. Does my decision fall within the acceptable standards that apply in business today?
2. Am I willing to see the decision communicated to all people and groups affected by it?
3. Would the people with whom I have a significant personal relationship approve of the decision?

# Why should managers behave ethically?

The relentless pursuit of self-interest can lead to a collective disaster when one or more people start to profit from being unethical because this encourages other people to act in the same way

# Trust and Reputation

**Trust** – willingness of one person or group to have faith or confidence in the goodwill of another person



# Trust and Reputation

**Reputation** – esteem or high repute that individuals or organizations gain when they behave ethically



# Determinants of Ethics

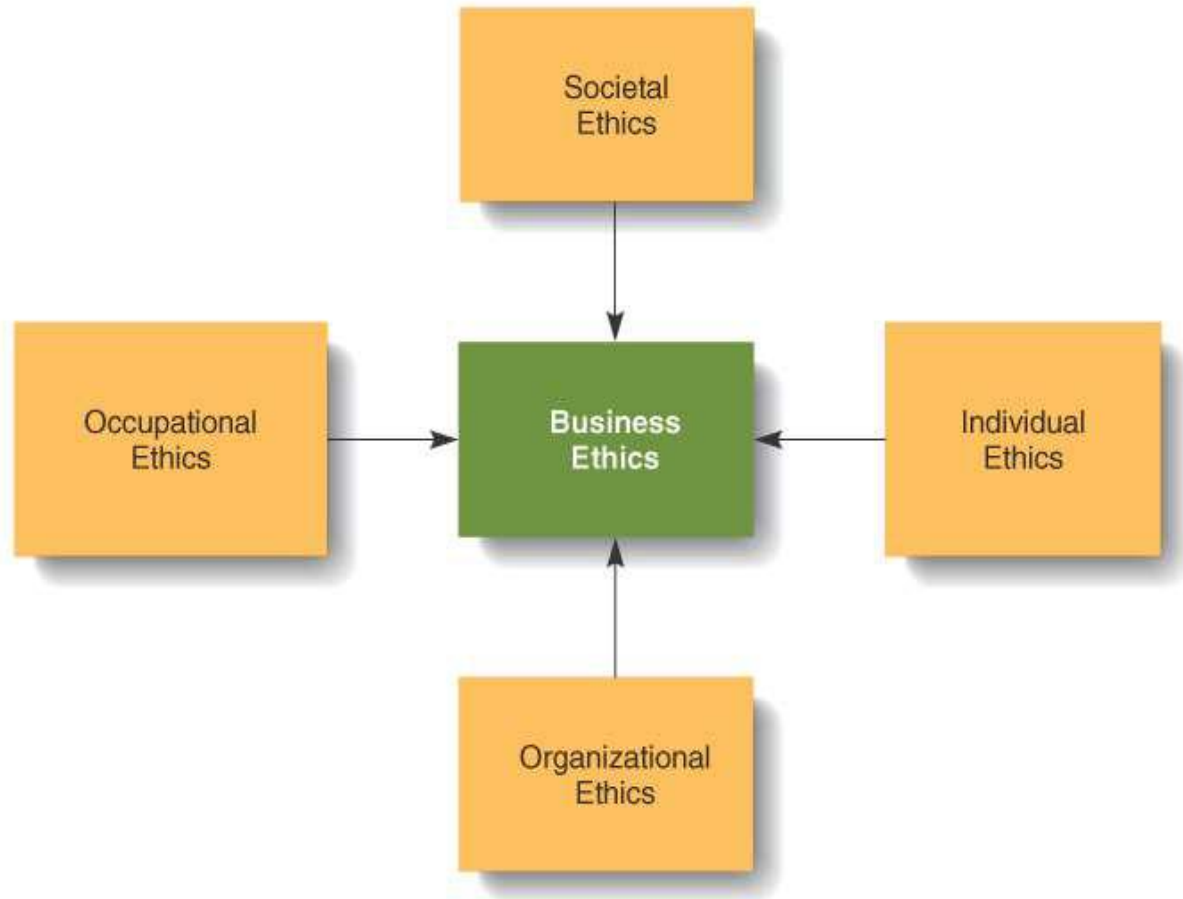


Figure 4.5

# Societal Ethics

Standards that govern how members of a society should deal with one another in matters involving issues such as fairness, justice, poverty, and the rights of the individual

