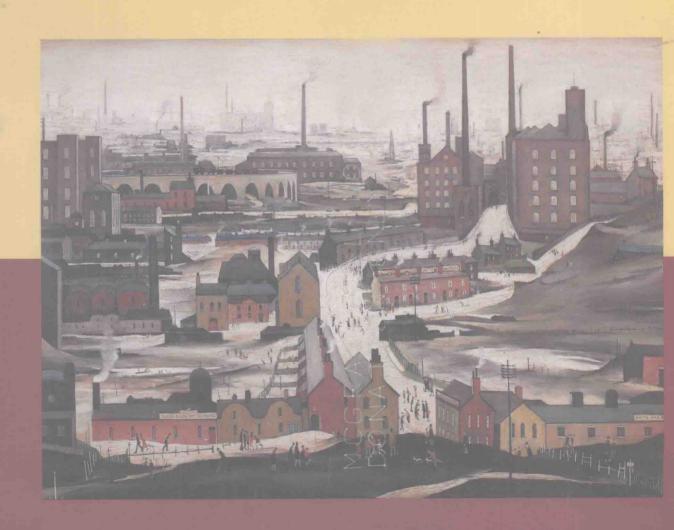
BUSINESS ETHICS

People, Profits, and the Planet



Kevin Gibson

BUSINESS ETHICS

People, Profits, and the Planet



Marquette University



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PREFACE

Business Ethics: People, Profits, and the Planet has a significantly distinct approach from the structure of standard anthologies in the area. It is based on my experience in teaching classes composed of a range of students—from people earning associate degrees to working managers to executive MBAs. It presents students with current and classic material in an interesting and coherent way; it allows instructors to survey material or concentrate on particular issues in substantial depth, and it is designed to allow students to integrate the vast resources available on the World Wide Web.

The text first looks at the forces that shape the way we do business, examining the conceptual frameworks that allow us to analyze business dealings in moral terms. It considers business relations with stakeholders, including employees, consumers, and the community at large. There is a deliberate emphasis on the global impact of business on individuals, nations, and the environment; diversity and intercultural issues; and insights raised by women and people with other cultural perspectives. The initial conceptual investigation allows readers to analyze a wide range of individual topics; for example, notions of autonomy or moral responsibility may be applied

to topics such as drug testing and consumer protection, among many others. This basis facilitates making connections and examining particular issues in a systematic way. *Business Ethics* is a primary text that can be used without supplementation, however, it can easily be complemented by information in the public domain, particularly the Internet.

I am convinced that it makes good pedagogical sense to broadly establish the context of moral decisions in business and the real-world dynamics that operate. Take, for example, the case of the space shuttle Challenger explosion. It could be, and often is, taken as a simple whistle-blowing case. But that ignores some of the other important features of the case. For instance, it took place in a context of a market economy where the manufacturer's contract was up for renewal. The ones making the immediate decisions were middle managers, even as there were larger institutional forces such as loyalty and obedience involved. There was a psychological push to conform with the team, and responsibility was seemingly abdicated at the leadership level. So, although it is interesting to look at the individuals making decisions in the heat of the moment, I viii PREFACE

have found it much more rewarding as a teacher to show how fertile and interesting the analysis can be when posed against a wider backdrop.

Several features make this book particularly useful as a text:

- A collection of accessible readings drawn from the best of current literature in business ethics, including gender issues, environmental concerns, and serious consideration of the potential effects of globalization. A number of seminal readings are anthologized here for the first time, including views of business from non-Western cultures, readings about objections to globalization from both wings of the political spectrum, and critical assessments about the way we in business and society make choices about the environment and animal welfare.
- Cases that invite students to do individual Web-based research. They are deliberately concise and do not bias the reader or reach a particular conclusion.

Cases have often been used as moral tales - effectively, lessons in what we should not do. However, ethics in the real world is often more nuanced and multi-layered. The cases provide the essential facts and could be used as they stand. They also may be used as a springboard for discussion and research. For example, in the Malden Mills case, a company owner supported his workers after a devastating fire and was lionized for his actions. We can take those facts at face value, but enterprising students may find through their research that the fire occurred after the owner ignored multiple warnings from the fire department or that the firm subsequently faced bankruptcy. Most of the cases are drawn from discussions within the text (see "Cases Referenced to Readings" table of contents), but they can, of course, be used inde-

