Five Ethical Approaches in Organizational Decision Making

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Q. Provide a detailed comparative description and analysis of the five approaches to Ethics: utilitarianism, Rights, Fairness, the Common Good, and Virtue.

Q. Provide a detailed comparative description and analysis of the respective philosopher (their background) and philosophy behind each approach.

The Rights Approach:

The rights approach is based on the idea that "people have the privilege to pick ways which influence their fate since they are human. Besides, people are supported in their desire for their rights to be regarded. These rights incorporate the privilege to reality, the privilege of security, the right to not be harmed, and the privilege to the satisfaction of guarantees."

This approach is critical with regard to ethics and morals. Immanuel Kant is an eminent scholar of the eighteenth century and has laid the necessary foundation for this theoretical approach.

Individuals have their own viewpoints in their capacity to pick what they will do unreservedly. According to this method, individuals are not any particular items that could be mechanically controlled; however, it is termed, according to Kant, "an infringement of human poise" in those specific ways that they don't pick openly. Apart from all this, a variety of related rights exist other than this fundamental right. This range of duties can be assumed as a part of the great ideal.

This compilation of rights may include rights to reality, privilege and security interests. To choose the moral and ethical nature of any activity, several questions are to be asked in that regard;

• Identifies primary interests that our conduct views, especially the ones that our lives justify as security from other people.

• Every person has a “central ideal” that has to be regarded as a free and reasonable person who is equipped to settle on his particular choices.

• It infers various rights like that of security, and it must be ensured in the case of a person having the flexibility to coordinate his special life.

• The standard expresses: “An activity or arrangement is ethically right just if those people influenced by choice are not utilized only as instruments for propelling some objective, yet are completely educated and regarded just as they have uninhibitedly and intentionally agreed to be dealt with.”

The Utilitarian Approach:

The utilitarianism approach was presented in the mid-19th century by renowned scholars Jeremy Bentham and John Stuart Mill, who determined the laws of Legislators. Both scholars Bentham and Mill suggested that moral or ethical activities offer the greatest balance of both good and evil.

“Ethical actions are those that provide the greatest balance of good over evil.”

To practise the utilitarian approach, the identified problem must be analyzed from various perspectives. The proposed solutions to each one of the problems must be “contemplated for arriving at the one that favours the greater good.”

To analyze any issue using this approach, the first step is to identify the different courses of action that are available to us. Secondly, it is important that one inquires about who will be affected by each of the measures taken and to determine what would otherwise benefit the other. The third step is to choose the actions that will produce the greatest of those benefits and the minimum harm that they may cause.

According to Jeremy, “The ethical action is the one that provides the greatest good for the greatest number.”

• Focuses must be on the final output and consequences that these specific steps and policies will have on the utility of the people who are to be directly or indirectly affected by those policies or actions.

• One must keep in mind that different people usually determine benefits and harms differently.

• The principle states: “Of any two actions, the most ethical one will produce the greatest balance of benefits over harms.”

The Virtue Approach:

The virtue approach explains an assumption, according to which there are “higher orders of goodness” to which a person must aim and also that only moral or ethical activities will help us achieve the given higher level.

The “virtue approach” to ethics also assumes various ideals for which a person must strive. The chosen models must be provided for the development and prosperity of humankind.

Virtues are the characteristic traits or specific attitudes which enable us “to be and to act in ways that develop our highest potential.” Virtues also enable people to pursue the ideals that they have adopted. The cited examples for attributes include honesty, fidelity, fairness, compassion, integrity, self-control, and prudence.

Moreover, virtues are like habits. If these are acquired once, they will ultimately become a characteristic trait in that person. Also, anyone with developed attributes of such nature would automatically be disposed to the action in a way which is consistent with ethical principles. According to this approach, any right person is also a decent person because these two traits go hand in hand.

• The focus must be on the attitudes, character traits and dispositions. These will also enable individuals to be and act in ways that develop our human potential.”

• Various communities identify differing virtues in their particular way of determining such traits.

• The principle states: “What is ethical is what develops moral virtues in us and our communities.”

The Fairness Approach:

The “fairness approach” believes that all people must be treated on an equal basis without any discrimination of their standing in their lives. This method has deep roots in the ideas of the prominent Greek philosopher Aristotle. According to him, “equals should be treated equally and unequal unequally.” The fundamental question based on morality according to the principles of this approach is: “How fair is an action? Does it treat everyone in the same way, or does it show favouritism and discrimination?”

People typically get benefits over other people due to the factor of “favouritism,” which is unjust and unjustified.

• It is imperative to focus on fair or unfair actions which may benefit or harm other members of the group.

• Consistency in the treatment of people is important in this regard.

• The principle states: “Treat people the same unless there are morally relevant differences between them.”

