

# Taking Ethics Seriously

Why Ethics Is an Essential Tool  
for the Modern Workplace

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SUNY Stony Brook, October 2017

# Outline

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- Two case studies
- Myths and misconceptions
- Ethical principles
  - Generalization principle
  - Utilitarian principle
  - Autonomy
- The case studies reconsidered
- Another issue (time allowing)

# Two Case Studies

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Ford Pinto (1972)

Volkswagen emissions (2015)

# Ford Pinto

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- Early 1970s: Exploding gas tank in Ford Pinto
  - in low-speed collisions.



# Ford Pinto

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- The company knew of the danger.
  - Decided not to fix the defect.
  - Would have cost \$11 per car.
    - To fix bolts that punctured the gas tank on collision.



# Ford Pinto

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- Dennis Gioia was centrally involved.
  - Now a professor of business ethics and organizational behavior.



# Ford Pinto

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- Gioia tells the inside story honestly in an article.

Pinto Fires and Personal Ethics:  
A Script Analysis of Missed Opportunities  
*Journal of Business Ethics* **11**: 379–389, 1992.

Dennis A. Gioia



# Ford Pinto

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- Gioia held engineering and MBA degrees.
  - He saw business as unethical.
  - But he thought he could make the world better by working within the system.
  - So he cut his long hair and joined Ford as Field Recall Coordinator.



# Ford Pinto

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- Cost-benefit analysis showed that the defect should not be fixed.

*Costs:*                    \$137 000 000

(Estimated as the costs of a production fix to all similarly designed cars and trucks with the gas tank aft of the axle (12 500 000 vehicles × \$11/vehicle))

*Benefits:*                \$49 530 000

(Estimated as the savings from preventing (180 projected deaths × \$200 000/ death) + (180 projected burn injuries × \$67 000/injury) + (2 100 burned cars × \$700/car))



# Ford Pinto

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- 1978: Ford prosecuted for reckless homicide.
  - After 3 teenage girls were killed by exploding gas tank in Indiana.
  - Ford acquitted due to lack of evidence.

# Ford Pinto

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- Gioia later began using the Pinto case in his classes.
- Then and for years afterward, he believed he had made the right decision at Ford, given the evidence at hand.
  - Then he changed his mind.
  - **Why?**

# Ford Pinto

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It is fascinating to me that for several years after I first conducted the living case with myself as the focus, I remained convinced that I had made the “right” decision in not recommending recall of the cars. In light of the times and the evidence available, I thought I had pursued a reasonable course of action. More recently, however, I have come to think that I really should have done everything I could to get those cars off the road.

# Ford Pinto

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- What is the **rational basis** for his views?
  - Either for his decision at Ford...
  - **Or** for changing his mind later?



# Ford Pinto

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- Lesson: We often make the wrong decision because **we don't know what is right.**
  - Not because we are bad people.



# Ford Pinto

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- Lesson: We often make the wrong decision because **we don't know what is right.**
  - Not because we are bad people.
  - We don't have the **conceptual equipment** to analyze the issue.



# Ford Pinto

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- We can rationalize almost anything.
  - How do we distinguish mere rationalization from correct analysis?
  - **This is why we have ethics.**
  - It provides the conceptual equipment we need.



