

**Business Ethics**  
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**Lecture - 11**  
**Western modernistic ethical theories (continued)**

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### Act- and Rule-Utilitarianism

**Act utilitarianism**

- Looks to single actions and bases the moral judgement on the amount of pleasure and the amount of pain this single action causes.

**Rule utilitarianism**

- looks at classes of action and ask whether the underlying principles of an action produce more pleasure than pain for society in the long run.

In the rule utilitarianism what we see like it looks at the classes of actions and ask whether the underlying principles of an action produce more pleasure and pain for a society in the long run. So, like if you are comparing two situations in the first unit of talking of act utilitarianism it focuses on a single situation, but if you are focusing on rule utilitarianism it is focusing on the principles guiding the situation whether it is enhanced or whether it is blocked and then it talks of like whether it is right and wrong for a particular principal like if you are asking a question like is it ok for employing child labour.

Maybe you are trying to question about the principle of whether it is not as for a particular situation whether you have child employed for doing certain things and it is restricted to the that particular child labour or laborer, but here you are trying to question about the practice policy about organization may have about the employing of child

labour and there you are focusing on rule utilitarianism whether you will questioning the underlying principles and you are telling like whether it produces the principles underlying principles which are guiding your actions whether it produces more pleasure or pain for the society at large.

Whenever we are talking of rule utilitarianism where we are questioning principles and then trying to focus on the fact like it is a part of our responsibility to see that the underlying principles which we are following as a guiding principles for our business is done in a right way and it is not wrong or it does not produce pain to the society in the long run, but at short and long term then we are talking of our responsibilities of our duty to the society at certain extent to others certain extent to others related parties to us to a certain extent and this is where we are talking of ethics of duties.

The difference with the consequence theories and non consequentialist theories are inconsequential theories we are focusing on the act itself the action produce the outcome itself and were trying to see whether it is right and wrong whenever we are focusing on the process leading to the action and we are not focusing the action person then we are dealing with non consequentialist theories and ethics of duty is one of the non consequentialist theories which looks into whether the; we and it has exceed in rule utilitarianism which tells like whether the guiding principles are which are right wrong with principles which you are following whether this is right and wrong in terms of whether it produces pleasure or pain for the society or to the people connected in the long run.

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**Ethics of duties**

**'Categorical Imperative' (Kant)**

- Maxim 1: **Consistency**
  - Act only according to that maxim by which you can at the same time will that it should become a universal law.
- Maxim 2: **Human Dignity**
  - Act so that you treat humanity, whether in your own person or in that of another, always as an end and never as a means only.
- Maxim 3: **Universality**
  - Act only so that the will through its maxims could regard itself at the same time as universally lawgiving (would others agree? Would you be happy to see your decision reported in the press?)



To do this, what Kant propagates is that call corporate or individuals need not have to follow god or religion to find out what is right and wrong for particular situation and what are my duties in a particular situation with respect to a particular group or what are my duties he tells there are three categorical imperatives. And if all the three categorical imperatives are followed then no like we have done our duties. Now let us see; what is this categorical imperatives.

One is the first one is called consistency means consistency tries to define whether you are behaving in the same way across different situations in different time. So, that is called consistency. So, whether there is inconsistency of your action what you are doing you. So, for one time you do certain good and next you do not do it then it does not count for you being to right and wrong or doing your duties properly or not. So, consistency of action where you go on repeating your behaviour positive behaviour heavier focusing to with black with different situations across different time frame that is consistency next important maxim that Kant is focused into is human dignity this is giving proper respect to others and to oneself.

It propagates like we cannot use person as a means to a certain ends, but the interaction with the person should be let the goal should be to develop that person himself or herself

as a that is the outcome. So, the second imperative tells like human being cannot be used as medium of gaining certain outcome the benefits of which does not flow to that particular individual who has been used to reach a particular outcome and rather the goal for developing a particular individual is an end status in itself. So, that is the second imperative of Kant. So, human dignity is always an end in itself and it can never be a means to reach that end the benefits of which do not close, but particular individual.

Third maxim is what we call universality in universality, we sometimes claim like our acts are ethically right because all others are doing in the same way, but as a test of universality you have to see given the same situation would you like to see yourself or people connected to you in the same situations like other person from whom your deciding about and then tell yes this is how life is like suppose you are buying toys for your children and that toy is manufactured or helped assisted is in manufacturing is by children then you can tell what can I do this is the responsibility of the government do with them and everybody buy toys.

