

# Contents

## Part I Economic Issues in Business Ethics

<b>1</b>	<b>Fair Markets Revisited .....</b>	<b>3</b>
	Morality as a Ground of Legal Decisions .....	4
	A Rejoinder and Reply.....	8
	Advice for Managers.....	10
	Characteristics of Fairness .....	11
	Objections and Replies .....	14
	Conclusion .....	15
<b>2</b>	<b>What’s Wrong with Efficiency and Always Low Prices .....</b>	<b>17</b>
	Introduction.....	17
	The Problem.....	19
	Some Observations from Home and Abroad .....	20
	What Some Others Are Saying .....	22
	The Issue or Issues .....	24
	What’s to Be Done .....	26
	Objections and Replies .....	27
	Conclusion .....	29
<b>3</b>	<b>Economics, Friend or Foe of Ethics.....</b>	<b>31</b>
	Economics as Foe .....	31
	Foe: Adherence to Psychological Egoism.....	32
	Foe: Assumptions of Agency Theory .....	32
	Dropping the “No Transaction Costs” Assumption:	
	Transaction Cost Economics.....	34
	Turning Economics from Foe to Friend.....	35
	Codes of Ethics .....	35
	The Importance of a Good “Ethical Climate”.....	36
	Multinationals and Universal Standards .....	37

Fairness as an Explanatory Variable in Economics and Management Theory .....	42
Conclusion .....	44

## Part II Philosophical Issues in Business

<b>4 Kantian Themes .....</b>	<b>47</b>
Why Kant .....	47
Organization of This Chapter .....	49
Rethinking and Defending <i>Business Ethics: A Kantian Perspective</i> .....	50
Chapter 1 Immoral Business Practices .....	50
Chapter 2 Treating the Humanity of Stakeholders as Ends Rather than as Means Merely .....	52
Chapter 3 The Firm as a Moral Community .....	57
Chapter 4 Acting from Duty: How Pure a Motive? .....	59
Chapter 5 The Cosmopolitan Perspective .....	62
The New Generation of Scholars Applying Kant to Business Ethics .....	65
Aristotle-Not Kant .....	65
Kantian Accounts of Corporate Social Responsibility .....	67
Conclusion .....	71
<b>5 Limitations of the Pragmatist Approach to Business Ethics .....</b>	<b>73</b>
Background .....	73
Rorty's <i>Contingency, Irony, and Solidarity</i> .....	75
Why Literature Misleads .....	77
Rorty's Address Before the Society for Business Ethics .....	79
The Pragmatism of Ed Freeman and Some of His Students .....	83
Should Stakeholder Theorists Adopt a Pragmatist Methodology? .....	85
Concluding Thought .....	87

## Part III International Issues in Business Ethics

<b>6 Varieties of Corporate Social Responsibility .....</b>	<b>91</b>
The Maximization of Shareholder Wealth	
Capitalism-American Finance Based Capitalism .....	92
Corporate Social Responsibility as Charity .....	92
An Addendum to the Classical American View: Stakeholder Capitalism .....	93
Social Responsibility Under the Stakeholder Model .....	95
The European Sustainability Version of Capitalism .....	95
Philanthropy, the Safety Net, and Human Rights .....	97
The Business Case for Social Responsibility .....	98

Corporate Social Responsibility in Asia .....	98
Japan.....	98
India.....	100
China .....	102
Which Version of Corporate Social Responsibility	
Should a Country Adopt?.....	107
The Moral Argument for Sustainability .....	108
Why Philanthropy Is Not Enough.....	111
Does China Need Corporate Social Responsibility to Survive.....	111
Is There a Future for Corporate Social Responsibility	
in the Twenty-First Century? .....	112
<b>7 Constructing the Universal Norms of International Business .....</b>	<b>113</b>
The Donaldson/Dunfee Approach.....	114
The Patricia Werhane Approach.....	117
International Agreements.....	118
A Problem: The Multiplicity of Agreements .....	119
Negotiated Agreements and Questions of Legitimacy.....	121
Philosophical Grounding for Constructing Universal Norms.....	125
A Difficulty .....	127
Summary .....	128