# Volkswagen Emissions

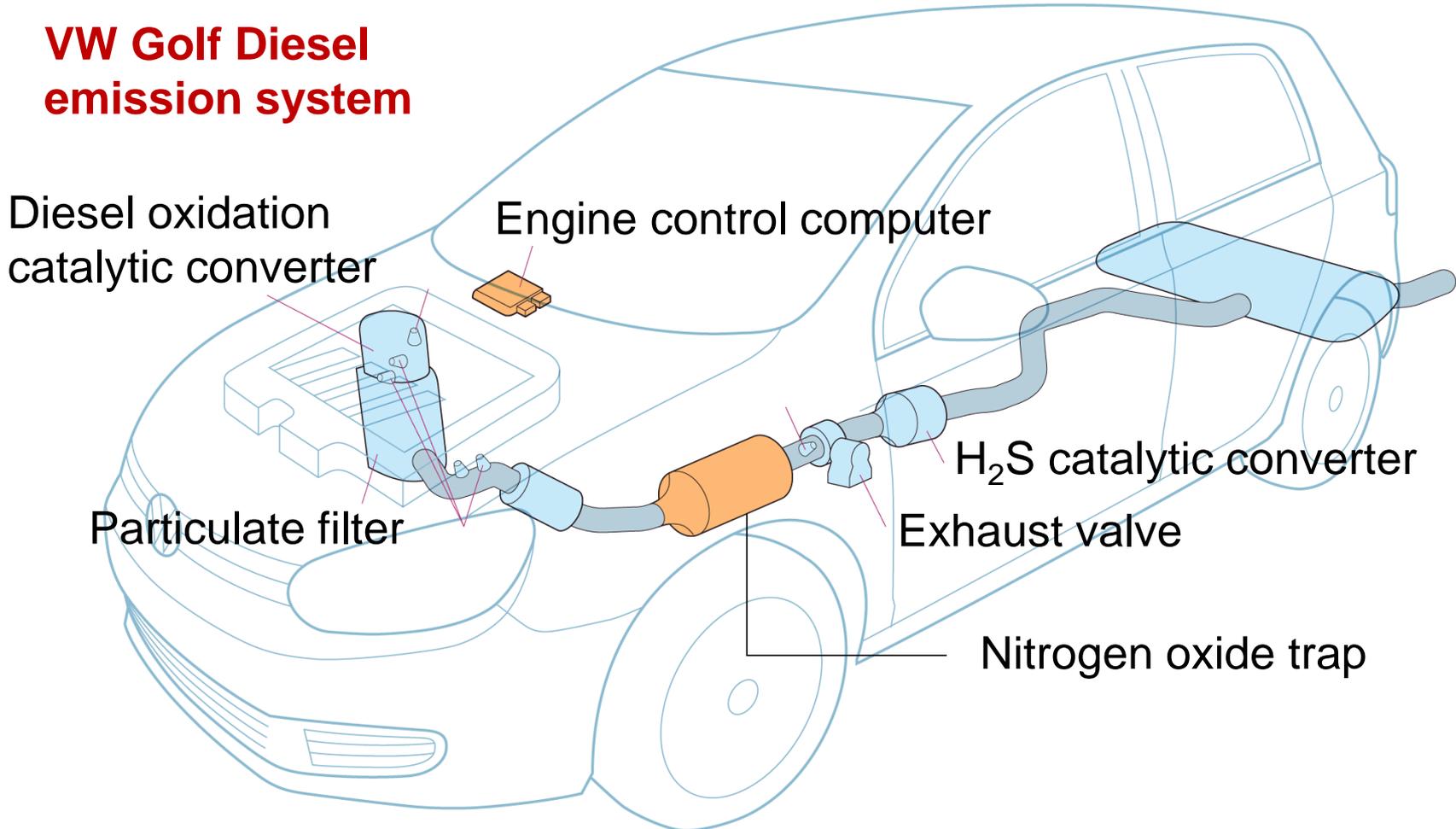
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- Several countries limit auto emissions.
  - As measured by a predetermined test cycle in a laboratory (not on the road).
  - For several years, Volkswagen Diesel cars **circumvented** the test...



# Volkswagen Emissions

## VW Golf Diesel emission system



# Volkswagen Emissions

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- VWs emitted far more NO<sub>x</sub> on the road than allowed by EPA.
  - Based on 2014 tests by engineers at West Virginia University.