People behave ethically because they have internalized certain values, beliefs, and norms

# Occupational Ethics

Standards that govern how members of a profession, trade, or craft should conduct themselves when performing work-related activities

- Medical & legal ethics

# Individual Ethics

Personal standards and values that determine how people view their responsibilities to other people and groups

- How they should act in situations when their own self-interests are at stake

# Organizational Ethics

Guiding practices and beliefs through which a particular company and its managers view their responsibility toward their stakeholders

- Top managers play a crucial role in determining a company's ethics



# Social Responsibility

Way a company views its duty or obligation to make decisions that protect, enhance, and promote the welfare and well-being of stakeholders and society as a whole

# Acting Responsibly to Satisfy Society

## Social Responsibility

- Management's consideration of *profit*, *consumer satisfaction*, and *societal well-being* of equal value in evaluating the firm's performance.
- Contributions to the overall economy, *job opportunities*, and *charitable contributions* and *service*.
- Organizations measure through *social audits*.

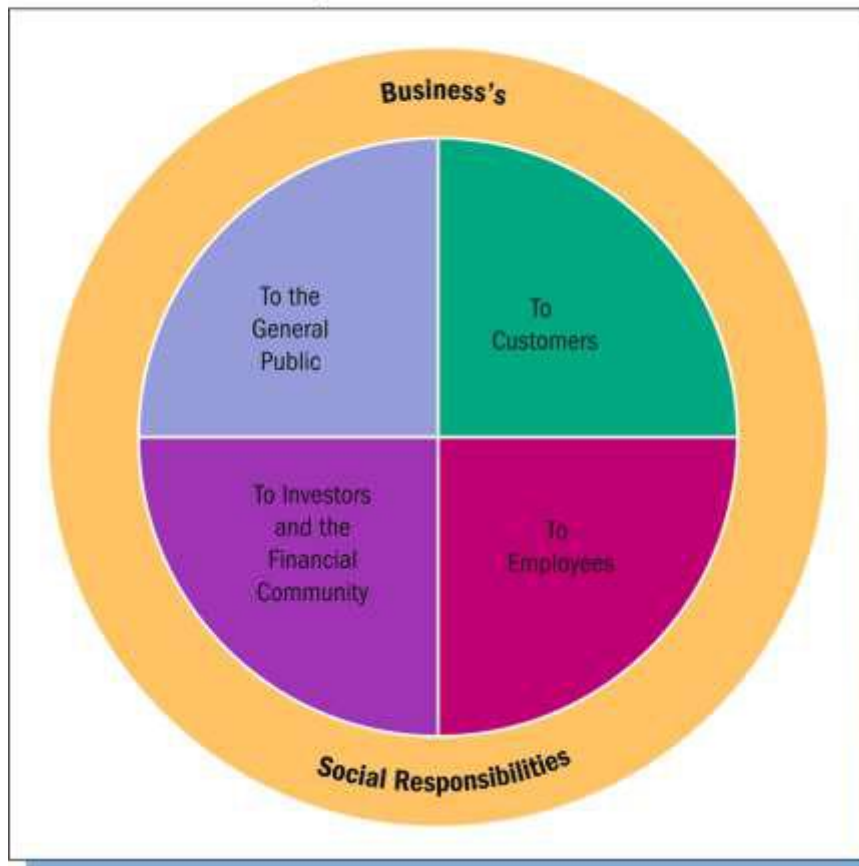


Corporate philanthropy can enhance a company's customer relationships. Through sales of its Yoplait yogurt line, General Mills contributes to the Susan G. Komen Breast Cancer Foundation, a charity that is important to the health-conscious consumers who buy Yoplait.

