

- Posner, Barry, and Warren Schmidt. "Values and the American Manager: An Update." *California Management Review* (Spring 1984).
- Rawkins, Robert. "U.S. Indicts Exxon in Oil Spill." *The Miami Herald*, February 28, 1990.
- Steiner, George A., and John F. Steiner. *Business, Government, and Society, A Managerial Perspective*, 5th and 6th eds. New York: Random House, 1988 and 1991.
- The Wall Street Journal*. "How Do You Spell Success?" October 30, 1990, A1.
- Weiss, Joseph. *The Management of Change: Administrative Logics and Actions*. New York: Praeger, 1986.
- Werhane, Patricia. "Engineers and Management: The Challenge of the Challenger Incident." *Journal of Business Ethics* 10 (1991): 605-616.

Ethical Principles and Decision-Making Guidelines

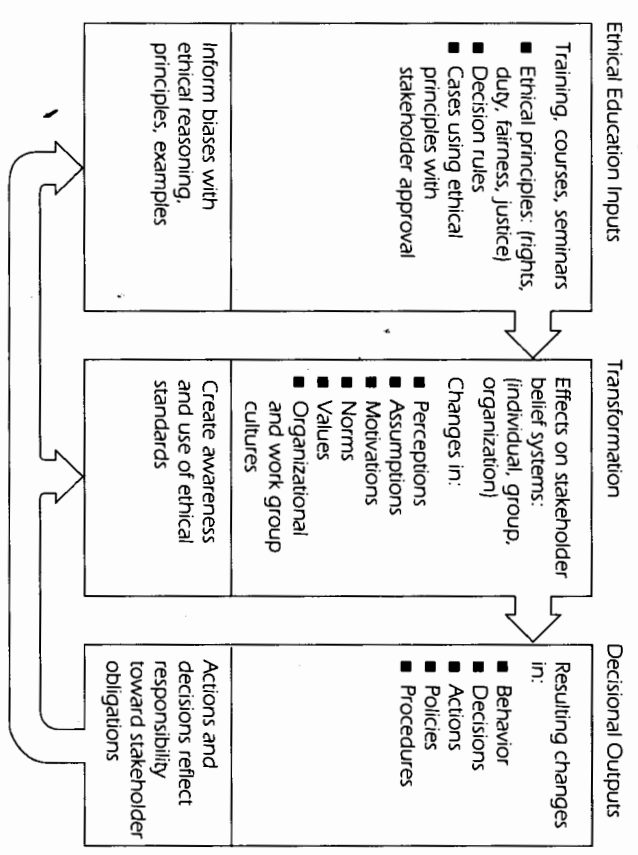
- 3.1 Decision Criteria in Ethical Reasoning
- 3.2 Ethical Relativism
- 3.3 Utilitarianism
- 3.4 Universalism
- 3.5 Rights
- 3.6 Justice
- 3.7 Four Social Responsibility Roles and Modes
- 3.8 Individual Ethical Decision-Making Styles
- 3.9 Quick Ethical Tests

Ralph Simms, a newly graduated MBA, was hired by a prestigious U.S.-based multinational firm and sent, with minimal training, to open negotiations with a high-ranking Middle Eastern government official. Simms's assignment was to "do whatever it takes to win the contract; it's worth millions to us." The contract would enable Simms's firm to select and manage technology companies that would install a multi-million-dollar computer system for that government. While in the country, Simms was told by the representative government official that Simms's firm had "an excellent chance to get the contract" if the official's nephew, who owned and operated a computer company in that country, could be assured "a good piece of the action." The official told Simms this would remain a confidential matter and closed by saying, "That's how we do business here; take it or leave it." Simms called his superior in Chicago and informed him of what had happened. Simms was told, "Take it! But use *your best judgment* on how to handle the details."

