

A Question of Ethics

Actions, Outcomes, or Social Mores—Which Is Most Important?

Do favorable outcomes such as a good reputation, success, and profitability imply an ethical decision-making process? Is it more important to simply focus on doing the right thing, regardless of the outcome? How do we find a moral basis for conducting our personal and professional lives?

In our search for answers, we will briefly examine utilitarianism and duty-based ethics—two premier theories for ethical decision-making. We will see that it is often necessary to balance them in order to find the best answer. First, though, let's look at another theory, ethical relativism, which is very prevalent and tends to muddy the waters.

Relativism

During the past couple of centuries, anthropologists and sociologists have studied and catalogued moral habits across cultures. They have found divergent, sometimes widely divergent, moral practices in different cultures and even in the same culture at different times in history.

Why? No one really knows. However, some social scientists believe that there are no absolute, transcendent, and transcultural ethics at work in the world. In other words, they believe that there are no absolute or universal rights and wrongs. Rather, ethics are derived from the habitual and accepted conduct found in each culture.

According to one anthropologist, ethics can be seen as developing like language, and, as a result, are non-rational and have no meaning outside of a particular culture. In this view, language is seen as developing by chance. Just as there exists an infinite number of phonetic sounds and ways of putting those sounds together, so it is with ethical ideas and their construction. Accordingly, it would be meaningless to say that one language is better than another—likewise with ethics.



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On the personal level, absolute and objective morality is seen as non-existent. Ethics are strictly personal and are beyond the scope of criticism.

It is important to note that social scientists, and not ethicists, developed the theory of ethical relativism. Although the ideas of ethical relativism are widely accepted in our own culture, it requires a great leap of faith to accept them. Some reasons follow:

- **Shared values.** There are certain universal moral values that apply in every culture. Some examples are: protection of persons from physical harm, significance of truth, and care for the young. Without these, it is obvious that any society would rapidly decline into confusion and chaos. For example, let's consider the unjustified taking of a human life. A dictator may sanction the mass murders of those he fears or distrusts. However, if you murder someone without the dictator's acquiescence, you would likely be treated harshly. Why? Because such murder is outside the purview of the dictator's interests, and is in opposition to larger social interests.
- **An error in logic.** It is a logical error to infer ethical relativism from mere diversity of values. The fact that values differ does not preclude the possibility that some values are wrong. The relativists need to show that there are no absolute values, which they have not been able to do.

- **The majority might be wrong.** Relativism infers that ethical norms are defined by popular opinion or as reflected in existing legal code. Either may sanction morally wrong practices.
- **Inconsistency.** Since relativism does not permit ethical criticism of other cultures, relativists are in no position to criticize foreign governments for human rights abuses or other unethical practices, yet many do. Likewise, relativists should not be able to criticize our own culture in earlier periods of history, such as our treatment of the American Indians or acceptance of slavery. Thus, the very idea of social progress should be alien to them. But it isn't, except to possibly a very few.

Utilitarianism

The utilitarian theory finds moral justification in the outcome of actions. The moral validity of any action is based on the outcome that it produces. Which outcomes have positive moral value? According to **John Stuart Mill**, one of the architects of the utilitarian theory, right action is useful action in attaining the pervasive goal of general happiness—the most good for the largest number of people. Conversely, an action is wrong if it does not provide the most good for the largest number of people. Utilitarianism does not consider the nature of the action itself. Moreover, it does not consider any religious or other pre-established values.

In the business environment, right action is that action that positively affects the greatest number of stakeholders (owners, customers, employees, etc.). In order to analyze the impact of alternatives, a cost-benefit analysis (whether formal or informal) is undertaken to measure the impact of possible alternatives. The alternative providing the greatest benefit to all those affected is deemed morally correct.

Utilitarianism is often employed in making business decisions and has formed the basis for many sound, ethical decisions. There are, however, some problem areas that need consideration when using this model:

- Outcomes as a moral basis. Outcomes alone do not provide a sufficient moral basis for decision-making. In other words, the ends do not necessarily justify the means. This is a conundrum for utilitarians because utilitarianism can encourage unethical actions in the pursuit of worthwhile goals. It does not consider that some actions, in and of themselves, may be wrong.
- Dollars and cents. Utilitarianism assumes that all benefits and costs associated with a business decision can be accurately measured in financial terms. However, not all decisions can be reduced to “dollars and cents.” First, the constant presence of business risks (unpredictable reactions by competitors, regulators, and customers, changes in the economic climate, etc.) can lead to much uncertainty and make it difficult to do reliable cost-benefit analysis. Secondly, cost-benefit analysis cannot accurately measure the personal (non-financial) pain borne by those in the minority—the stakeholders affected adversely by the decision.
- Rights and justice. A major criticism of utilitarianism is its inability to deal with the moral issues of rights and justice. An action may be morally right by utilitarian calculation but at the

same time be unjust and violate the rights of those in the minority.

Ethics Based on Duty

Duty-based ethical standards are based on religious or philosophical teachings that incorporate moral obligations and imperatives. In contrast with utilitarianism, the standard for right action is found in the intrinsic nature of the action itself as opposed to the outcome of that action. The ethical imperatives that underlie right action are absolute and universal. How do we know which actions, in and of themselves, are right or wrong?

In the West, certain teachings from the Judeo-Christian tradition—found in the New and Old Testaments (especially the Ten Commandments)—generally are the basis of our ethical imperatives. They form the basis for our legal systems and underlie our concepts of rights and duties. It is difficult to overstate their influence on ethics in our culture.

The work of **Immanuel Kant** (1724–1804) is also influential. Kant developed a system for identifying moral behavior. Under Kant’s system, known as Deontology, an action is ethical if it meets three criteria: necessity, universality, and respect for personhood. First, an obligation or duty, by its nature, necessitates a response. Using truthfulness as an example, you either respond truthfully or you do not. Secondly, the response must be such that, if it were (Kant’s words) “a universal law” (i.e. everyone did it), the results would not be self-contradictory. If everyone always lied, the result would be absurd and non-rational. If everyone told the truth, the result would be rational. Finally, respect for personhood is critical because each person is owed dignity based on his or her nature as a unique, rational, and free being. According to Kant, each person is an “end” in and of himself or herself. It is wrong to treat people as objects in order to attain some benefit. Telling the truth removes the possibility of deception, which objectifies others.

The ethical imperatives found in Judeo-Christian ethic and in Kant’s work condemn activities such as lying, cheating, stealing, and murder. As such, it appears that they have much in common.

Conclusion

While duty-based ethics may sometimes seem to disregard outcomes, they do provide strong guidelines for ethical behavior, form the basis of our concept of justice, and have a high view of the dignity of humankind. On the other hand, utilitarianism’s emphasis on outcomes can be very beneficial—provided that the outcome is just, respects the rights of others, and is not achieved through unethical action.

The ethical considerations inherent to decisions we make at work are sometimes far more complex and difficult to navigate than those we may expect to face in our personal lives. While it is never right to undertake an unethical action, the right course of action is not always clear. In such cases, it is necessary to carefully weigh alternative actions and outcomes, seek the perspective of trusted associates, and make the decision that you believe to be—and can defend as—ethical.

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