Session 4.

Examples
Examples

- Boarding the plane
- The ambulance
- Cashier’s error
- A damaged car
- Boss’s expense account
- Cheap stuffing
Boarding the plane

• The airline boards by zones…
  – To expedite boarding.
    – Early zones are nearer the back and windows.
  – But the agent isn’t checking zones…
Boarding the plane

- I have a rather large carry-on.
  - I want to be sure to find space overhead.
  - So I board before my zone.
  - OK?
Boarding the plane

• Generalization test.
  – My reasons:
    – I want to be sure to find space for my bag.
    – Nobody is checking the zones.
  – This doesn’t seem to be generalizable.
    – But exactly why?
Boarding the plane

• Generalization test, 1\textsuperscript{st} attempt.
  – Fails, because I wouldn’t want everyone else with a large carry-on to do the same.
    – Too many people would get ahead of me.
  – Wrong.
    – It doesn’t matter what I “want.”
Boarding the plane

- Generalization test, 2nd attempt.
  - Fails, because if everybody with a bag tried to board early…
    - It would defeat the purpose of expediting the boarding process.
  - Wrong.
    - It would defeat the airline’s purpose.
    - What matters is my purpose—finding space for my bag.
Boarding the plane

• Generalization test, 3rd attempt.
  – Fails, because if everybody with a bag tried to board early...
    – I would no longer be sure to find space for my bag, or...
    – The agents would always check zones.
  – Correct.
    – Boarding early, for these reasons, is not generalizable.
Boarding the plane

• Utilitarian test.
  – Boarding out of order marginally slows the boarding process.
    – There is no net effect on bag space.
    – Net reduction in utility.
  – Fails the test.
Boarding the plane

• Scorecard
  – Generalization test: fail
  – Utilitarian test: fail
  – Virtue ethics: not applied
The ambulance

• I am an emergency paramedic.
  – I have a meeting with my boss.
  – Heavy traffic will make me late.
  – So I use the siren and lights.

• Ethical?
  – It’s not legal, but let’s suppose it is.
The ambulance

• Generalization test.
  – My reasons:
    – Traffic will make me late for an appointment with the boss.
    – I won’t be caught.
  – This is a rare circumstance for EMS workers.
    – Passes the test.
The ambulance

• Generalization test.
  – Problem:
    – The **scope** is too narrow.
    – I would use the siren if I were late for a job interview, a flight, etc. etc.
    – Or if I am held up by something else.
  – In effect,
    – I am using the siren whenever I really want to get there on time.
    – Not generalizable.
The ambulance

• Generalization test.
  – But I insist:
    – I would use the siren only in these particular circumstances.
  – Then why?
    – I don’t have to predict what I would so.
    – I must have a rationale for singling out these particular circumstances.
    – I don’t have one.
  – So I fail the test.
The ambulance

• Utilitarian test
  – If drivers always abused the siren in such cases, emergency patients would suffer.
    – Irrelevant. Utilitarian test asks consequences of my action.
  – My abuse of the siren increases risk of an accident.
    – The negative expected utility probably outweighs the positive value of being on time.
    – Not so on an emergency call.
  – So I fail the test.
The ambulance

• Virtue ethics
  – I am an EMS worker.
    – I devote my career to making people well.
    – Creating unnecessary risk of injury is inconsistent with this mission.
  – I fail the test.
The ambulance

• Scorecard
  – Generalization test: fail
  – Utilitarian test: fail
  – Virtue ethics: fail
Cashier’s error

- I buy several expensive items in a store.
  - On arriving home, I find that the cashier forgot to ring up a $600 camcorder.
- Suppose I do nothing.
- Ethical?
Cashier’s error

• Generalization test
  – Breaking a sales contract is ungeneralizable.
  – The cash register receipt is a receipt, not a contract.
  – A mistake is not a gift.
• Not generalizable.
Cashier’s error

- Generalization test
  - Breaking a sales contract is ungeneralizable.
  - The cash register receipt is a receipt, not a contract.
  - A mistake is not a gift.
- Not generalizable.
Cashier’s error

- Now suppose the cashier forgot to ring up a 25¢ pack of gum.
  - Why should the amount of the purchase make a difference?
  - A contract is a contract.
Cashier’s error

- Generalization test
  - Agreements can be nullified by mutual consent.
    - This is generalizable.
    - We are certain the manager would say “forget it” if asked.
    - This is what consent means.
  - Generalizable.
A damaged car

- I want to buy a new car from a dealership.
  - And trade in my old car.
    - We negotiate a price for the new and old cars.
  - But I’m not sure I like the deal.
    - The salesman gives me a lunch voucher, so I can think about it over lunch.
A damaged car

• While driving the old car back from lunch,
  – I have a minor accident.
    – The damage is not conspicuous, but the bumper must be replaced.
  – I estimate the repair bill at $1000.
A damaged car

• The dealer doesn’t notice any damage.
  – The price he offered me for my old car was $1000 below book value.
  – Should I go ahead with the deal…
    – Without mentioning the damage?
A damaged car

- Utilitarian test
  - The utility cost is greater to me than to the dealer
    - Partly because utility curves are concave.
  - So failure to mention the damage creates a net increase in utility.
    - It passes the test.
A damaged car