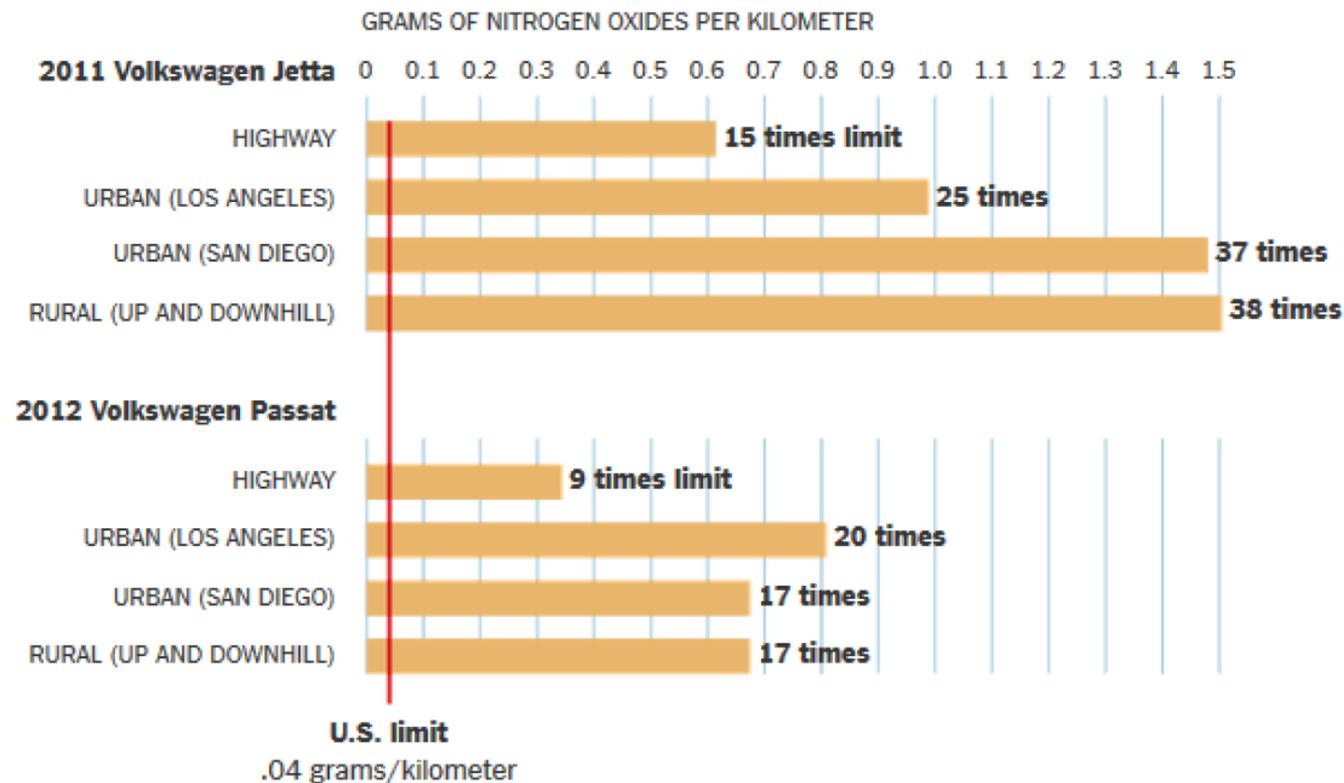
Arvind Thiruvengadam,  
Engineering professor, WVU.

Ran initial tests that found  
excess emissions.



# Volkswagen Emissions

## Average emissions of nitrogen oxides in on-road testing



Source: Arvind Thiruvengadam, Center for Alternative Fuels, Engines and Emissions at West Virginia University

# Volkswagen Emissions

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- EPA discovered patches in onboard software.
  - They cut emissions when they detect that an emissions test is running.
  - Altered software in **11 million** diesel cars worldwide.
  - “Largest scandal in automotive history.”



# Volkswagen Emissions

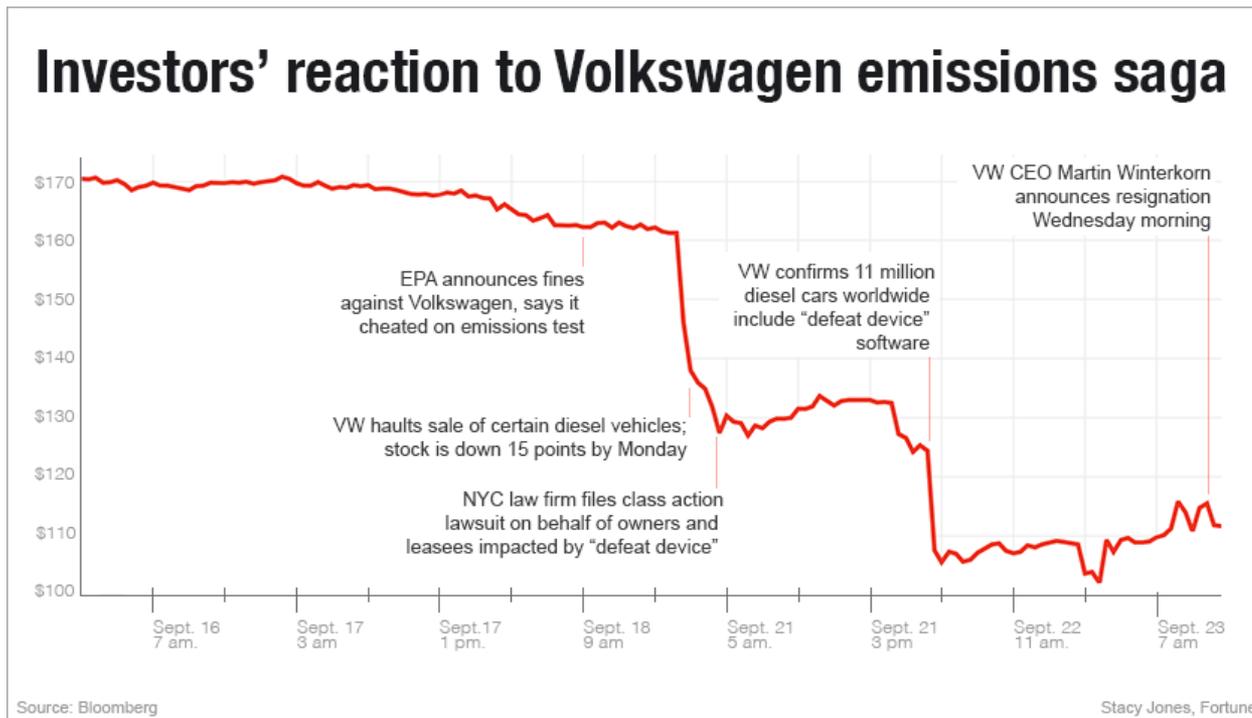
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- Repercussions.
  - Company set aside \$20 billion to cover costs of scandal.
    - Not enough.
  - CEO Martin Winterkorn resigned.
    - Other executives resigned or suspended