# Areas of Responsibility

Figure 2.6

Business's Social Responsibilities





# Responsibilities to the General Public

- **Public Health Issues.** What to do about inherently dangerous products such as alcohol, tobacco, vaccines, and steroids.
- **Protecting the Environment.** Using resources efficiently, minimizing pollution.
- **Recycling.** Reprocessing used materials for reuse.
- **Developing the Quality of the Workforce.** Enhancing quality of the overall workforce through education and diversity initiatives.
- **Corporate Philanthropy.** Cash contributions, donations of equipment and products, and supporting the volunteer efforts of company employees.

# Responsibilities to Customers

- ***The Right to Be Safe.*** Safe operation of products, avoiding product liability.
- ***The Right to Be Informed.*** Avoiding false or misleading advertising and providing effective customer service.
- ***The Right to Choose.*** Ability of consumers to choose the products and services they want.
- ***The Right to Be Heard.*** Ability of consumers to express legitimate complaints to the appropriate parties.

# Responsibilities to Employees

- **Workplace Safety.** Monitored by [Occupational Safety and Health Administration](#).
- **Quality-of-Life Issues.** Balancing work and family through flexible work schedules, subsidized child care, and regulation such as [the Family and Medical Leave Act](#) of 1993.
- **Ensuring Equal Opportunity on the Job.** Providing equal opportunities to all employees without discrimination; many aspects regulated by law.
- **Age Discrimination.** [Age Discrimination in Employment Act](#) of 1968 protects workers age 40 or older.
- **Sexual Harassment and Sexism.** Avoiding unwelcome actions of a sexual nature; equal pay for equal work without regard to gender.

# Responsibilities to Investors

- Obligation to make profits for shareholders.
- Expectation of ethical and moral behavior.
- Investors protected by regulation by the [Securities and Exchange Commission](#) and state regulations.

# Approaches to Social Responsibility



Figure 4-6

# Approaches to Social Responsibility

**Obstructionist approach** – Companies choose not to behave in a social responsible way and behave unethically and illegality

# Approaches to Social Responsibility

**Defensive approach** – companies and managers stay within the law and abide strictly with legal requirements but make no attempt to exercise social responsibility

# Approaches to Social Responsibility

**Accommodative approach** – Companies behave legally and ethically and try to balance the interests of different stakeholders against one another so that the claims of stockholders are seen in relation to the claims of other stakeholders



# Approaches to Social Responsibility

## **Proactive approach –**

Companies actively embrace socially responsible behavior, going out of their way to learn about the needs of different stakeholder groups and utilizing organizational resources to promote the interests of all stakeholders

# Why Be Socially Responsible?

1. Demonstrating its social responsibility helps a company build a good reputation
2. If all companies in a society act socially, the quality of life as a whole increases

# Role of Organizational Culture

Ethical values and norms help organizational members:

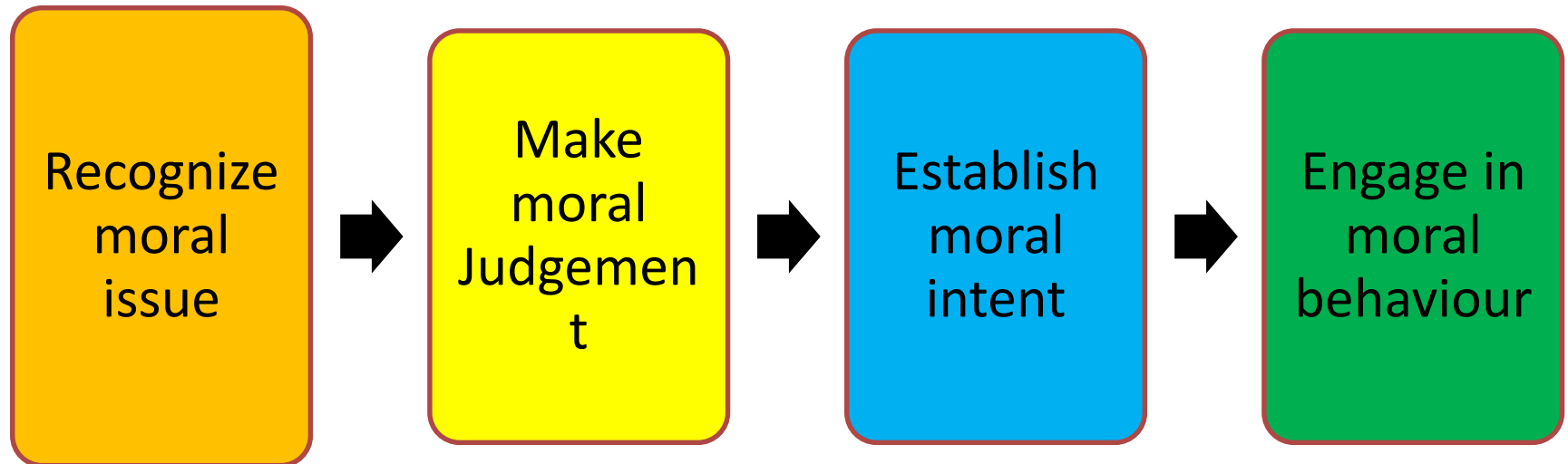
- Resist self-interested action
- Realize they are part of something bigger than themselves