So, this everybody route that you take can be misleading way of treating universalism rather you need to think in this way would you like your child to like your you would like to see your child also toiling in certain way maybe in very uncertain conditions and want that he or she also produces toys for others and then if your answer is no to it then you find action that you have taken to decide something about the issue of child labour maybe having ethical dilemma and connotation like because it is not universalism; universalism gives your thumb rule do unto others as you like it to be done to yourself.

The outcome and the process that is followed for others if you as a decision maker cannot accept the same outcome given the same situation for you also or your near and dear ones also then you cannot claim like you cannot come to the conclusion that you have taken a ethical decision in that context. So, this is called ethics of duties and 3 maxims are maxim 1 is consistency, maxim 2 is giving due dignity to respect recognition to the person, the person should not be treated as means to certain actions, but there are they are eventually end in themselves.

And their benefit, their development should be the concern of the people or the decision maker who is trying to make a decision for the individual third is universality if we cannot accept the process and consequence for our self we cannot tell like the same decision which we have taken for others for that particular issue is ethically correct or ethically correct because the same outcome and the process we are not ready to accept it for ourselves. So, that is the universality perspective.

One point to discuss over here is it is very maybe easy to tell in a talking of consistency human dignity and universality, but when we talk of the network of stakeholder theories or we are speaking of ethical relativism in terms of like region wise difference cultural differences then it the universality maybe it is very difficult to implement because each region has its own standard way of behaving and believing and. So, whether that maxim full filled is a part of you doing the duty, it becomes like if you are talking of universality in terms of applicable to all if you defining it in that way then it becomes a problem.

But if you are trying to work on this reversibility nature of universality means; if you are trying to focus on the thing question like what you are doing to others do you accept the same process and consequence for you and your guiding answer is yes then you understand it is what you doing is ethical in nature, but and this is independent of any culture situation region that you are doing it, because it is you are answering based on a set of values that you have generated and it is the persons value system which is guiding the answer to this and if you find like no you are not able to accept this then it is not ethical in nature. And again this is not connected to the region wise division when you are talking of cultures varying across or priorities of right and wrong varying across the different boundaries so the in that way you can take care of the relativism part.

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**Ethics of rights and justice**

**Natural rights**

- Certain basic, important, unalienable entitlements that should be respected and protected in every single action.
  - Based on consensus about nature of human dignity
  - Strongly based in western view of morality

**Justice**

- The simultaneously fair treatment of individuals in a given situation with the result that everybody gets what they deserve
  - Fair procedures (procedural justice)
  - Fair outcomes (distributive justice)



Next traditional theory, what will be moving towards is called ethics of rights and justice. So, when we are talking of rights over here; here we are talking of entitlement and entitlements in terms of natural rights. So, what are these rights natural rights are certain basic important unalienable entertainment that should be represented and protected in every single action based on consensus about the nature of human dignity and strongly based in western view of morality.

We can understand if you are giving a proper dignity to your employees if you are giving proper dignity to your customers and your suppliers and you are not utilizing them as a just as a means to achieve your selfish gain of making more profit for yourself and all then what happens you are also when you accept these thing as your this whole and like there are these heaven reason these groups are not means to particular ends and then on the other hand side also you acknowledge and recognize that because they have the dignity they should be respected they need should be heard. And it should be if they have certain rights it is to be respected it is to be given to them it is not to be violated and it needs to be protected so that talks of respecting the maybe the fundamental rights of your different stakeholders and trying to see that these rights are not violated by any of the parties and also by itself.

Next when you are talking of justice it talks of fair treatment of individuals in a given situation with the result that everybody gets what they deserve. In one word when you talking of fairness you talking of justice done questions may come over here before we go to the detailed discussion of this question one who defines what is fair for me. Who defines what is fair for me how much quantity or what quality if given will determine this is fairness. So, first question who determine what is fair for me? What quality and quantity if given will tell this is a fair portion given to me? So, again the concept of fairness lies with the decision maker and maybe some guidelines given by the social society at the context in which the decision is being made.

So, the concept of fairness is a relative concept given by the with respect to the decision maker and with respect to the particular situation also and accordingly we tried to tell fairness is received were thinking like they are getting fairness when there are two things fair procedures and fair outcomes whenever we talking of fair procedures that what you are focusing to is procedural justice whenever you are focusing to fair outcomes we are talking of distributive justice.

