

Student

Tutor

Course

Date

Applying Utilitarianism in Business

Utilitarianism moral theory helps individuals to assess the wrongness or rightness of an action. The theory evaluates the wrongness or rightness of an action depending on its consequences. People who ascribe to the utilitarian school of thought consider an action to be right if it maximizes the overall wellbeing of society and wrong if it does not maximize the overall wellness of society. The theory supports an action if it brings the greatest good or utility for the greatest number of people. This school of thought characteristically encourages individuals to act in whatever ways as long as their actions lead to the greatest levels of wellness. This theory associates wellbeing or wellness to happiness. Therefore, an action is considered good if it brings happiness to the greatest number of people in society and vice versa.

The theory of utilitarianism can be applied in business in many ways. To apply this theory in business, businesspersons must understand and bring together the four aspects of the theory. Businesses can apply utilitarianism in negative or positive ways. The first element that business people should understand is consequentialism. The theory of utilitarianism is significantly based on the aspect of consequentialism. Consequentialism is the understanding that the wrongness or rightness of actions is entirely determined by the outcomes or results of these actions (Mack 64; Suikkanen 1). Businesses can apply the aspect of consequentialism in their

operations. However, applying this element may contradict the moral and ethical systems in place. For instance, businesses that commit themselves to the principle of consequentialism may encourage their employees to take whatever actions as long as they bring profits to the organization. The primary quest to increase profits for the organizations may lead to immoral, unethical, or illegal activities in the business. For example, a business may manufacture and sell substandard and unsafe products for the sake of earning profits.

The second element that businesses require to apply utilitarianism is welfarism. According to Eggleston (453), welfarism is the understanding that the wrongness or rightness of operations depends on society's conceptions of welfare or wellbeing. This aspect of utilitarianism suggests that actions are good if they improve the welfare or wellbeing of society or people. According to Sen (471), welfarism aims at maximizing every individual's utilities. In business, the management may decide to increase the wages and benefits of their employees if it improves the wellbeing or welfare of their employees. In this regard, the business will be applying utilitarianism in a positive way.

The third element that businesses need to understand to apply utilitarianism in business is individualism. The individualism principle of utilitarianism holds that every individual pursues happiness, thus, will engage in actions that bring them happiness. In this regard, businesses will take actions that bring them happiness. Happiness for businesses may include increased profits, increased customer satisfaction levels, superior reputation, and improved employee satisfaction levels, among others. The fourth element required to apply utilitarianism in business is aggregation. Aggregation is the notion that the wrongness or rightness of actions depends on

their ability to average the values brought to all individuals. Bentham's utilitarianism suggests that the badness or goodness of an action should bring happiness not only to individuals but also the community (121-123). A business applying this element will engage in activities that increase its profits while at the same time serve the best interests of its customers, community, and the government. For example, by selling quality and safe products, a business will be increasing its profit base while meeting the needs of their customers at the same time.

Works Cited

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