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- <http://www.liu.se/ikk/cte/kurser/business-ethics/1.538292/schedule-business-ethics-spring-2014.pdf>

Branches of business ethics

- Finance ethics
- Employment ethics /Employee rights
- Management ethics
- Accounting ethics
- Corporate responsibility
- International business ethics (ethics for multinationals)
- Ethics of advertising
- Etc.

What is business ethics?

”...the study of practices and policies in business, to determine which are ethically defensible and which are not.“

Jennifer Jackson, *An introduction to business ethics*

What is business ethics?

”The branch of ethics that analyses problems and dilemmas created by business practices: for example the social responsibility of the firm, the proper limits of acceptable competition, the weighing of conflicting obligations to stockholders and clients, and the extent and limits of company loyalty.”

Oxford Dictionary of Philosophy

What is business ethics?

"Business ethics is the study of what constitutes right and wrong, or good and bad, human conduct in a business context."

"Think more deeply about the nature and purpose of business in our society and about the ethical choices individuals must inevitably make in their business and professional lives."

William H. Shaw, *Business Ethics*, p. xi, 8.

What does business ethics do?

- Comprises principles and standards that guide behavior in business
- Deals with acceptable or unacceptable behavior within or outside the business organisation.
- The discipline of applying **ethical principles** to deal with complex moral problems.

What is business ethics?

- The discipline of applying **ethical principles** to deal with complex moral problems within business/business organisations.

Ethical principle = "a general moral statement that sets forth conditions under which an action is right or wrong or something is good or bad" (Mark Timmons, *Moral Theory*)

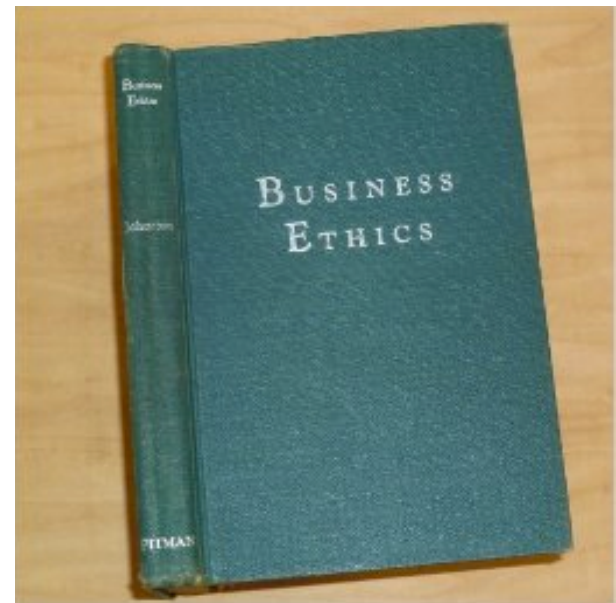
Different ways of relating to business ethics

1. Academic discipline
2. Movements in business
3. Ethical analysis of business

The history of business ethics as an academic discipline

Recent history

- 1957 Business ethics textbook by Herbert Johnston



1957-1963

- 1957 Price fixing conspiracy among members of the electrical industry in USA.
- Antitrust violations
- Empirical study by Raymond C. Baumhart showed that most businesses had unethical practitioners.

The history of business ethics as an academic discipline

- Vietnam war
- Civil rights movement/1964 Civil Rights Act
- US - dominating economic force
- Multinational corporations
- **Social responsibility programs and ethical codes**

Business ethics as an academic discipline in Europe

1980's (Henk van Luijk, See *A Companion to Business Ethics*)

- Rights and duties of shareholders and stakeholders
- Environmental consequences of business
- Marketing and advertising practices
- The role of the state
- International business ethics (multinationals)
- Social responsibility
- Codes of conduct

Method?

Philosophical study?

Social science?

Economics?

Business ethics

CSR

A history of the ethical analysis of business

Aristotle (348-322 b.c)

”Trade for profit is unnatural and therefore unethical”.

Marx (1818-1883)

”The relationship between capitalists and workers is exploitative and therefore unethical”.

A history of the ethical analysis of business

John Locke (1632-1704): The importance of natural rights (property rights)

Adam Smith (1732-1790): Laissez-faire economics". The invisible hand. Moral sentiments.