# Ethics Ombudsman

- Responsible for communicating ethical standards to all employees
- Designing systems to monitor employees conformity to those standards
- Teaching managers and employees at all levels of the organization how to appropriately respond to ethical dilemmas

# Rest Model of Moral Behaviour



# Details of 3 Ethical theories

- Meta Ethics

Deals with entire gamut of ethical issues:-  
moral values exists independent of humans  
–psychological issues that deals with  
psychological basis of the moral actions and  
linguistic issues dealing with moral terms-  
reflect on reactions on photo at UK deities  
and others. Belief system, tradition-  
Kentucky launching chicken product at  
Bangalore.

# Details of 3 Ethical theories

- Applied Ethics:-

Deals with ethics dealing with Euthanasia, **TERRI SCHIAVO FLORIDA** women!!- female feticide and infanticide, displacement of tribal people due to hydel power projects, cloning, testing drugs on animals

# Details of 3 Ethical theories

## Normative theories-Business ethics.

That which guides and controls human conduct. Sets out certain standards that determine what is right and what is wrong.

Golden principle behind this –

- ***“WE SHOULD TREAT OTHERS THE SAME WAY THAT WE WANT OTHERS TO TREAT US”***

There are Three leading theories of Normative ethics-

1. STOCK HOLDERS THEORY
2. STAKE HOLDERS THEORY
3. SOCIAL CONTRACT THEORY



# ETHICS AND CORPORATE GOVERNANCE

- Deals with determination what is 'right', " fair, prior and just" in decisions and actions made that affect stake holders. It focuses on the business relationship with employees, customers, stockholders, creditors, suppliers and member of the society in which it operates.
- Corporate ethics , is a a matter of leadership.
- Adhere to corporate credos-code of conduct.
- Development of IQ, EQ and SQ culture.

# Bentham's Utilitarianism

- “The greatest good for the greatest number of people”.
- “Nature has placed mankind under the governance of two sovereign masters, pain and pleasure. It is for them alone to point out what we ought to do, as well as to determine what we shall do.” (*The Principles of Morals and Legislation*, 1789)

# John Stewart Mill (1806-1873)

- English philosopher, political theorist, political economist, civil servant and Member of Parliament.
- “Greatest-happiness principle”.
- One must always act so as to produce the greatest happiness for the greatest number of people.



# Utilitarianism

- Human life governed by pain and pleasure.
- “Moral science”.
- The interest of the community is the sum of the interests of the individual members who compose it.
- Pleasures and pains are equal (Bentham), or unequal (Mill)

# Utilitarianism

- Moral actions are ones that overall increase happiness (pleasure) and/or decrease unhappiness (pain).
- Happiness/unhappiness of all the people affected by the action should be taken into consideration equally.
- Happiness and only happiness has intrinsic value.