- pendently. The presentation of the cases gives readers an opportunity to find out how the story ends or to disagree with authors who cite the case to make a given point. Moreover, a number of cases are openended; for instance, the facts about World-Com and Enron are still being revealed.
- Students can be guided in their research by using the Web site associated with the text: www.mhhe.com/gibsonle. Through the Web site students are able to bring the latest information into their discussions. Teachers with Internet access in class can log onto the Web site during class time and use the links that connect to immediate video downloads. So, for example, if students are interested in the shuttle Columbia disaster, the instructor can follow the site links to downloads from NASA and CNN; or in the section on marketing, there is a link to the PBS Frontline series including the program Merchants of Cool—all of which can be played in real time.
- I actively embrace the potential of the Web as a pedagogical tool. Students learn in a variety of ways and through a variety of media. For instance, in talking about corporate responsibility, in the past I have used the Exxon Valdez case about an apparently negligent oil spill in Alaska. Several years ago I would use a made for TV movie called *Dead Ahead* to bring the story to life. However, it has a particular point of view and is pedagogically limited. Yet, today students standardly have access to the Web, and they invariably present new and interesting information including video and archived material based on very elementary Web searches. Although there is a concern that this could promote plagiarism, I have not had this problem because it is treated as research, and students have to show the source. They also have to learn that they cannot take all information at face value just because it

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appears on a Web site. In the last few years I have integrated Web-based research by students into the course, and it has been very successful.

This text capitalizes on the almost inexhaustible wealth of information available: Any case or resource mentioned in the readings has been given a link on www.mhhe. com/gibsonle. Thus, for example, in the David Messick and Max Bazerman reading, they use the ferry *Herald of Free Enterprise* wreck as a central discussion point. With this text, students may take the material as presented, or they could use the link on the Web site to find out more about the case and investigate the various ethical issues involved.

The text is designed to appeal to instructors of business ethics in either philosophy or business faculties. I am fortunate to have served joint appointments both at Marquette University and previously at the University of Colorado, Boulder. There are clear differences in the interests and emphases of these faculty, but at the same time I believe that we can learn a lot from each other. I have provided instructors with comprehensive teaching materials, which should go a long way toward assisting members of both disciplines to bridge the conceptual and language gaps. Thus, for example, I have found that it is difficult to discuss the practical aspects of business dealings without some reference to the business terminology of "negative externalities"—essentially, costs passed on to unknowing third parties. Philosophers, too, have concepts such as the "doctrine of double effect"—outcomes morally acceptable if they are foreseen but unintended—that can be vitally important in framing issues in business practice. For instance, a company may not mean harm to individual workers due to layoffs caused by its desire for greater profits. Integrating the language of business and philosophy is both necessary and useful and allows us richer and more sophisticated discussions. Thus, the text itself draws from a number of sources and disciplines that enhance our understanding.

The textbook is designed for a 12- or 16-week term; instructors have sufficient material to do justice to topics by looking at them generally as well as the flexibility to examine the topics in much more depth. A number of the readings are deliberately short and straightforward to give teachers the option of presenting material in ways that are not intimidating to students; other readings provide subtler and richer analyses. Teachers using the supplementary instructional material along with the text will be able to individualize their courses so that they survey vital material but still concentrate on their own areas of special interest.

Part One, "The Moral Landscape of Business," moves from general considerations and abstract theory, to more immediate and practical concerns. It begins with a serious consideration of the nature and morality of free market capitalism and work. Specific readings present ethical theories, including a feminist viewpoint, a discussion of the relationship of theory to practice, and the problems and concerns that surround implementing good behavior in a business setting. An important addition to the standard curriculum is an examination of the ways in which organizations may influence individual moral decisions. My experience is that uninformed students tend to make intuitive responses, with little ability to supplement them if only given the general outlines of ethical theory. By putting individual topics in a systematic context, students have more resources to draw on when studying, say, how disputes are managed or how there is a very natural tendency to obey authority figures in an organizational setting. These lessons have a very immediate and practical application for students by helping them frame the concepts used in discussions.

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Part Two deals with the ways in which we attempt to encourage or constrain the behavior of business and individuals, including another important but often-neglected dimension of business ethics: the notion of collective responsibility and role morality. This leads to a discussion of the clash between organizational and individual values and the ways in which business and law have tried to regulate conduct.

Part Three examines business in its dealings with stakeholder groups—especially employees, consumers, and the community. By grouping issues in this way, readers can see the thematic unity across topics. Hence we can take a concept like corporate paternalism, say, and apply it in a variety of settings—ranging from protecting consumers from their own poor choices or preventing workers from smoking to less obvious cases such as a firm's selective philanthropy.

The last part widens the lens of the inquiry to give a truly global perspective. I introduce non-Western views about the nature of business and issues involved in multinational dealings, including the hot topics of overseas outsourcing and sweatshops. The readings also go to the heart of the globalization debate - one that has forged an odd alliance between environmentalists and those dedicated to maintaining national sovereignty. Finally, because we all share the same planet and business has the ability to shape the environment for better or worse, we must look at the way that business considers the environment and animals. Would we be better off if the battlefield at Gettysburg were run by Disney, or if the beef industry were severely curtailed? If we do not use free market forces to make these decisions, what other means is there to decide them?

A central theme reflected throughout the text is the clear message that we are all personally responsible for our moral decisions, and we cannot abdicate or delegate that responsibility just because we are in business. The text is crafted to cause students—the professional decision-makers of the future—to pause while they integrate the moral dimension into their reasoning process. It is a relatively modest goal but one with monumental implications in today's world.

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There are many writers represented in the text, and I am pleased to be able to promote their

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