



Centurion
UNIVERSITY

*Shaping Lives...
Empowering Communities...*

Utilitarianism

The Utilitarian Principle

- Act to promote the greatest good (happiness) for the greatest number

Making Ethical Judgments in Utilitarianism

- Utilitarianism says that the **Result** or the **Consequence** of an Act is the real measure of whether it is good or bad.
- This theory emphasizes **Ends over Means**.

Bentham's Formulation of Utilitarianism

- Man is under two great masters, pain and pleasure.
- The great good that we should seek is happiness.
- Those actions whose results increase happiness or diminish pain are good. They have “utility.”

Four Theses of Utilitarianism

- **Consequentialism**: The rightness of actions is determined solely by their consequences.
- **Hedonism**: Utility is the degree to which an act produces pleasure. Hedonism is the thesis that pleasure or happiness is the **good** that we seek and that we should seek.
- **Maximalism**: A right action produces the greatest good consequences and the least bad.
- **Universalism**: The consequences to be considered are those of everyone affected equally.

Application of Utilitarian Theory - Actual Cases

- The decision at Coventry during WWII.
 - The decision was made not to inform the town that they would be bombed.
- The Ford Pinto case: A defective vehicle would sometimes explode when hit.
 - The model was not recalled and repaired by Ford because they felt it was cheaper to pay the liability suits than to recall and repair all the defective cars.

John Stuart Mill's Adjustments to Utilitarianism

- Mill argues that we must consider the **quality** of the happiness, not merely the **quantity**.
- For example, some might find happiness with a pitcher of beer and a pizza. Others may find happiness watching a fine Shakespearean play. The **quality** of happiness is greater with the latter.

Consequences of Unethical Practices

- **Baucus & Baucus (2000)**
- Singled out 67 companies out of the Fortune 500 that had at least one illegal act – ex: antitrust, product liabilities, discrimination
- Performance of the convicted firms were compared to unconvicted firms (five year after the fraud was committed)
- Convicted firms experienced significantly lower return on sales (three year lag)
- Multiple convictions are more disastrous
- Unethical activities can affect long term performance

Thank You