# Volkswagen Emissions

- Repercussions.
  - VW stock fell 35% in one day.



# Volkswagen Emissions

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- Repercussions.
  - Prosecutions
    - German authorities considering criminal prosecutions against certain VW employees.
  - Threat to German economy
    - VW employs 274,000 in Germany, not counting suppliers.



# Volkswagen Emissions

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- Repercussions.
  - U.S. settlements
    - \$14.7 billion settlement with consumers
    - \$1.2 billion settlement with WV dealers.
  - Shareholder lawsuits
    - >1400 lawsuits in Germany alone, seeking \$9 billion.



# Volkswagen Emissions

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- How could this happen?
  - We don't yet have the inside story, only some clues.
    - 2006 Powerpoint presentation on how to cheat
    - Top management repeatedly rejected employee proposals to reduce emissions, due to cost
    - 2014 memo to CEO
  - A possible rationalization...

# Volkswagen Emissions

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In a court filing, the company lawyers, as part of a defense in a shareholder lawsuit, suggest that the discrepancy was common knowledge within the industry. “The vehicles of all manufacturers exceed various emissions limits in normal street use,” Volkswagen lawyers said in a court filing, which was obtained by The Times. They further argued that the differences between road emissions and lab emissions were tolerated by regulators.

*New York Times*, 26 April 2016.

# Volkswagen Emissions

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- Possible rationalization
  - On-road emissions are always higher.
    - Cars are designed to perform well in test cycle.
    - Everyone knows this.
  - Tampering with software is no different in principle.
    - Just a clever way to achieve same result.

# Myths and Misconceptions

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- **Myth 1:** The purpose of ethics is to judge who is **good** and **bad**.



# Myths and Misconceptions

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- **Wrong**

- Ethics is a **negotiation tool** for working out how we are going to live and work together.
- It provides the basis for the **social infrastructure** we rely on.
- Much as **engineering** provides the basis for the **physical infrastructure** we rely on.



# Myths and Misconceptions

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- **Myth 2: Society relies primarily on legal enforcement, not ethics.**



# Myths and Misconceptions

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- **Wrong**

- Suppose everyone starts **running red lights** tomorrow morning.
- There is **no way** the police can stop it.
- We rely on voluntary compliance with rules on which we **agree**. Ethics provides the agreement.
- **Laws** and **regulations** cannot keep up with a **complex** and **fast-moving** world of work.





# Myths and Misconceptions

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- **Myth 3:** We all know what's right. It's just a matter of doing it.

# Myths and Misconceptions

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□ **Myth 3:** We all know what's right. It's just a matter of doing it.

- **Then why do we disagree all the time?**





# Myths and Misconceptions

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- **Myth 4:** Ethics is just a matter of opinion.
  - There are no objective standards.
  - Only **personal values**.

# Myths and Misconceptions

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- **Myth 4:** Ethics is just a matter of opinion.
  - There are no objective standards.
  - Only **personal values**.
- Try to remember this the next time you are **mugged**.



# Myths and Misconceptions

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- Ethics is not about personal values.
  - It's about **interpersonal** values.
  - The whole point of ethics is to reach consensus.
    - Ethics can't do its job if it's purely personal.



# Ethical principles

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Why we need them

# Ethical principles

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- We must have principles for resolving issues in an objective way.
  - Otherwise we can rationalize anything.
  - **Generalization principle**
  - **Utilitarian principle**
  - **Respect for autonomy**

# Generalization principle

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# Generalization principle

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- Basic premise: We always act for a reason.
  - Every action has a rationale.