The Common Good Approach:

The “common right approach” determines moral actions that will benefit all members of that community. This method “assumes a society comprising individuals whose own product is inextricably linked to the good of the community. Community members are bound by the pursuit of shared values and goals.” The idea of this theory dates back almost 2,000 years and is found in the writings of Plato, Aristotle, and Cicero. In the contemporary scenario, John Rawls has defined it as “certain general conditions that are…equally to everyone’s advantage.”

According to this approach, a person focuses on ensuring the social systems, policies, environments, and institutions. Cited examples include a just legal system, affordable health care, unpolluted environment, adequate public safety and peace among nations.

This approach incites an urge in oneself to view oneself as a member of that society or community by reflecting on the deep level of the concerns as to what kind of society we want to become and the procedure to guide through it. This approach discusses the environment in which a person is given the urge to pursue their goals by valuing the freedom of individuals.

• “Shared pursuit of values and goals” are presented.

• The societal culture of that community is comprised of people whose own right is inextricably attached to the better of the whole society.

• The principle states: “What is ethical is what advances the common good.”

Q. Define fairness. What are the principal two reasons for fairness from an ethical standpoint?

The concept of fairness is closely related to the idea of justice, which involves “what is right and equal.” Due to the limitations of human experience, its interpretation is assumed to be a fundamental problem according to this approach. Fairness, however, could be interpreted as “being equal in the provision, opportunity or result. From each point of view, the other point of view may seem unfair.”

Since everyone gets the same thing as a result of being fair, it can be seen as equality. Due to the differences in human nature, everyone doesn’t appreciate and deserves the same thing; this makes it a strong limitation of the approach. For example, a child would demand a different kind of stuff in comparison to a grownup person due to the difference in approach and feelings.

For the purpose of correcting any injustice, it feels good to make it right by giving each person the same amount of money, status or such. For some people it might feel fair, for others, extra compensation is required, but this might be perceived unfair to many others who were doing the same work.

Fairness is defined by Velasquez (2002: 106) as: “concerned with the comparative treatment given to the members of a group when the benefits and burdens are distributed when rules and laws are administered, when members of a group cooperate or compete, and when people are punished for the wrongs they have done or compensated for the wrongs they have suffered.”

There are significant similarities between fairness and justice, and the term justice is used in comparatively more dangerous scenarios than fairness. The meaning of fairness is often difficult to explain and might alter depending on the situation. However, various points in this reference are explained as follows:

1. When people are not treated similarly unless there are some relevant differences between them, Unfairness arises. Since it’s tricky, it cannot be determined.

2. Equality is also an important concept linked to fairness. “Although it is not clear as to whether people should be considered equal, to begin with, or if people need to prove that similarities exist. What we do know is that if someone feels they have been treated unfairly based on a lack of equality, the burden to show that the unequal treatment is fair is placed on the person who is endorsing it.”

3. The third major component is directly laid on the idea that “people get what they deserve for what they have done; their due. In other words, on top of equality, the actions of a person must be factored in when we determine what treatment they deserve and whether, in fact, this treatment is fair.”

4. The fourth component, however, focuses on a “person’s moral rights” and the way people are treated unfairly, mainly when their moral rights are violated.

Q. Concerning fairness, what is the role of impartiality and consistency in meeting the community’s expectations of fairness? Please elaborate.

The basic principles of fairness are central to retributive, procedural, and restorative justice. The principles of these secondary approaches are supposed to ensure that the primary procedures will generate “unbiased, consistent, and reliable decisions.” The focus of these is on “carrying out set rules in a fair manner so that a just outcome might be reached. Appropriate procedures are central to the legitimacy of decisions reached and individuals’ acceptance of those decisions.”

In carrying out a proper process in either negotiation/ mediation or any legal proceedings, the impartiality of the third party has to be ensured by all means. It concludes that by retrieving appropriate and defined information, an honest and unbiased decision is made. For example, in any case, the role of a judge must be impartial to a maximum level, and that of a facilitator must be in a manner that doesn't exhibit any prejudice by giving one party any leverage over the other. The general rules must also be impartial and should not give any particular favour to any person over the other.

An unbiased, universally applied procedure, whether it serves to distribute wealth or deliver decisions, can ensure impartiality as well as consistency. The principle of coherence proposes that "the distinction of some versus others should reflect genuine aspects of personal identity rather than extraneous features of the differentiating mechanism itself."

The "principle of standing," however, suggests that everyday people must value their membership and association with the group. Also, the status of the societal institutions and decision-making procedures must be affirmed as a member of the society. For example, all the stakeholders must have a say in the decision process. Specifically, the unprivileged or mainly disadvantaged members of any group or community must be empowered and should be given an adequate opportunity to be heard with respect. If the people are treated with respect during the decision-making procedures, they feel dignified, and their affirmation gets stronger. A core principle of "restorative justice" is, for instance, that the one who directly gets affected by the offence of others must have representation in the decision-making process with regard to the results and aftermath of that attack.

