

Business, Society & Ethics

10 March, 2019 | Lecture #18

The *Virtues* of Employment at Will



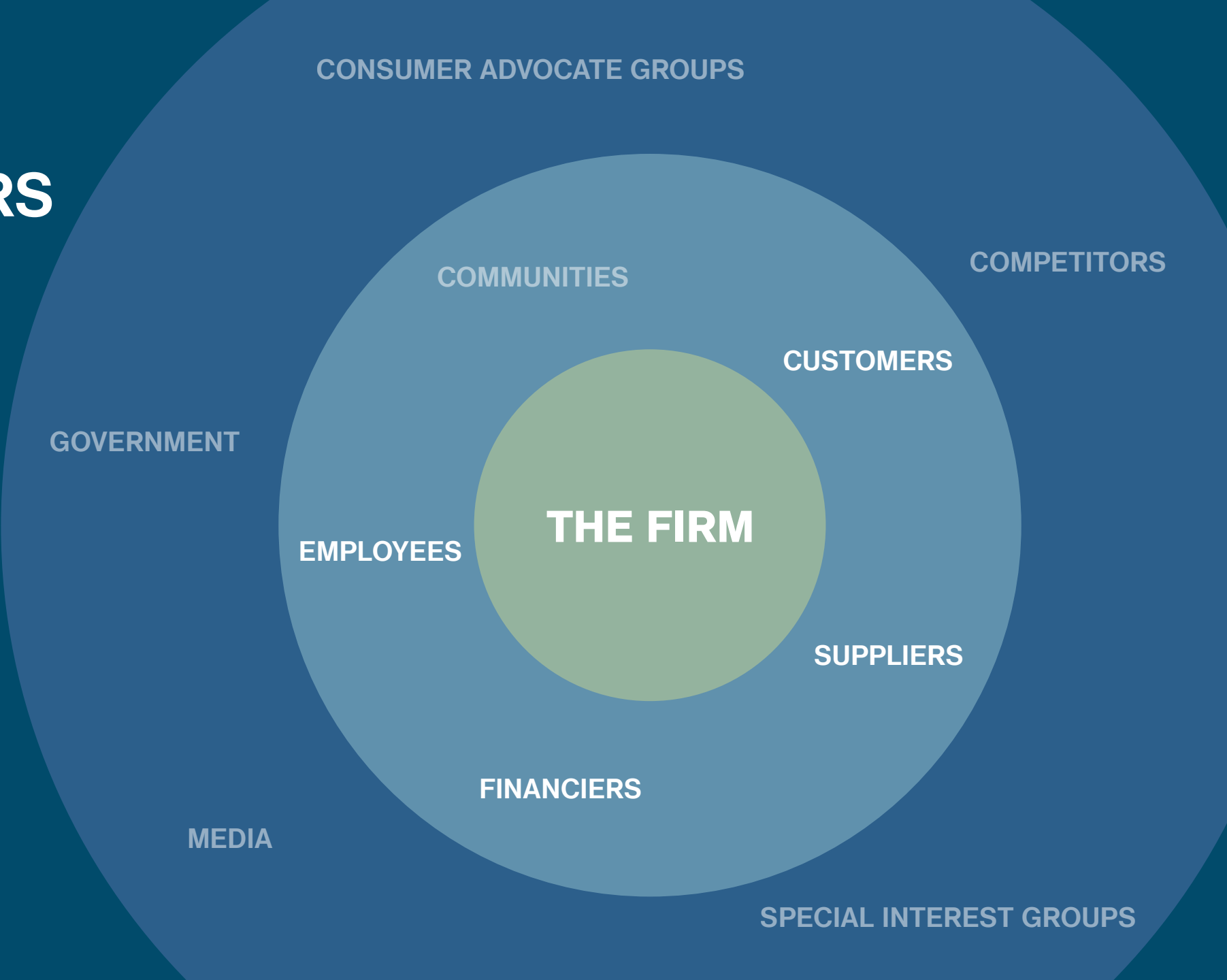
THE PURPOSE-BASED APPROACH TO BUSINESS

HOW DO WE ENCOURAGE GOOD BUSINESS?

WHAT IS GOOD BUSINESS?

WHAT IS THE PURPOSE OF BUSINESS?

STAKES & STAKEHOLDERS IN BUSINESS



What is *fair*?