The way benefits and or harm gets distributed that process has to be fair right the outcome that is given in terms of quality quantity and quality that also has to be fair repeating the process in which the ways in which the treatment is done in which things a given dealt with the decisions are made in the organization it should be fair in that is it should be transparent and it. And due to following rules these are called procedural justice fairness of outcome means the amount given the quality given should also be right and when we are comparing these two things. So, this is called the distributive justice to the outcome is right it is fair in that fairness in the distribution of that outcome to two parties then it is called distributive justice when it is related to the way in which it is given it is called procedural justice.

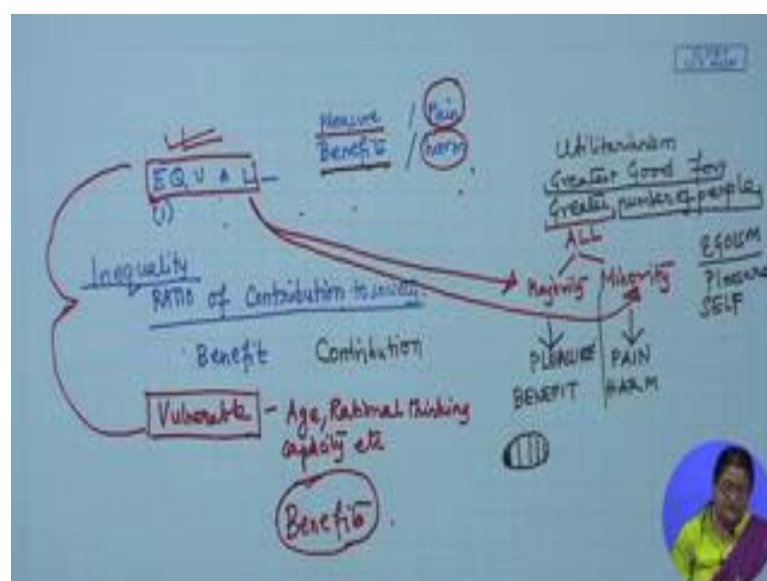
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### John Rawls's 'Theory of Justice'

1. Each person is to have an equal right to the most extensive total system of basic liberties compatible with a similar system of liberty for all.
2. Social and economic inequalities are to be arranged so that they are both:
  - a. to the greatest benefit of the least advantaged;
  - b. attached to offices and positions open to all under conditions of fair equality of opportunity

Question comes how do you distribute this fairness? What is the rule that you follow when you are distributing this fairness? So, there can be 2-3 different viewpoints, one viewpoint tells so if we are coming to the question of how to distribute this benefits or harm pleasure or pain the what is the way to do it where it two different ways.

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We can think of like distribute it equally so based on the benefits and the harm are you talking of pleasure and pain, distribute it equally throughout, but few questions may be raised regarding in the sense if you are distributing specifically if you are concentrating on the benefit part also if you are distributing it equally then all the pleasure equally what is the guarantee like people will share the harm on the pain equally also. Now if you want to go for so is it also guaranteed like if the benefits get distributed equally the pleasure gets distributed equally. Then the pain corresponding pain or the harm also get distributed equally or not here the question comes again can everybody are you reaching everybody equally through the distribution of your benefits or pleasure if you are comparing this with the utilitarianism perspective.

You are saying it is a greatest good greatest good for greater number of people if it is so then; obviously, this greater does not mean all and we lead to a concept of majority and minority. So, if you are talking of equal distribution of benefit to all how do we guarantee like these benefits gets equally distributed to the majority and to the minority in the society. So, this is one how do we also take like this measures how do you ensure like the pain also gets distributed equally it may. So, happened that the point of argument is that as you have seen in this principle of greatest good for the greater number of people the minority is sharing the burden on the pain part and it is the majority who is getting the pleasure part the minority is sharing the harm part and it is the majority who is getting the benefit part for this.

Again we may come to a second way of distributing in terms of distributing in terms of ratio of contribution to the society, which talks of like the benefits gets distributed in the ratio of your contribution made to the cause of the organization or to the society. So, benefit becomes. So, here we are bringing in of course, inequality in distribution and we are telling; however, were trying to appear to a logic or rule of decision making in telling do we are not telling it is equal distribution going to all and because you are seem like this problem could be there with the sharing of the pleasure on the pain. And it may give this equal distribution may give rise to some people who are contributing more may thinking like if we are earning we are, because at the end of the day if it go like everybody gets moved by egoism and they want to see a pleasurable state of outcome for self.