Complex ethical dilemmas in business situations usually involve tough choices that must be made among conflicting and competing interests. Should Ralph Simms move to close the lucrative deal or not? Is he being offered a bribe? Is the official's request legal? Is it ethical? Is this a setup? Would Ralph be held individually responsible if something went wrong? Who is going to protect him should legal complications arise? How is Ralph supposed to negotiate such a deal? (He wasn't taught that in a management class.) What does Ralph stand to win and lose if he does or does not accept the official's offer? Finally, what *should* Ralph do to act morally responsible in this situation? What is the right action to take? These are the kinds of questions and issues that we will address in this chapter. There may be no obvious or easy answers, but there are principles and guidelines that can help you identify and think through issues that underlie ethical dilemmas. The aim here is to present ethical principles and guidelines that can help you evaluate—as shown in Figure 3-1—your own and others' moral responsibilities in resolving ethical dilemmas.

The stakeholder analysis in Chapter 2 illustrated how to map and plan social responsibility strategies between corporate managers and external stakeholders. This chapter introduces and summarizes fundamental ethical principles and decision rules to use when making difficult moral decisions in complex business transactions. We intentionally do not offer exhaustive explanations of ethical principles or the philosophical reasoning underlying these principles. That is beyond the scope of the book and can be found in our citations and other philo-

Figure 3-1 Intended Effects of Business Ethics Education on Stakeholder Belief Systems and Decisions



sophical works. Our aim however, is to simplify and briefly present a summary of major ethical principles and guidelines that can be applied in a stakeholder analysis framework, that is, a decisional context that involves business settings. We begin this section by presenting ethical reasoning at the individual level. The ethical reasoning processes, principles, and decision rules are also applicable at the corporate policy and group levels.

3.1 DECISION CRITERIA IN ETHICAL REASONING

A first step in addressing ethical dilemmas is to identify the problem(s) and related issues. This is particularly necessary in a stakeholder approach, since the problems and issues depend on who the stakeholders are and what their stakes entail. Before discussing specific ethical principles, we begin by offering important decision criteria in ethical reasoning. How would you, as you read these, apply the criteria to Ralph Simms's situation?

Laura Nash (1981, 78-90) presented 12 questions to help clarify ethical problems:^{*}

1. Have you defined the problem accurately?
2. How would you define the problem if you stood on the other side of the fence?
3. How did this situation occur in the first place?
4. To whom and to what do you give your loyalty as a person and as a member of the corporation?
5. What is your intention in making this decision?
6. How does this intention compare with the probable results?
7. Whom could your decision or action injure?
8. Can you discuss the problem with the affected parties before you make your decision?
9. Are you confident that your decision will be as valid over a long period of time as it seems now?
10. Could you disclose without qualm your decision or action to your boss, your chief executive officer (CEO), the board of directors, your family, or society as a whole?
11. What is the symbolic potential of your action if understood? If misunderstood?
12. Under what conditions would you allow exceptions to your stand?

Nash states that these 12 questions can help individuals openly discuss and articulate responsibilities needed to solve ethical problems. She notes that sharing these questions can facilitate group discussions, build cohesiveness and consensus around shared points, serve as an information source, uncover ethical inconsistencies in a company's values, help a CEO see how senior managers think, and increase the nature and range of choices. She also notes that the discussion process is cathartic.

To return briefly to the opening case, if Ralph Simms considered the first point presented above, he might, for example, define the problem he faces from different levels or perspectives (as Chapter 1 illustrated). At the *organizational level*, his firm stands to win a sizable contract if he accepts the government official's conditions. His firm's image and reputation could also be jeopardized in the United States if indeed this deal

^{*}Laura Nash, "Ethics Without the Sermon," *Harvard Business Review* (November/December 1981): 88. Copyright ©1981 by the President and Fellows of Harvard College. All rights reserved. Reproduced with permission of the Harvard Business Review.

turned out to be a scandal, if a controversy arose among competitors, or if the media covered the events in a critical way. At the *social level* the issues are complicated. In this Middle Eastern country, this type of bargaining might be acceptable. In the United States, however, Ralph could have problems with the Foreign Corrupt Practices Act. Is this a bribe? And is Ralph acting officially on behalf of his company or as an individual? At the *individual level*, Ralph must decide if his values and conscience can tolerate the actions and consequences this deal involves. He must also consider the economic, political, social, and moral costs and benefits he will incur from his company if he decides to accept or reject this assignment. Ralph must also decide to whom his loyalty belongs in this situation, as a person and as an employee. Whom could his decision potentially injure? As you can see, these questions can serve to help Ralph clarify his goal in making a decision and the prices he is willing or not willing to pay.