Agreement Argument

Desert Argument

Utility Argument





EMPLOYMENT *at will*

Intrinsic Value



Instrumental Value



AUTONOMY

Freedom of CONTRACT

THIS AGREEMENT made this _____
by _____
and between _____
and _____

day of _____

, 20____

WITNESSETH: That in consideration
kept and performed on the part of _____

I. Said party of _____

(First Party)
(Second Party)

covenants and agreements
hereto, respectively



FAIRNESS



FAIRNESS





MUTUAL BENEFIT

Mutual Benefits of EAW

**Employee
Interests**

LIMITS EMPLOYER ABUSES

RESOLVES IMPERFECT INFORMATION

IMPROVES WORKPLACE ENVIRONMENT

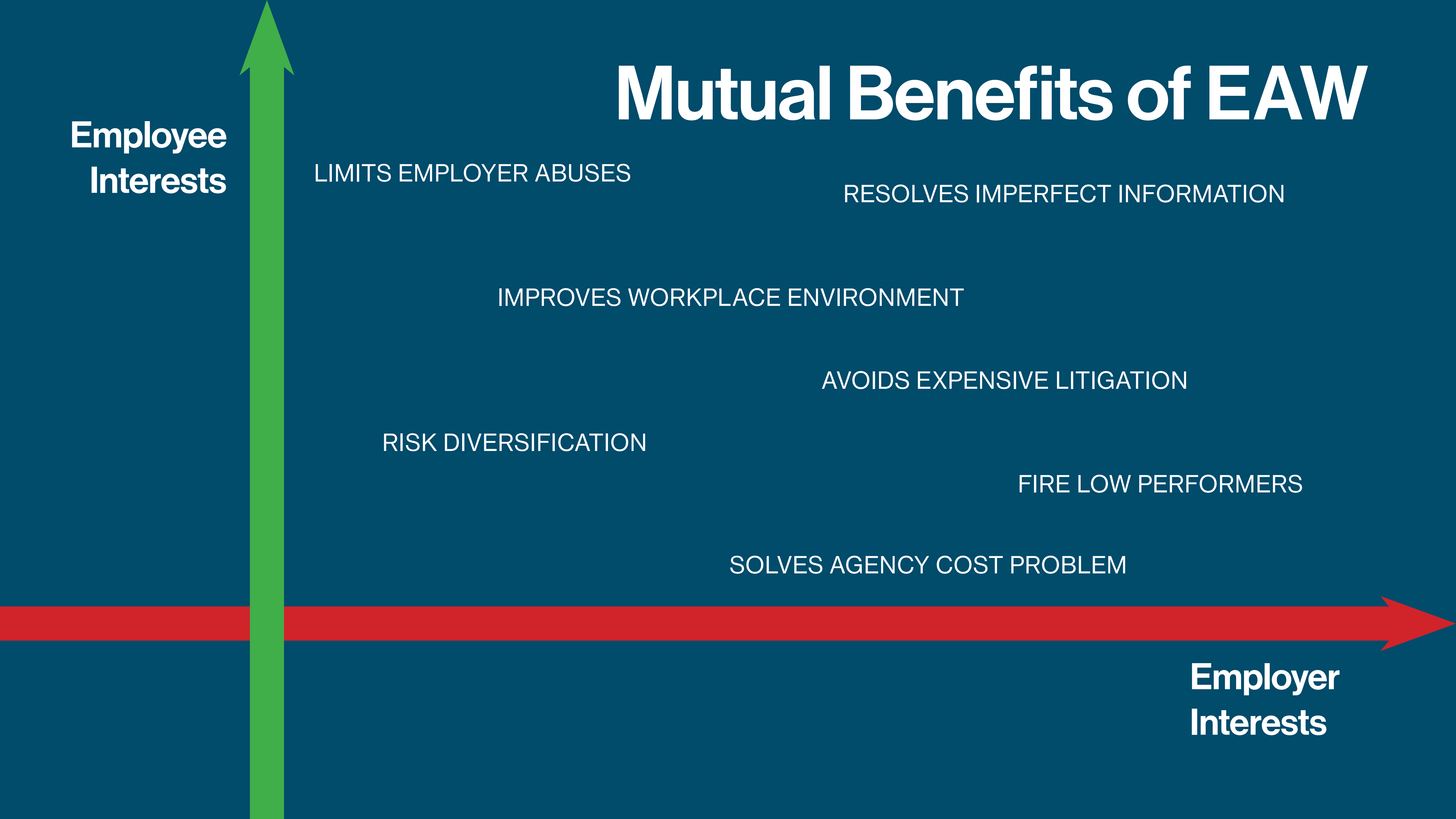
AVOIDS EXPENSIVE LITIGATION

RISK DIVERSIFICATION

FIRE LOW PERFORMERS

SOLVES AGENCY COST PROBLEM

**Employer
Interests**



Demanding Dismissal with Justification

While Richard A. Epstein (1984) may defend EAW, John J. McCall (2003) is more critical of the practice, especially when it comes to protecting employees. So we will consider McCall's criticism of EAW along with his defense of rules that require employers to provide good reasons for dismissing employees.

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Acknowledgements

Introductory slide photograph by Altrendo Images (n.d.). My purpose-based approach to business is heavily influenced by my reading of Duska (1997). The figure of “Stakes & Stakeholders in Business” is adapted from Freeman (2009, p. 61, fig. 1). The framing of the mutual benefits of EAW is based on the dual concern model from Pruitt and Kim (2004, p. 41, fig 3.1).