Equally distributing to all means if this is the share and if it gets equally distributed to all then your share become less and even though you are contributing to the in a much bigger way to the cause of the society of the organization and this may not be acceptable to some people who are contributing more who are giving more for the cause of the organization or for the society or even for the family which ever unit you are taking and this equal distribution may not be acceptable and they are more would be favorable in terms of ratio distribution of benefit with respect to the ratio of contribution to the society or to the organization when we are doing it. So, what you are trying to map is benefit is with respect to contribution.

However, this may raise a question about what about those people who are vulnerable people in terms of age in terms of may be rational thinking capacity etcetera who are physically or mentally not capable enough to contribute significantly to the benefit of the society at large then is it that, because that they are not able to contribute maybe anything contribution is zero think of a small child think of people with physical or mental challenges think of people who are who have become old. Now who cannot contribute significantly visible positive contribution for the sake of the society is progress development or the organization progress development should they be deprived of the benefits when it comes to the distribution of benefits and if it is followed this benefit distribution of benefit according to the contribution made and this also may not be acceptable in the sense what happens to them when if they are not getting this benefits maybe their survival is at stake.

To keep a balance between these off to keep a balance between distribution benefits equally harm equally distribution of benefits for as per the contribution to it mainly here we are talking of benefits distribution of benefits then we come to the next theory which is called the John Rawl's theory of justice where he has tried to keep a balance between these distribution of equality and inequality. So, what it tells in the first part is. So, each person is to have an equal right to the most extensive total system of basic liberties compatible with similar system for liberty for all means when it comes to sharing of some basic benefits then it should first go to.

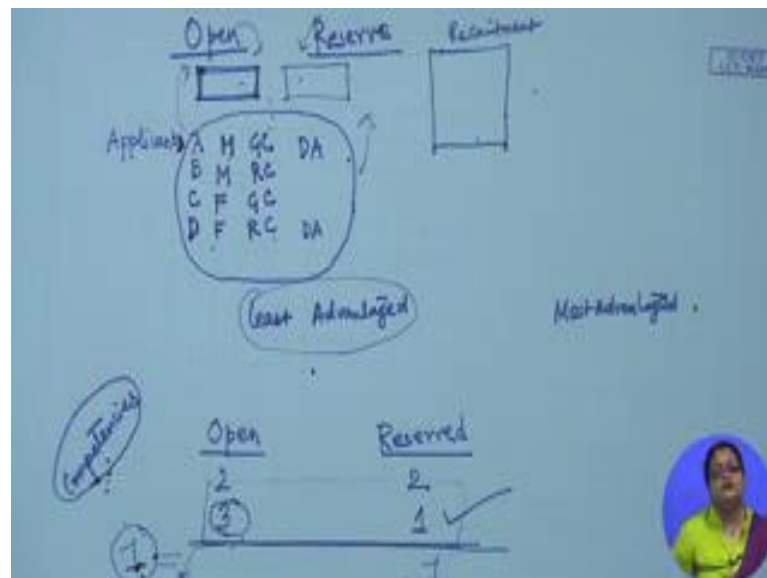
Like nobody can be deprived of it like if it is something connected with your like physical lower level needs as mentioned in the Maslow's hierarchy something connected with your existence something connected with your survival like need for food need for shelter need for clothing these are certain basic amenities and maybe some of your fundamental rights where you need to need to ability to talk ability to express. So, these types of things these benefits are equally open to all and you cannot deny this benefit based on certain point of differentiation that you are going to make. So, this is where equality comes in. So, when we are talking of basic benefits to be distributed across people.

It has coming to all social and economic inequalities are to be arranged. Now if it is coming to arranging of inequalities then the basic benefit again these inequalities are to be arranged. So, that it goes to the greatest in such a way that it goes to the first is greatest benefit of the least advantaged for example, suppose we can tell from point one like having access to food grains is a basic necessity of everyone of whatever age gender caste creed whatever diversity is there. So, this is an equal right which is should be travelling or which would be going to and a benefit which is enjoyed by everyone and we cannot deprive anyone from that, but when you are looking at point 2 then do every one of us get food grains at a concessional rate when it comes to distribution of food grains at a concessional rate this is economic inequality or a facility benefit that we get because some people will get it at a concessional rate some people will not get it at a concessional rate.