• Generalization test
  ▪ The dealer offered to trade to buy the old car in the condition he saw it.
    ▪ If I had completely wrecked the car, this would violate the deal.
    ▪ The fact that the damage is minor doesn’t change anything.
A damaged car

- Generalization test
  - If I had not damaged the car, it would have still suffered minor wear and tear.
    - It would not be the same car the dealer saw.
    - But the dealer expects wear and tear on a lunch trip.
    - This is part of the deal.
A damaged car

• Generalization test
  – My reasons for not mentioning the damage:
    – I benefit.
    – The breach of contract is too inconspicuous to notice.
  – Not generalizable.
    – Customers would play all sorts of tricks.
    – Dealers would be on the lookout.
    – The damage would be noticed.
A damaged car

• A “fair” price
  – How about the book value of the car?
    – The dealer offered me $1000 below book value.
    – The cost of repair is $1000 (less for him).
    – So we’re even.
A damaged car

- A “fair” price
  - How about the book value of the car?
    - The dealer offered me $1000 below book value.
    - The cost of repair is $1000 (less for him).
    - So we’re even.
  - What does “fair” mean?
    - The price (fair or not) is part of our agreement.
    - There was no fraud or deception.
    - If I don’t like the price, I can renegotiate.
A damaged car

- Scorecard
  - Generalization test: **fail**
  - Utilitarian test: **pass**
  - Virtue ethics: not applied
Boss’s expense account

- My boss asked me to accompany him on a trip to San Francisco.
  - I booked my flight through the company travel service.
  - I asked the agent to charge the trip to my boss’s account.
  - The agent remarked that a 3rd party was going at company expense.
    - I recognized the name of my boss’s wife (different surname than my boss)

- What to do?
Boss’s expense account

• Two issues:
  – Is my boss’s conduct unethical?
  – If so, should I report it to the company?
Boss’s expense account

• Is my boss’s conduct unethical?
  – He deceived the company.
    – He represented his wife’s expenses as a legitimate business expense.
    – Deception merely for convenience is not generalizable.
Boss’s expense account

• Is my boss’s conduct unethical?
  – He deceived the company.
    – He represented his wife’s expenses as a legitimate business expense.
    – Deception merely for convenience is not generalizable.
  – He broke an agreement to follow company rules.
    – Also ungeneralizable.
Boss’s expense account

• Is it OK if I keep quiet about this?
  – Utilitarian outcome is unclear.
    – Whistle-blowing cases can be very unclear.
Boss’s expense account

- Is it OK if I keep quiet about this?
  - Utilitarian outcome is unclear.
    - Whistle-blowing cases can be very unclear.
  - Generalizable?
    - No, if I have oversight responsibilities (I don’t).
    - Yes, because small irregularities are frequently caught by control mechanisms. I could still accomplish my purpose if act is generalized.
Boss’s expense account

• Is it OK if I keep quiet about this?
  – Utilitarian outcome is unclear.
    – Whistle-blowing cases can be very unclear.
  – Generalizable?
    – No, if I have oversight responsibilities (I don’t).
    – Yes, because small irregularities are frequently caught by control mechanisms. I could still accomplish my purpose if act is generalized.
  – Virtue ethics
    – Perhaps loyalty to boss (not to company).
Scorecard
- Generalization test: pass.
- Utilitarian test: pass (because utility unclear).
- Virtue ethics: pass

OK to keep quiet.
- Reporting would also probably pass the tests.
Cheap stuffing

- A furniture manufacturer has a reputation for high-quality upholstered furniture.
  - Due to an economic downturn, the company will cut costs by switching to an inferior grade of padding.
    - There are no plans to alert customers, and they won’t notice any difference at the time of purchase.
    - The company has never promised high-quality padding in ads, product specs, or meetings with customers.
  - Is this ethical?
Cheap stuffing

- Deception, merely for one’s own benefit, is not generalizable.
  - Deception need not be a lie.
  - Deception is causing someone to believe something you know is false.
Cheap stuffing

• Is this deception?
  – The company caused customers to believe the quality is high.
    – But quality was high when the company created its reputation.
    – So creating the reputation was not deceptive.
  – Reducing quality without warning can be deceptive....
    – If customers reasonably expect to be updated.
Cheap stuffing

– For example, you want to meet with me, and I tell you I will be in the office tomorrow.
  – If I change my mind, you would expect to be updated.
  – Not to tell you is deception.
  – I cause you to believe something I know is false.

– However, customers don’t expect to be updated about the quality of padding.
  – We are assuming the company has never promised high-quality padding.
Cheap stuffing

- Apply generalization test directly to the decision to reduce quality.
  - Suppose companies always reduce quality in hard economic times when they want to cut costs.
    - Customers would catch on.
    - Would the company still be able to cut costs?
  - Yes.
    - Even though sales would probably decrease.
    - So the decision is generalizable under the rationale of cutting costs.
Cheap stuffing

– However, suppose the company’s rationale is to cut costs and maintain sales.
  – The decision is not generalizable.
– So reducing the quality is generalizable only if the rationale is solely to cut costs.
  – That is, the company can ethically reduce quality (without alerting customers) if it would still be willing to reduce quality if this caused sales to fall to the level that would result if all sellers did the same.
Next

• Business case studies