Manuel Velasquez (1988, 32-43) also offered criteria that can be used in ethical reasoning and that help systematize and structure our arguments:

1. Moral reasoning must be logical. Assumptions and premises, both factual and inferred, used to make judgments should be known and made explicit.
2. Factual evidence cited to support a person's judgment should be accurate, relevant, and complete.
3. Ethical standards used in a person's reasoning should be consistent. When inconsistencies between one's ethical standards in an argument or decision are discovered, one or more of the standards must be modified.

If Ralph Simms, from our opening case, were to use Velasquez's criteria, Simms would articulate the assumptions underlying his decision. If Simms, for example, chose to accept the government official's offer, he might say that he assumed it was not a bribe; that even if it were a bribe, he assumes he will not get caught; and that even if he or his company did get caught, he would be willing to incur any penalty individually—including loss of his job. Moreover, Ralph would want to obtain as many facts as he could regarding both U.S. laws and the Middle Eastern country's laws on such negotiating practices as the one he will accept. He will also gather information from his employer and check the accuracy of the information against his decision. Finally, Ralph will be consistent in his standards. If he chooses to accept the foreign official's conditions, he must be willing to accept additional contingencies consistent with those

conditions. He would not, for example, midway through helping the official's nephew obtain part of the contract, suddenly decide that these actions were wrong and "unethical" and then back out. Ralph must think through these contingencies before he makes a decision.

Finally, a simple but powerful question can be used throughout your decision-making process in solving ethical dilemmas: "What is my motivation for choosing a course of action?" By examining individual motives and separating these from known motivations of others, clarity and perspective are gained. Ralph, for example, may ask, "Why did I agree to negotiate with the official on his terms? Was it for money? To keep my job? To impress my boss? For adventure?" Ralph may also ask whether his stated motivation from the outset will carry his commitments through the entire contracting process.

Moral Responsibility

A major aim of ethical reasoning is to gain a clearer and sharper logical focus on problems in order to act in morally responsible ways. Velasquez (1988) stated that individuals are morally responsible for their actions and the harmful effects of their actions when (1) a person knowingly and freely so acted or when the person caused the act to happen when that act was morally wrong or hurtful to others, and (2) when a person knowingly and freely *failed* to act or prevent a harmful act that, also, was morally wrong for a person to have failed to do or prevent from happening. Although there is no universal definition of what constitutes a morally wrong act in absolute terms, we suggest that an act and the consequences of an act are morally wrong if physical or emotional harm or damage is done to another as a result of the act committed. Again, the degree of harm and the other conditions mentioned above must also be considered.

Two conditions that eliminate a person's moral responsibility for causing injury or harm are *ignorance* and *inability* (Velasquez 1988). A person, however, who intentionally prevents himself or herself from understanding or knowing that a harmful action will occur is still responsible. Also, a person who negligently fails to inform himself or herself about a potentially harmful matter may still be responsible for the resultant action. There are, of course, mitigating circumstances that can excuse or lessen a person's moral responsibility in a situation. Velasquez (1988) mentions such circumstances as (1) the seriousness or lack of seriousness of a wrongful act, (2) circumstances that show a person is uncertain about his or her knowledge of a wrongdoing, (3) cir-

cumstances that cause a person difficulty in avoiding doing an act, and (4) circumstances that affect the degree to which a person caused or helped cause a harmful injury. As we know from court trials, proving intent or motive for an alleged illegal act is not an easy matter. Similarly, showing the extent to which a person is morally irresponsible for complicated harmful actions can also be difficult to determine. For example, was the captain of the *Exxon Valdez* morally responsible individually for the resultant harm done to the Alaskan coastline and the local economies? Are the Savings and Loan officers individually morally responsible for the billions their institutional investment failures cost taxpayers? What principles and standards can we, as well as judges and juries, use to establish moral responsibility for ourselves and others?

In the following sections, we explain and discuss five fundamental ethical principles that can be used in our ethical reasoning for choosing particular alternatives and justifying difficult decisions and actions. The principles include (1) relativism, (2) utilitarianism, (3) universalism, (4) rights, and (5) justice. After discussing these principles, we will present four social responsibility modes and four individual styles of ethical reasoning. Finally, some "quick ethical tests" are presented that you may also use to clarify ethical dilemmas. We admit at the outset of this discussion that we do not go into great depth in presenting philosophical detail. The sources we cite provide a fuller discussion for those interested.