# Generalization principle

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- Basic premise: We always act for a reason.
  - Every action has a rationale.
- So if the reason justifies the action for me...
  - It justifies the action for **anyone** to whom the reason applies.
  - Otherwise, it's not a reason,

# Example - Theft

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- Suppose I steal a watch from a shop.
- I have 2 reasons:
  - I want a new watch.
  - I won't get caught.
    - Security at the shop is lax.



# Example - Theft

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- So I am making a decision for everyone:
  - All who want a watch and think they won't get caught should steal one.



# Example - Theft

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- So I am making a decision for everyone:
  - All who want a watch and think they won't get caught should steal one.
- But if all do this, they will get caught.
  - The shop will install security.
  - My reasons will no longer apply.



# Example - Theft

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- I am not saying that all these people actually **will** steal watches.
  - Only that if they did, my reasons would no longer apply.



# Example - Theft

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- My reasons are **inconsistent** with the assumption that people will act on them.
- I am caught in a contradiction.
  - My reasons imply that these people **should** steal.
  - These same reasons presuppose that they will **not** steal.





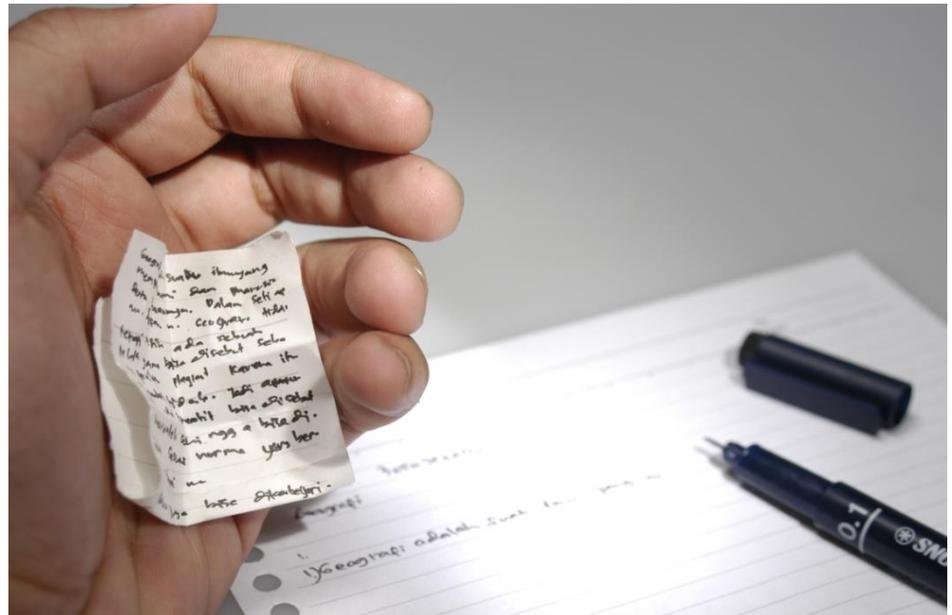
# Generalization principle

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- The principle is:
  - The reasons for an action should be consistent with the assumption that everyone with the same reasons acts the same way.

# Example - Cheating

- What is wrong with cheating on an exam?
- My reasons:
  - I will get a better grade.
  - Which means I will get a better job.





# Example – Agreements

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- **Breaking an agreement** violates generalization principle.
  - If I break it merely for convenience or profit.
  - An agreement (or contract) is a mutual promise.



# Example – Agreements

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- Suppose everyone broke agreements when convenient.
  - It would be impossible to **make** agreements in the first place.
  - And therefore impossible to achieve my purposes by breaking them!
  - The whole point of having an agreement is that you keep it when you don't want to keep it.

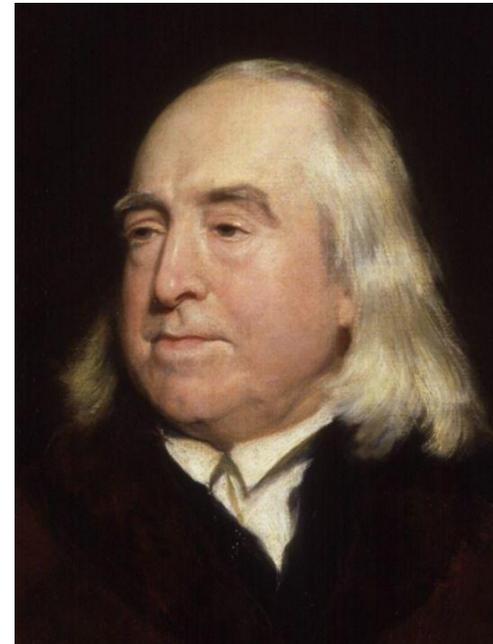
# Utilitarian principle

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# Utility

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- Action is a means to an end.
  - You want to achieve some goal.
  - Maybe your ultimate goal is happiness.
  - Whatever it is, let's call it **utility**.