# Utilitarianism

- Cheating on a test.
- Abortion.
- Murder.

# Rule utilitarianism

- There are some basic rules that produce the greatest good (happiness). (thou shalt not kill)
- One should follow these rules regardless of their specific outcome.

# Criticism of utilitarianism

- Calculations may be complicated.
- No room for character (the result not the actor).
- No absolute rules of conduct (rule utilitarianism).
- Why happiness and not anything else?
- Can human life be reduced to pain/pleasure?



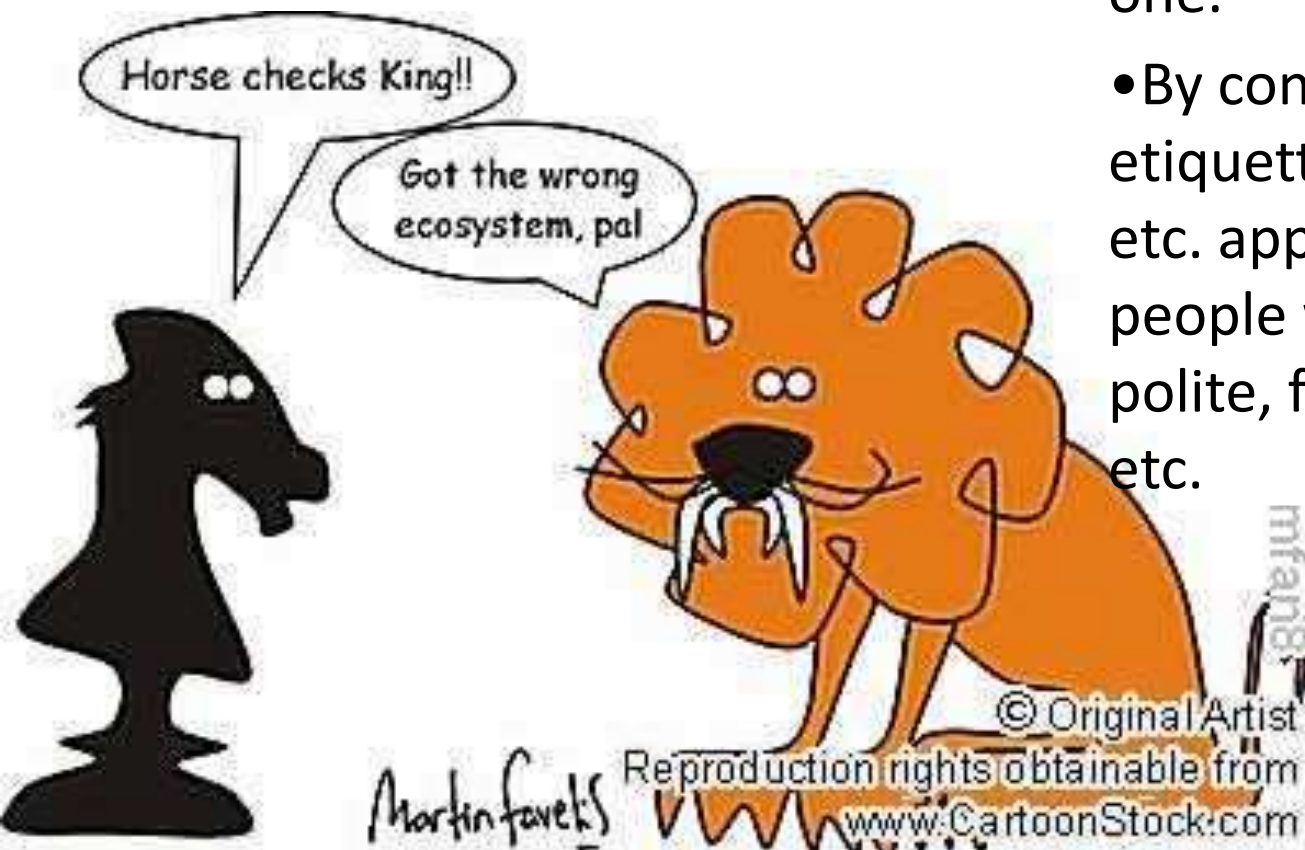
# Immanuel Kant (1724 –1804)

- German philosopher
- From city of Königsberg.
- Kant developed his moral philosophy in three works: *Groundwork of the Metaphysic of Morals* (1785), *Critique of Practical Reason* (1788), and *Metaphysics of Morals* (1797) .