"Trust" is another significant issue which is closely related to the respect and dignity of a person. One of the measures of fairness is "whether society members believe that authorities are concerned with their well-being and needs. People's judgments of procedural fairness result from perceptions that they have been treated honestly, openly, and with consideration. If they believe that the authority took their viewpoints into account and tried to treat them fairly, they are more likely to support and engage in the broader social system."

Q. Please define and elaborate on the following: First Come/First Served, Random Allocation, and Allocation based on Contribution. Cite and elaborate on a morally relevant distinction as it pertains to Fairness.

To analyze a system, it is imperative to compare various alternatives. Therefore, all the major allocation systems have been briefed, including mainly of:

• First come, first served (queuing)

• Random allocation (lottery)

• Allocation based on Contribution.

A quick discussion about each of these allocation types is explained as follows:

First Come, First Served:

According to this system, the institutes allocate entirely by utilizing time and effort as necessary criteria for selection and allocation. It is an applied principle. As an example, we can see how seats are allotted on a train or bus. Oberholzer-Gee points out: “Car dealerships deliver vehicles in the order in which they were purchased. At airports, passengers are checked in the order in which they arrive. Theme parks use waiting in lines to allocate seats on favourite rides. VeriSign, Inc., the Internet firm, has developed a service which allows parties to be next in line to obtain a currently used domain name once it is deleted from the registry. Call centres queue calls, and the organizers of sport and entertainment events typically sell tickets on a first-come, first-served basis.”

NGOs or even government agencies commonly use waiting lists, which is one form or example of this allocation system, to allocate scarce resources. Rooms in nursing homes, health services, housing vouchers and hangars at airports are other general standards. Also, universities use ‘waiting lists’ to allocate seats in courses, hostel systems, and parking spaces.

Elster (1989b) makes a clear distinguishing factor between the two sorts of queues, the one voluntary standing in line and the other, formed by the natural process of care units after a disaster. It is an allocation system which is purely “a function of time of arrival” and is not in any way dependent on other factors like class, age, gender, etc. At times, when there is a scarcity of individuals, it can be viewed as having two major competing and opposing natures: “individualism based on rational self-interest and egalitarianism based on social justice and fairness.”

As a rule of nature, it is observed that on a hot day, people are relatively more thirsty than on ordinary days. In a situation where the available water is scarce and the audience of the public demanding it is more in abundance, the rule of “First come, first served” will be applied. It will, at the first step, lead to a queue formation, which has the disadvantage of wasteful allocation. “Queuing is similar to paying the price, but nobody collects the price and benefits from it.”

Queuing behaviour could be assumed as “an attempt at solving several competing issues: firstly it can be seen as a bid to maximize social welfare (Hassin and Haviv 2006); secondly, resolution of the scarcity of resources; or ordered queues can be used in an attempt to maintain some level of social justice or fairness” (Avi-Itzhak and Levy 2004)

Random Distribution:

The procedure of this allocation system has a long and varied history. In the seventeenth century, Oberholzer-Gee, Bohnet, and Frey (1997) presented a few examples at the University of Basle. He placed subjects to teach in a lottery. The results of the lottery showed that Jakob Bernoulli was teaching medicine instead of mathematics.

History explains how this system was used in the Roman Republic, where a large number of important decisions were made by the lottery system, such as the allocation of provinces amongst the senators. Athens, too, selected the officials as well as the council members through the lottery. In the contemporary world, this system is still placed in public house allocations, the awarding of oil drilling, tax auditing, and educational institutions or immigration.

The use of random distribution is also linked to uncertainty and social indifference. Since each hiker has an equal opportunity and chance of selection, lotteries are made blind towards personal characteristics. Oberholzer-Gee, Bohnet, and Frey (1997) outline that “a lottery is only socially acceptable if competence is available. Professors’ subjects could be randomly distributed because the ability was given by appointing capable universal scholars to the University of Basle”. Elster (1989b) argues that “I know of no instance of social lotteries without some pre-selection or post-selection scrutiny by need, merit and the like.”

Allocation based on Contribution:

This allocation system is based on “the adjudication of a group of people, chosen in a democratic process.” According to Frey and Pommerehne (1988), “the distribution of water is made by the local authorities according to their respective judgment. This reduces a possible framing effect by the word government, leading to negative feelings. Local authorities follow certain administrative rules.”