## **Part IV Specific Business Ethics Issues**

<b>8 Morality, Money, and Motor Cars Revisited.....</b>	<b>131</b>
Background.....	131
Distinguishing Special Obligations to the Environment	
from Other Moral Obligations.....	132
Why Business Has Few Special Obligations to Protect	
the Environment.....	133
An Environmentalist's Response: The Public Goods Aspect	
of Consumption.....	137
The Obligation Not to Lobby Against Environmental Legislation.....	138
The Cohen-Dienhart Perspective .....	139
Dealing with Practical Realities.....	141
The Obligation of Business to Educate Consumers.....	144
Concluding Thoughts-An Expanded Set of Moral Obligations	
for Business with Respect to the Environment .....	145
<b>9 Ethics in Financial Services: Systems and Individuals.....</b>	<b>147</b>
Introduction.....	147
The Purpose of Financial Markets .....	148
Losing Sight of the Purpose of Financial Markets.....	149
What Is Corruption?.....	152
Is Greed a Factor in the Corruption?.....	154
Tying It All Together.....	159

Financial Services Professionals.....	160
Basic Ethical Principles: A Call to Reexamine Purpose.....	164
<b>10 Stakeholder Board Representation as a Means of Governance.....</b>	<b>165</b>
Section One: Proposals for Reform .....	165
Regulatory Reform.....	165
Limitations of the Compliance- Based Approach .....	168
Board Reforms .....	168
Principles Rather than Rules .....	169
Section Two: Stakeholder Theory .....	170
Section Three: Stakeholder Governance .....	173
The Composition of a Stakeholder Board.....	175
Procedures for a Stakeholder Board.....	177
A Test Case: Executive Compensation.....	178
Section Four: Objections and Replies.....	178
Conclusion .....	181
<b>11 Organizational Integrity and Moral Climates .....</b>	<b>183</b>
Introduction.....	183
The Importance of a Moral Climate.....	184
Stakeholder Management.....	185
Seven Substantive Moral Principles.....	186
Norms of Fairness .....	187
Procedural Norms.....	188
Considerations That May or May Not Contribute to Organizational Integrity .....	191
The Perspective of Ideal Theory .....	191
Assessing the Characteristics of a Workforce .....	192
The Importance of Incentive Structures .....	193
Codes of Ethics .....	195
Determining Individual Responsibility .....	196
Elements That Inhibit the Development of a Moral Climate .....	198
Groupthink .....	198
Teleopathy .....	200
Conflicts of Interest .....	201
Why Firms with Organizational Integrity Should Be Successful.....	202
A Pessimistic Concern and a Topic for Future Research .....	203
Conclusion .....	204

## Part V Teaching Business Ethics

<b>12 Crucial Decisions for the Teaching of Business Ethics .....</b>	<b>209</b>
Some Important Historical Background .....	209
Crucial Decisions .....	211
Decision #1: What Is the Role of Ethical Theory in the Teaching of Business Ethics? .....	211
Decision #2: Dealing with Cynicism .....	213
Decision #3: How Different Should Business Ethics Courses Be for Undergraduate Students, Liberal Arts Students, Executive MBA's, Part-Time MBA's and Full-Time MBAs'? .....	214
Decision #4: What to Do When Students Want Answers and There Aren't Any .....	216
Decision #5: How Should Business Ethics Course Be Graded? .....	216
Decision #6: Should a Business School Have a Required Course or Should It Try to Get Ethics in All Functional Areas? .....	218
Decision #7: Should You Invite Business People to Help Teach Your Business Ethics Course? .....	219
Decision #8: How Prominent Should the Use of Cases Be? .....	220
Decision #9: Should You Try to Measure Student Performance and if So How? .....	221
Decision #10: Student Laptops .....	222
Decision #11: How Far Should a Business Faculty Member Go in Using the New Technology? .....	222
A Concluding Worry .....	223
<b>References .....</b>	<b>225</b>
<b>Index .....</b>	<b>229</b>

Business Ethics in the 21st Century

Bowie, N.E.

2013, XVII, 235 p. 2 illus.,

ISBN: 978-94-007-6223-7