# Kantian ethics

- Kant felt that the rules of morality should apply to everyone, to every possible person as well as every actual one.
- By contrast, the rules of etiquette, fashion, aesthetics, etc. apply only to those people who are trying to be polite, fashionable, artistic, etc.



# Kantian ethics

- Imperatives are “ought” statement, a statement about what people ought to do.
- Most imperatives depend on goals (press button for green light).
- Kant calls these hypothetical imperatives.
- They apply only to people with those goals and only when striving for those goals.



# Kantian ethics

- A categorical imperative is a statement about what people in certain circumstances ought to do no matter what their goals are.
- Applies to all possible people in those circumstances.
- Situation-based exceptions allowed, but not belief-based exceptions or desire-based exceptions.
- For example: (Whatever your desires are) you ought not to threaten people with force except in cases of self-defense, defense of others, just wars, etc.

# Categorical Imperatives

- Morality is universal and necessary. Moral rules apply to everyone.
- Moral rules can be determined *apriori*.
- Every moral rule is a categorical imperative and every categorical imperative is a moral rule.
- To find out whether a certain act is morally required, morally prohibited, or morally optional, check to see whether that act or its opposite is an instance of a categorical imperative.

# The Categorical Imperative

- Kant also uses the term “categorical imperative” to mean “ultimate moral principle.”
- Kant thinks that there is only one ultimate moral principle, but he gives three “formulations” of it.
- Kant thinks that the three formulations are equivalent.
- Most contemporary Kantians think that the three formulations are **not** equivalent.

3 = 1 ?



# Kant's Categorical Imperative #1

- “There is therefore but one categorical imperative, namely, this: Act only on that maxim whereby thou canst at the same time will that it should become a universal law.
- ...The imperative of duty may be expressed thus: Act as if the maxim of thy action were to become by thy will a universal law of nature.” - Kant

# Kant's Categorical Imperative #1

- Maxim: the general principle the agent would take himself or herself to be acting upon if he or she thought about it. (agent, act, situation, goal)
- Universalizable maxim: maxim which is not self-contradictory (self-defeating) in a world where everyone followed it.



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# Kant's Categorical Imperative #1

- Acts that cannot consistently be performed by everyone are immoral.
- Kant's idea is to turn ethical problems into logical problems.
- The essence of morality, the logical form shared by all moral rules, is the categorical imperative.
- The essence of evil is making a special exception for oneself.



## Categorical

- Act only on universalizable maxims.

## Golden Imperative Rule

- “Do to others what you want them to do to you.” - Jesus

# Using the Categorical Imperative

- **Step #1:** Formulate the maxim.
- Maxims have four parts:
  1. Agent
  2. Situation description
  3. Action description
  4. Goal description
- A person finds himself forced by necessity to borrow money. He knows that he will not be able to repay it, but sees also that nothing will be lent to him unless he promises stoutly to repay it in a definite time. He desires to make this promise, but he has still so much conscience as to ask himself: "Is it not unlawful and inconsistent with duty to get out of a difficulty in this way?" Suppose however that he resolves to do so: then the maxim of his action would be expressed thus:  
"When I think myself in want of money, I will borrow money and promise to repay it, although I know that I never can do so."  
(maxim)

## Using the Categorical Imperative

- **Step #2:** Try to universalize the maxim.
- Reword the maxim to make it apply to everyone. And then try to imagine a world in which anyone in the agent's situation with the agent's goal felt free to do as the agent is thinking of doing.
- Now this principle of self-love or of one's own advantage may perhaps be consistent with my whole future welfare; but the question now is, "Is it right?" I change then the suggestion of self-love into a universal law, and state the question thus: "How would it be if my maxim were a universal law?"
- Anyone who thinks himself or herself in want of money will borrow money and promise to repay it, although he or she knows that he or she can never do so. (universalized maxim)

