

Ethics of Leadership

Ethical Egoism

As you read the material for the next class, keep the questions below in mind. To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages. Keep in mind that there are two basic kinds of information that you need to look for in the readings:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, *it is information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible conclusion about an issue, rather than another.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently to these issues in the next class meeting.

Reading

- Ayn Rand, “Why Self-Interest Is Best”, pp. 44–52.
- Lynn Parramore, “How a Libertarian Used Ayn Rand’s Crazy Philosophy to Drive Sears Into the Ground” (PDF on webpage).
- Karen Marquiss, “The Conflict at Lomatex Chemical” (PDF on webpage).

Background

Recall that **psychological egoism** is a theory of human motivation claiming that a person primarily acts according to *prudential* reasons, that is, according to considerations seen as promoting that person’s interests. Contrary to this theory, Ayn Rand believes that people often do act self-destructively by not following the prudence of self-interest. In the selection from her book *Atlas Shrugged*, she instead defends **ethical egoism**, a theory of morality claiming that a person *should* act only according to prudential reasons. It is absolutely immoral, on this view, to act against your own self-interest. Today, this theory has proved extremely influential amongst business leaders. The reading from Lynn Parramore uses the case study of Sears (a formally huge U.S. department store chain) under the leadership of Eddie Lampert to argue against ethical egoism. Finally, the case study of Lomatex Chemical provides an illustrative situation where the business interests of a leader and the interests of others seem to come into conflict.

Questions

1. Ayn Rand claims that you must “accept the fact that the achievement of your happiness is the only *moral* purpose of your life” (p. 51). What is her argument justifying this claim?
2. Meanwhile, Lynn Parramore claims that Rand’s philosophy perpetuates three dangerous myths about leadership. What are these three myths and why are they supposed to be dangerous? Do you agree that these myths all logically follow from Rand’s claims about ethical egoism and the purpose of human life?
3. What are the normative factors involved in “The Conflict at Lomatex Chemical”? Which factors would Rand and Parramore each advise the company’s president to focus upon in deciding what to do? If you were the president, how would you decide?
4. Given that they reach different conclusions, Rand and Parramore cannot both be right. Where exactly in their respective arguments do they disagree? Which position is supported by the strongest and most compelling argument?