Jeremy Bentham  
Father of utilitarianism

# Utility

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- Action is a means to an end.
  - You want to achieve some goal.
  - Maybe your ultimate goal is happiness.
  - Whatever it is, let's call it **utility**.
- Then you should try to create as much utility as you can.
  - The “greatest good for the greatest number.”

# Utility

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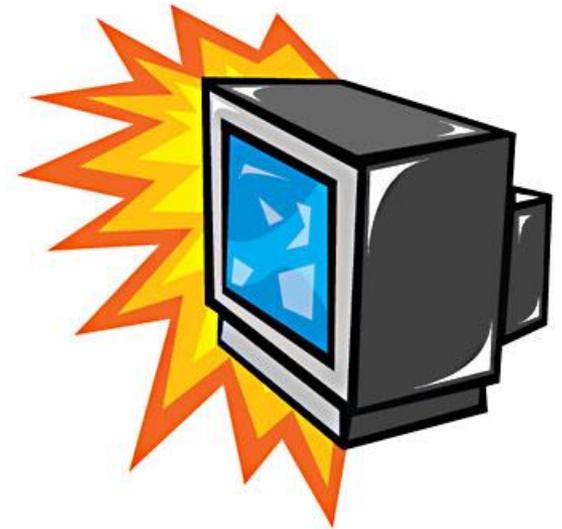
- More precisely, we should maximize **net expected utility**.
  - Multiply probability of each possible outcome by its utility (positive or negative).
  - Take algebraic sum.



# Utility

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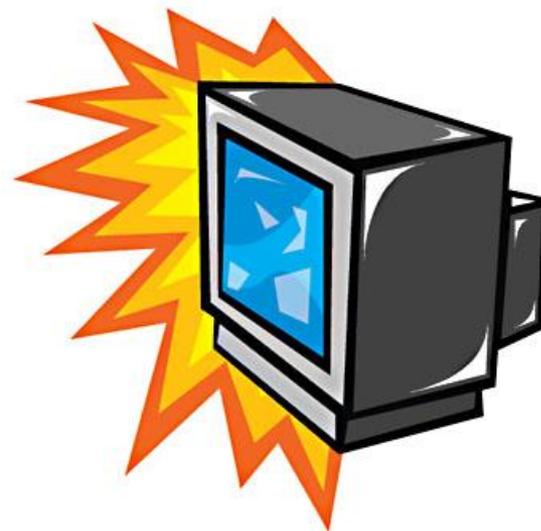
- For example, suppose I listen to loud TV in my hotel room at 2 am.
  - Keeping other guests awake.
  - Why is this unethical?
  - May not violate hotel rules.



# Utility

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- For example, suppose I listen to loud TV in my hotel room at 2 am.
  - Keeping other guests awake.
  - Why is this unethical?
  - May not violate hotel rules.
- It reduces net utility.
  - Maybe it makes me a little happier.
  - But it substantially reduces utility of other guests.



# Utilitarian principle

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- An act is ethical only if I can rationally believe that **no other act...**
  - ...**creates more net expected utility.**
  - ...and **satisfies other ethical principles.**
  - Counts **everyone's** utility.



# The underlying argument

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- Why is it wrong to cause people (unnecessary) pain?



# The underlying argument

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- Why is it wrong to cause people (unnecessary) pain?
  - Perhaps because I think pain is inherently bad.
  - I should minimize the pain I cause.
  - It is the same with positive utility.



# The underlying argument

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- Why must we respect only those acts that satisfy other ethical principles?
  - Because behaviors that have no coherent rationale are **not acts!**
  - This is how we distinguish **free action** from mere behavior, even though both are determined by physical and biological causes.

# Autonomy

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# Autonomy

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- Autonomy = self-law
  - I act **autonomously** when I freely make up my own mind about what to do, based on coherent reasons I give for my decision.
  - An **agent** is someone who can act autonomously.
  - Humans are agents, insects are not.



# Autonomy

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- Fundamental obligation: **respect autonomy.**
  - This rules out murder, coercion, slavery, etc.

**AUTONOMY**

# Autonomy

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- To make this more precise...
  - An action has the form of an **action plan**.
    - **If** the reasons for my action apply, **then** do it.
    - Example: “If I want to catch the bus, and the bus stop is across the street, and no cars are coming, then cross the street.”



# Autonomy

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- Coercion does **not** violate my autonomy if it is **consistent with my action plan**.
  - I start to cross the street to catch a bus, and you pull me out of the path of a car.
  - This is consistent with my action plan.
  - Not a violation of autonomy.