How to select, who will get it at a concessional rate is answered by point 2 A where we find to the greatest benefit of the least advantaged now who are the least advantage in this situation maybe people were below poverty line socially marginalized people these people these are people who are residing in geographical areas of the country where due to the nature where they are residing conditions where they are residing access ability to food grains are less they are entitled to this benefit more as compared to other who can have the opportunity who have the capability to like get it for themselves who have the capability to purchase and procure it for themselves. So, these are the people if you talking of inequality. So, here the inequality social and economic inequalities are to be arranged so that they are both given to the greatest benefit of the least advantaged people.

Second when you are talking of point 2 B social and economic inequalities are to be arranged. So, that they are both attached to officers and positions open to all under conditions of fair equality of opportunity what we try to mean over here like we have to arrange it in such a way like if we have taken care of the inequality social inequality prevailing in the society through point one through point 2 A then point and that is how we have closed the gap between the haves and the have nots, the advantaged and disadvantaged people and then we have brought them together in the same platform then if it requires like whom do I get give the benefit to it depends on the merit of that particular person here b.

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For example, suppose if a trying to put this thing in the scenario of the organization suppose there is a selection process, there is suppose only suppose there is only 1 position and we have applicants A, B, C and D and suppose we feel like if this position and we can bring in diversity over here also applicant, A is applicant, A is male general category, B is male reserved category applicant, C is female general category applicant, D is female reserved category. So, here we have two things we also may tell, applicant A is male general category, divvying applicant C, D is female reserved category divvying.

These type of you know in a const things which are decisional like variables may occur and you have one particular position or two positions open where you are going to take two persons and you have these many candidates were there then based on these theory of justice by principal one where each person has to get an equal right to the most extensive the system of benefits by this you then have to allow all to apply you in your recruitment advertisement that you can that you are recruitment advertisement you cannot create restrictions for people to apply. If that restriction is not a necessity condition for the job requirement not directly connected to the job requirement then you cannot stop people from applying to it. So, based on other things, if it is not a necessity condition of your job requirement you cannot make stop people from applying based on other unrelated criteria which may not be a relevant criteria for your job by that you are taking care of point one where you are allowed all to apply.

Second to answer to point 2 A, where you are talking of like you are giving the benefit to the greatest benefit of the least advantaged. So, what you can do over here you will try to find out from these conditions given who are the least advantaged and who are the most advantaged. And based on your judgment then you can reserve one post this is again an hypothetical example reserve one post for the group that you feel are least advantaged according to you and you can keep one position open for the others now based on this suppose in this hypothetical situation happens like the space which is open and also the space which is reserved for the least advantaged there are two in both or there could be 3 and one if these situation happens this becomes a clear case and you have to decide from here.

Given now there maybe you can select only one for this post and 1 for this post means out of these 3, you have to select only 1 person, how to select this 1 person? This decision will now be based on who best maps into the competencies required by the job why because through all the earlier processes taken you have taken care of the inequalities or disparities residing between have or have nots advantaged or more advantage. Disadvantaged and brought them at an equal platform of with each other where all other things facilities have been given so that the only comparable parameter lies of a here is the competencies that you have and the competencies that the job requires for that position to be filled.

And now here if it talks of discrimination done it talks of inequality done in because when you are selecting one and you are not selecting the others of course, this is a discrimination or inequality done then that inequality is based on the competencies that the job requires in the competencies that you have and this inequality is done in like given as input when after a fair equality of opportunity have been given to all to come to a basic platform from where after which this inequality is introduced.

That explains the point 2 B where theory of justice which talks of attached to offices and positions open to all under conditions of fair equality of opportunity given.

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However, till now what we are discussing are the traditional theories of ethics, but these traditional theories of ethics have their own limitations also like this are too abstracts then is it too objective in nature it does not take into consideration the situations that the business are being done the people involved in the situations the relations there it does not connect the person making the decision about someone and the person about whom the decision is being made that is why it is too impersonal, it is too rational and codified, it is expecting, it is assuming all the decision makers are rational decision makers which may not always be the case and it is too imperialistic in nature.

So, these are some of the criticisms for the traditional theories and this is where the contemporary ethical theories come in to like take care of these criticisms. In the next discussion we will be moving forward with the discussion of contemporary theories of ethics.

Thank you.