No matter whether such constitutional laws induce governmental agents to act for the citizens, certain “asymmetric information and thus a principal-agent problem exists.” The government will always have an additional advantage over the citizens due to information. It enables them to anticipate future decisions. Buchanan (1975) explains that “it is unrealistic to expect that elected officials neither have personal preferences nor exercise their influence over collective outcomes. Thus, it can be doubted whether the distribution is fair or even efficient; where goods are scarce, incentives for rent-seeking activities increase. In some countries, instrumental friendship is an important mechanism in the allocation of scarce goods.”

Q. Elaborate on the relationships and obligations of

employers and employees to each other as well as to those within and outside an organization. Elaborate on employee conflict of interest, citing an example.

The relationship between an employer and an employee has a lot of dimensions to be considered. Therefore, it should not be looked at simply in economic terms. The relationship of mutual dependency between different human beings is a significant trait of relation-ing and has a great impact on all the people involved. This relationship is laden with ethical and moral responsibilities due to numerous stakeholders. Although the “pressures of self-interest” are quite powerful and compelling, both employer and employee must guide their choices of their own by moral principles, which include honesty, respect, and care.

The obligation of employers:

This subject is not merely linked to the idea of “fair pay and safe working conditions” but to a real and more enduring concern for the well-being of the employees. A morally sound and equipped employer would always be willing to make the right decisions, even for the welfare of the company. His policies must demonstrate an active policy that addresses a genuine concern, no matter the impact on profitability as a result. Companies should be loyal to workers as well as the owners themselves.

Hoff Cruz states that “a particularly challenging context that tests an employer’s morality concerns the termination of only employees or large groups. Layoffs, plant closings, and other dramatic events of this nature have dramatic psychological and financial impacts on the entire workforce and the reputation of the company. Thus, they should be handled with extraordinary caring and sensitivity regarding how and when the announcement is made and implemented and what provisions are being made to assist employees who are losing their jobs.” The use “down-sizing” or “right-sizing” as a new tool of new euphemisms makes managers feel much better about the decision of terminating the jobs, but it does not change anything from a moral perspective.

As previously mentioned, “employees are entitled to be treated fairly and with respect, and it is the company’s obligation to see that individual managers do not abuse their power or mistreat their subordinates. Kill-the-messenger behaviour at any management level is improper, as is any active or passive encouragement of dishonest reporting. Employees should feel free to raise ethical or other issues without fear of retaliation. Employees are entitled to count on the commitments of the employer, especially regarding central matters such as pay, raises, and promotions. Employers who chisel employees, renege on promises, or treat them as if they were simply instrumentalities of the organization’s interests rather than ends in and of themselves fail to meet their moral responsibilities.”

Employees also have moral and ethical obligations. These requirements go beyond giving a full day off or even a full day's pay. Loyalty goes both ways. On the one hand, employees have moral duties towards the organization they work for and with their co-workers as well as the customers. In a situation, if an employer decides to let an employee go, it is usually considered that the company must ample a notice to the employee as a moral obligation, but the ethics of the employee who walks into the boss' office and says, "I have an opportunity I can't turn down, and they need me to start this Friday"? Because of the disparity in power, many employees thus adopt a double standard, which provides them leverage, which is way more than they can afford the employer.

One aspect of this attitude is that it is drawn on the "doubtful assertions of necessity."However, the other one is the "implicit belief that if an offer is too good to refuse, there is no moral obligation to refuse. It doesn't take much scrutiny to see that these are self-serving rationalizations. The moral obligations of an employee include loyalty, candour, caring, and respect. The mismatch in economic strength between the employer and the employee does not change that."

People who have great moral and ethical values take into account their moral obligations to their employers before they interview for another job. If they know about the departure, they would preferably jeopardize the company, customers, and co-workers. They make it clear that at the job interview, they will not be available to do it until or unless they have provided a reasonable transition system for it. If one is unaware of the hardships that departure might cause, the principle of respect would then suggest that the parties who are most affected be given an adequate opportunity to participate in any discussion so that they can suggest the least harmful alternative solution to it. This is because the employee-employer relationship operates in both the contexts of business and human relations. It is due to this reason that there is a tendency "to play by different rules dictated by who has the leverage, and principles of expediency — what you can get away with — rather than moral law."

Each person must carefully consider all the possible circumstances that surround the offer of either a gift or benefit, which includes "the apparent purpose of the donor, how the transaction may reasonably be viewed by impartial observers and the potential impact on the practice of the professions. Individuals must also be constantly aware of ways in which their personal and family relationships and other close personal associations may potentially bias their judgments. Preservation of the highest ethical standards is vital to the conduct of independent judgment and professional practice by speech-language pathologists and audiologists and, ultimately, to the dignity of the professions. Conflicts of professional interest and even just perceptions of conflicts of interest erode the public's trust in both the professional and the professions." It is due to these reasons that conflicts of interest must be avoided by all means, and where they cannot be avoided, they must be managed openly and cooperatively.

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