# Autonomy

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- Coercion does **not** violate autonomy if there is **informed consent**.
  - My employer tells me I must transfer to another city or be fired.
  - This is inconsistent with my action plan.
  - But by taking the job, I implicitly agreed to abide by the company's business decisions.

# Autonomy

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- Coercion **does** violate autonomy if there is **no informed consent**.
  - My boss insists on a sexual relationship.
  - This is inconsistent with my action plan.
  - By taking the job, I did **not** consent to satisfy the boss's personal desires.

# Autonomy

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- Coercion does **not** violate autonomy if it **prevents unethical behavior**.
  - I can stop you from mugging someone.
  - This does not interfere with your action plan, because mugging is not an action plan.
    - It has **no coherent rationale** because it interferes with another person's autonomy.
    - But my interference must be **minimal** (interferes with no more than the unethical behavior).

# Principle of Autonomy

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- It is unethical to adopt an action that I am rationally constrained to believe will interfere with the ethical action plan of at least one other person without informed consent.
  - It is unethical to throw a bomb into a crowd, even though I don't know which person(s) it will harm.

# The Case Studies Reconsidered

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Ford Pinto

Volkswagen emissions

# Ford Pinto

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- The cost-benefit analysis was a legitimate **utilitarian** calculation.
  - Considered net expected utility, measured in monetary terms.
    - Not just company cost.
  - Failure to fix the defect **may well have satisfied the utilitarian principle.**
  - But there are **two other principles** to satisfy!

# Ford Pinto

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- Failure to fix violates **generalization principle**.
  - Violation of **implied warranty**.
    - There is an implied **agreement** that the product is fit for the purpose for which it is sold.
    - A known **defect** that poses a lethal hazard makes the car **unfit** for transportation.
    - Violation of this agreement, merely for profit or convenience, is contrary to generalization principle.

# Ford Pinto

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- Failure to fix violates **autonomy**.
  - Ford was rationally constrained to believe that the defect would cause serious injury or death for at least one person.
    - In fact, many people (as assumed by their cost/benefit analysis).
    - This is **violation of autonomy** without informed consent.



# Ford Pinto

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- Failure to fix violates **autonomy**.
  - Why no informed consent?
    - True, all car manufacturers are rationally constrained to believe that people will be killed in their cars.
    - But customers give informed consent to this danger, because they assume the normal risks of driving.
    - A defective gas tank is not normal and therefore not a risk assumed by the customer.

# Volkswagen emissions

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- **No obvious violation of the utilitarian principle.**
  - VW engineers might rationally believe that the expense of reducing emissions, and the resulting damage to sales & the company, might outweigh the damage of additional  $\text{NO}_x$  in the atmosphere.



# Volkswagen emissions

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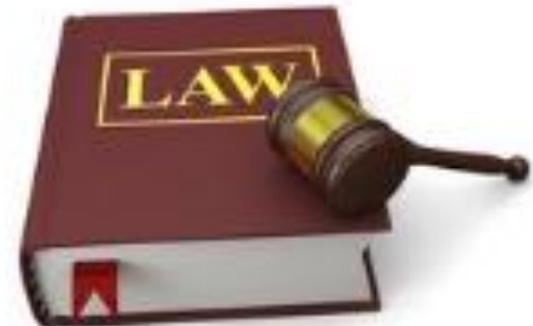
- **No obvious violation of autonomy.**
  - Additional  $\text{NO}_x$  in the atmosphere might cause illness or death for some people, but it is not enough to show probability.
  - VW engineers must be **rationally constrained** to believe this, and they were not.



# Volkswagen emissions

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- Tampering with the software appears to be **illegal**, at least in the US.
  - Violating the law, merely for convenience or profit, is **contrary to the generalization principle**.
    - Principled civil disobedience has a different analysis.
    - No evidence that this was a motivation.



# Volkswagen emissions

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- The element of **deception violates the generalization principle.**
  - It is true that manufacturers game the system.
    - On-road emissions are greater than in the test cycle.
  - But on-road emissions bear **some relation** to test results.
    - VW's emissions are **9 to 38 times greater** than in the test.

# Volkswagen emissions

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- VW therefore **deceived** governments and the public.
  - **Deception** merely for convenience or profit **violates the generalization principle.**
    - If everyone did it, no one would be deceived, which is **inconsistent** with the **reasons** for the deception.
    - In particular, if all manufacturers used VW's trick, VW would have been caught, which again defeats its purpose.