No single principle may be sufficient in helping you or a manager make tough ethical decisions. Our intent is to inform and develop your repertoire of ethical concepts so that you may have a range from which to choose and think through moral problems. The aim here is to present some major ethical principles and examples of ethical reasoning in order to increase your awareness of ethical knowledge and guidelines so that your resultant decisions, actions, and policies reflect fairness, justice, and responsibility toward those whom you serve as well as your own interests. While reading this section, we suggest you think of different levels of stakeholders and situations in which stakeholders such as individuals, students, managers, owners, suppliers, competitors, government regulators, and interest groups might apply these principles in their actions.

3.2 ETHICAL RELATIVISM

Ethical relativism holds that there are no single, universal standards or rules that can be used to guide or evaluate the morality of an act. What

is right for you may be wrong for me. This view argues that each person has and sets his or her own moral standards by which their actions are judged. Only the individual's self-interests and values are relevant for judging his or her behavior. This form of relativism is referred to as **naive relativism**.

If Ralph Simms in the opening case were to adopt the principle of ethical relativism in his decision making, he might, for example, choose to accept the government official's offer in order to promote his own standing in his firm. He might reason that his self-interests would best be served by making any deal that would push his career ahead. On the other hand, Simms could also use ethical relativism to justify his rejection of the offer. Simms might say that any possible form of such questionable negotiation is against his beliefs. The point behind this principle is that individual standards are the basis of moral authority.

The logic of ethical relativism also extends to cultures. **Cultural relativism**, as the position is called, argues, "When in Rome, do as the Romans do." What is morally right for one society or culture may be wrong for another. Moral standards vary from one culture's customs, belief systems, and value structure to another. Cultural relativists would argue that firms and business professionals doing business in a country are obliged to follow that country's laws and moral codes. A criterion that relativists would use in justifying their actions is, "Are my beliefs, moral standards, and customs satisfied with this action or outcome?"

The benefits of ethical and cultural relativism are that these principles recognize the distinctiveness of individual and social values, customs, and moral standards. These views take seriously the conscientiousness and unique belief systems of different individuals and societies. Different social norms and mores are seen in cultural context.

There are also several problems with ethical and cultural relativism. First, these views consist of an underlying laziness (Steiner and Steiner 1988). Individuals who justify their morality only from their own personal beliefs without taking into consideration other ethical principles may use the logic of relativism as an excuse for not having or developing moral standards that can be argued and tested against other claims, opinions, and standards. Second, this view contradicts everyday experience. Moral reasoning is developed from conversation, interaction, and argument. What I believe or perceive as "facts" in a situation may or may not be accurate. How can I validate or disprove my ethical reasoning and moral judgments if I do not communicate, share, and remain open to change my own standards? Third, ethical relativists can become absolutists. That is, individuals who claim their moral stan-

dards are right—regardless of whether they are right or wrong—can be closed to outside influence and accept only their beliefs as true. Also, what if my beliefs conflict with yours? Who is right then? Who decides and on what grounds? In practice, ethical relativism does not effectively or efficiently solve complicated conflicts in which many parties are involved. There must be a tolerance for accepting doubt and permitting our observations and beliefs to be informed. Finally, cultural relativism suffers from the same problems as those listed above. While it is important to observe and respect the values and moral customs of different cultures, especially since business professionals are increasingly operating across national boundaries, we must still not be lazy or blindly absolute or divorce ourselves from rigorous moral reasoning or laws aimed at protecting individual rights, justice, and fairness. As Freeman and Gilbert (1988, 36) ask, "Must American managers in Saudi Arabia treat women as the Saudis treat them? Must American managers in South Africa treat blacks as the white South Africans treat them? Must white South Africans treat blacks in the U.S. as U.S. managers treat them? Must Saudis in the U.S. treat women as U.S. managers treat them?" They continue, "It makes sense to question whether or not the norms of the Nazi society were in fact morally correct" (p. 39). Using rigorous ethical reasoning in solving moral dilemmas is important across cultures. This does not imply that flexibility, sensitivity, and awareness of individual and cultural moral differences are not necessary; they are. It does mean that upholding principles of rights, justice, freedom, and fairness in some situations may conflict with the other person's or culture's belief systems and standards. Depending on the actions and decisions taken from one's moral stands, a price may have to be paid for maintaining one's moral, and sometimes legal, standards. Often, negotiations, agreements, and understanding can be reached without overt conflict when different ethical principles or cultural standards clash. Other times, a price may have to be paid to uphold one's moral integrity.