What is ethics?

Moral philosophy [ethics] is the attempt to achieve a systematic understanding of the nature of morality and what it requires of us - in Socrates words, of "how we ought to live", and why.

James Rachels, (2007), *The elements of moral philosophy*, p. 1.

Doing ethics

- Descriptive ethics
- Normative ethics
- ~~Meta ethics~~
- Applied ethics

Descriptive ethics (is)

Descriptive ethics is the study of peoples' beliefs about morality; about people's values as well as their statements about moral issues.

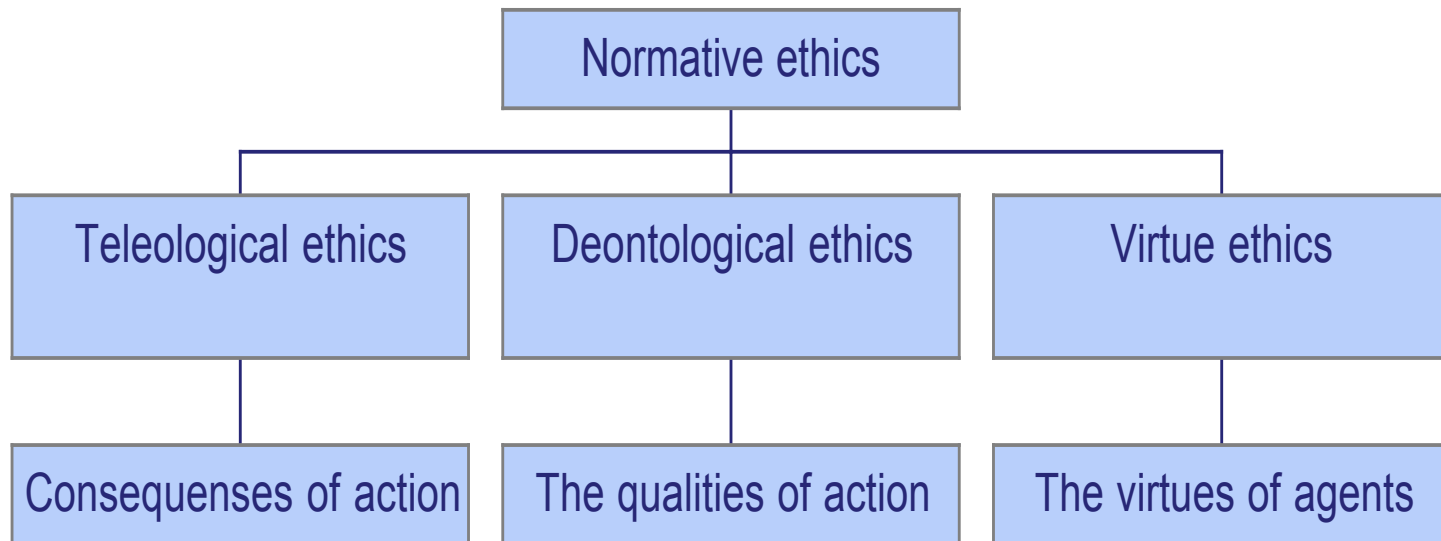
Descriptive study!

Normative ethics (ought)

The study of ethics with regard to what is right and wrong, how we **ought** to act and why.

Normative ethics

What is right/good?



Applied ethics

Practical ethical problems related to areas of the human life:

- Business ethics
- Bioethics
- Animal ethics
- Professional ethics
- Medical ethics
- Social ethics
- Etc.

Applied ethics

What should I do?

What ought I to do?

E.g. "Should I give money to charity?"; "Am I morally obliged to save a drowning child?"; Do multinational pharmaceuticals have a responsibility to provide vaccines and medicines at an affordable price in LDCs?

Practical question → Answer: Action

Applied ethics

(1) Moral principle

(2) Account of the relevant facts

(3) Practical conclusion (action)

Applied ethics

The role of ethical theory: Provides explanations / reasons of why I ought to do X.

The reason should be applicable in all similar cases

Levels of analysis:

- Micro – ethical norms and principles applies to the individual.
- Meso – ethical norms and principles applies to the organization, its structure and culture
- Macro – ethcial norms and principles applies to insititutions, the market, government, cultural traditions, etc.