


# Kantian Business Ethics



Immanuel Kant (1724-1804)

## Basic Principles of Kantianism:

1. Act rationally – don't act inconsistently in your own actions or consider yourself exempt from rules.
2. Allow and help people to make rational decisions.
3. Respect people, their autonomy, and individual needs and differences.
4. Be motivated by Good Will, seeking to do what is right *because* it is the right.

- ## Determining the Right Action and Motivation
1. Formulate a Maxim-for-Action
  2. Evaluate it as coming from the Good Will or not.
  3. If it comes from the Good Will, it is good, and you are good in doing it; if it doesn't, then see step (4).
  4. If it doesn't come from the Good Will, but is *consistent* with it, then the action is good, but you are not doing it from the right motive and so you are not praiseworthy.

## Maxims

Maxim: I will do Action A in order to achieve Purpose P.

**Examples:**

I will use my company's funds to woo prospective clients and gain business for the company.

I will embezzle my company's funds in order to obtain extra money rather than invest extra resources into the company.

I will withhold information from customers in order to get them to purchase a product they would otherwise be wary of purchasing.

I will move plant operations to an undeveloped nation in order to take advantage of the cheap labor and lack of environmental regulations.

- ## Evaluate the Actions as Coming from the Good Will or Not:
- Actions that come from the Good Will are:
- a. Right (Rational)**  
You have done the correct thing – you have abstained from impermissible actions and have done what is morally permissible or morally required.
  - b. Rightly Motivated**  
You are good because you have the correct motivations in doing your actions.

## Determining the Right (Rational) Action

The Categorical Imperative is the Law of Rationality

3 Formulations of the Categorical Imperative:

- The Formula of Universal Law
- The Formula of Humanity
- The Formula of Autonomy

### The Formula of Universal Law

“Act only according to that maxim whereby you can at the same time will that it should become a universal law” (Kant, MM 421).

Steps:

- (1) Formulate a Maxim-for-Action.
- (2) Universalize the Maxim.
- (3) Check for Contradictions (Are (1) & (2) consistent?)
- (4) Evaluate the action as Permissible or Impermissible.

Universalization prohibits people from making exceptions of themselves.

It forbids all forms of deceit, including lying and stealing.

### Testing Business Actions Using Universal Law

**1. Embezzlement Maxim:**

I will embezzle my company’s funds in order to obtain extra money rather than invest extra resources into the company.

**2. Universalize:**

**3. Contradictions between (1) and (2)?**

**4. Does it pass? Is it permissible?**



### The Formula of Humanity

“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, MM 429).

**Humanity:** Rationality

**End:** Something valuable in itself, for it’s own sake.

**Means:** Something that is valuable as a way to get something else.

**Business Examples:** Deceit, Fairness, Wages, Meaning

### The Formula of Autonomy

“A rational being must always regard himself as legislator in a kingdom of ends rendered possible by freedom of the will, whether as a member or as sovereign” (Kant, MM 433).

When we legislate laws, we must be willing to obey them.

Let us legislate laws to which we can all rationally agree.



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### Determining the Right Motivation



3 Maxims in Kant’s Shopkeeper:

- (1) I will be honest with my customers in order to gain their trust and get repeat-business.
- (2) I will be honest with my customers because I like them.
- (3) I will be honest with my customers because it’s the right thing to do.

### Determining the Right Motivation

The Motivations:

- (1) I will be honest with my customers **in order to gain their trust and get repeat-business. – SELF-INTEREST**
- (2) I will be honest with my customers **because that’s the kind of person I am or because I like them. – CHARACTER OR SYMPATHY**
- (3) I will be honest with my customers **because that’s the right thing to do. – DUTY OR THE MORAL LAW**

Kant’s Claim: Only Maxim (3) is morally praiseworthy.

## Summary: Kant

Respect your own rationality and the rationality of others.



You can seek your own happiness but there are constraints.

- (1) On Actions: Ask if anyone else's rationality would be harmed.
- (2) On Motivations: Ask if you are acting from respect.