# Online Self-censorship

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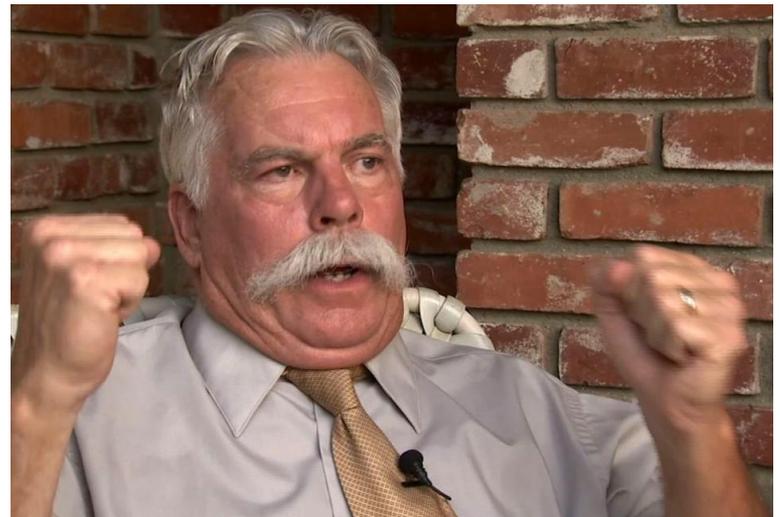
- Should a social networking site block or take down offensive/false posts?



# Online Self-censorship

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- A very high-profile case:
  - An amateurish film, *Innocence of Muslims*, was uploaded to YouTube 1 July 2012.
    - Posted by Nakoula Basseley Nakoula, a Coptic Christian
    - Highly offensive due to negative portrayal of Islam and the Prophet Muhammad.



# Online Self-censorship

- Reaction...
  - Protests worldwide.
  - Reportedly 50 deaths, mainly in Pakistan.



# Online Self-censorship

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- President Barack Obama asked Google (owner of YouTube) to consider taking down the film.
  - But this is not required by U.S. law.
  - Google refused.
  - But removed the video in some countries.



# Online Self-censorship

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- Google's position:
  - The post is consistent with company policy.
  - “It is against the Islam religion [sic] but not Muslim people.”
    - As reported in *NY Times*, 14 Sep 2012.



# Online Self-censorship

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- Two issues that must be distinguished:
  - Should the **government** regulate what appears on YouTube?
  - Should **YouTube** regulate what appears on YouTube?
- We are looking at the **second** issue.





# Online Self-censorship

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- A complex issue.
  - We cannot resolve it here.
  - But we can indicate how the principles might apply.

# Online Self-censorship

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- Apply **generalization principle**
  - No clear violation.
  - Is there **deception** (not generalizable)?
    - Deception = causing someone to believe something you know is false.
    - **Not obviously deceptive.** We don't expect claims to be true just because they appear on YouTube.
    - Although the video itself could be deceptive.
    - Same argument applies to “fake news.”



# Online Self-censorship

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- Apply **utilitarian** principle
  - YouTube should delete posts it is rationally constrained to believe cause more harm than good, **if** this satisfies other principles.

# Online Self-censorship

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- Objection: The **protestors** are killing people, not Google.
  - True, but the utilitarian principle counts **all** consequences of an action, including those that depend on the choices of other people.



# Online Self-censorship

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- Objection: it is **hard** to screen videos.
  - About 400 hours uploaded every minute.
  - “Ought implies can.”
  - What about advanced data mining techniques?
- The issue becomes...
  - Does operating YouTube result in more good than harm, even after **best efforts** to remove most egregious posts?
  - Probably.

# Online Self-censorship

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- Objection: restricting freedom of expression in a Western society, due to harmful content, may **not be generalizable**.
  - Although cartoonish depictions may not be necessary for freedom of expression.
  - As in *Charlie Hebdo* case.

# Online Self-censorship

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- Respect for **autonomy**.
  - Operating YouTube violates of autonomy **if...**
    - Google executives are rationally constrained to believe that some posts **will inevitably** result in **disabling harm** to persons or their reputation (probability is not enough), even after **best efforts** to remove such posts.
    - A **daunting challenge**, but compare with office bulletin board.
    - For some reason, “anything goes” when we are **online**.

# Online Self-censorship

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- Respect for **autonomy**.
  - We tend to be wowed by new technology and overlook hazards.
    - Early automobiles were very dangerous to passengers & pedestrians, due to reckless driving.
    - Early X-ray machines electrocuted many patients.
    - DDT was sprayed on children before its health effects were investigated.
    - It took deliberate effort to correct these ethical lapses.
    - Time to do the same with social networking?

# Questions? Comments?

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