# Using the Categorical Imperative

- **Step #3:** Look for a “contradiction” between the goal of the original maxim and the world of the universalized maxim.
- Then I see at once that it could never hold as a universal law of nature, but would necessarily contradict itself. For supposing it to be a universal law that everyone when he thinks himself in a difficulty should be able to promise whatever he pleases, with the purpose of not keeping his promise, the promise itself would become impossible, as well as the end that one might have in view in it, since no one would consider that anything was promised to him, but would ridicule all such statements as vain pretences.

# Imperfect Duties



- To discharge my imperfect duty to help others I must cultivate a habit of helping. I must become a generally helpful person.
- But I need not help everyone.
- It is up to me whom I help and how I help, although I had better help enough people in significant enough ways to be a helpful person.
- Kant (like Aristotle) takes an intermediate position between those who think we should help whenever we can (Jesus?) and those who think that helping is always supererogatory.

## EXAMPLES: TYPES OF DUTIES

	<b>Perfect Duties,</b>	<b>Imperfect Duties,</b>
<b>Duties to Self</b>	No suicide	Develop talents
<b>Duties to Others</b>	No lying	Help others



# Essence of Evil

- “If now we attend to ourselves on occasion of any transgression of duty, we shall find that we in fact do not will that our maxim should be a universal law, for that is impossible for us.
- On the contrary, we will that the opposite should remain a universal law, only we assume the liberty of making an exception in our own favor.”

## The Categorical Imperative #2

- "Act in such a way that you treat humanity, whether in your own person or in the person of another, always at the same time as an end and never simply as a means." – Kant

## The Categorical Imperative #2

### **Don't treat a person as a mere means.**

- It is perfectly OK to treat Bill as a means to the accomplishment of one's own goal, to use Bill.
- It is wrong to treat Bill as a mere means, to exploit Bill.

## The Categorical Imperative #2

- How do we tell the difference between treating someone as a “means” and treating someone as a “mere means”?
- Don’t do something to Bill without Bill’s informed consent. (Mappes)
- Don’t do something to Bill from which Bill could not dissent. (O’Neill)

# The Categorical Imperative #2

Don't externally constrain people.

1. No coercion. No force or threat of force. (no deterrence)
2. No deception. No lies or withholding of relevant information.
3. No coercive offers. No taking advantage of desperate situations.
  - Threat: Do as I ask or I will make your situation worse.
  - Offer: Do as I ask or I won't make your situation better.
  - Coercive offer: exploitive offer that a person cannot reasonably refuse.

Don't treat people as if they are internally constrained unless they actually are internally constrained. (e.g. immature, irrational, overwhelming passions or desires)

4. No patronizing. Take people seriously. Hold people responsible for their actions. (no rehabilitation)

## The Categorical Imperative #2

- Autonomy is the ability to choose ends that one does not desire. (negative freedom)
- Autonomy is the ability to commit oneself to principles of action that might override one's deepest inclinations. (positive freedom)

## The Categorical Imperative #2

- Persons have intrinsic value; things have instrumental value.
- The essence of evil: treating persons as things, as if they lacked autonomy.
- The essence of morality: respecting autonomy, respecting personhood.

# Implications of Humanity's Unconditional Worth

1. Don't damage rational capacity. No drunkenness, opium, gluttony.
2. Don't destroy people. No suicide or murder for the sake of inclination.
3. Develop and exercise rational capacity.
4. Persuade others instead of manipulating them.
  - (a) Moral education is a rational process.
  - (b) Help others form and pursue their ends rather than enhance their pleasure.



# Deontology

- Cheating on a test.
- Abortion.
- Murder.

# Criticism of Kant

- Doesn't allow for outcomes.
- Extremists.
- Difference in formulations.
- Why all and only humans? (Rationality and autonomy in other living beings and not in all humans).

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