Ethical Relativism and Stakeholder Analysis

When considering the principles of relativism in conducting a stakeholder analysis, ask the following questions:

1. What are the major moral beliefs and principles at issue for each stakeholder affected by this decision?
2. What are my moral beliefs and principles in this decision?

3. To what extent will my ethical principles clash if a particular course of action is taken? Why?
4. How can conflicting moral beliefs and principles be avoided or negotiated in seeking a desirable outcome?

3.3 UTILITARIANISM

Jeremy Bentham (1748–1832) and John Stuart Mill (1806–1873) are acknowledged as founders of the concept of **utilitarianism**. While there are various interpretations of the concept, basically the utilitarian view holds that an action is judged as right, good, or wrong depending on its consequences. The ends of an action justify the means taken to reach those ends. As a consequentialist principle, the moral authority that drives utilitarianism is the calculated consequences of an action, regardless of other principles that determine the means or motivations for taking the action. Utilitarianism also includes the following tenets: (from Carroll 1989; Mill 1957; Velasquez 1988):

1. An action is morally right if it produces the greatest good for the greatest number of people affected by it.
2. An action is morally right if the net benefits over costs are greatest for all affected, as compared to the net benefits of all other possible choices considered.
3. An action is morally right if its immediate and future direct and indirect benefits are greatest for each individual, and if these benefits outweigh the costs of those considered for other alternatives.

Utilitarian concepts are widely practiced by government policy makers, economists, and business professionals. Utilitarianism is a useful principle in conducting a stakeholder analysis, since it forces decision makers to (1) consider collective as well as particular interests, (2) formulate different alternatives based on the greatest good for all parties involved in a decision, and (3) estimate costs and benefits of alternatives for different groups affected (Delong 1981).

In the opening scenario of the chapter, Ralph Simms would use utilitarian principles in his decision making by identifying each of the stakeholders and groups who would be affected by his decision. He would then calculate the costs and benefits of his decision as it would affect each group. Finally, he would decide a course of action based on the greatest good for the greatest number. For example, after identifying all

the stakeholders in his decision, including his own interests, Simms may estimate that rejecting the official's offer would produce the greatest good for the people of the country where the contract would be negotiated since obtaining bids from the most technically qualified companies would best serve the interest of those receiving the services.

Problems with utilitarianism include the following:

1. There is no agreement about what the "good" to be maximized for all concerned in different situations is. Is it truth, health, peace, profits, pleasure, cost reductions, national security? (See Hoffman and Moore 1990.) Who decides what is good for whom? Whose interests are primary in the decisions?
2. Utilitarianism does not judge the rightness or wrongness of actions in and of themselves but rather in their consequences. What if some actions are wrong in themselves? Should decision makers proceed to take that action based only on its consequences?
3. How are costs and benefits of such nonmonetary stakes as health, safety, and public welfare measured? Should a monetary or dollar value be assigned to nonmarketed benefits and costs such as safety, health, and the environment? (See Kelman 1981.) What if actual or even potential harmful effects of an action cannot be measured in the short term but are believed to have potentially long-term, say 20- or 30-year, lagged effects? Should that action be chosen?
4. Utilitarianism as a principle does not consider the individual. It is the collective, the aggregate, for whom the greatest good is estimated. Are there instances when individuals and individual interests should be valued in a decision?
5. The principles of justice and rights are ignored in utilitarianism. The principle of justice is concerned with the *distribution* of good, not the amount of total good in a decision. The principle of rights is concerned with individual entitlements, regardless of collective calculated benefits. Utilitarianism does not focus on this problem.

Even given these problems of utilitarianism, the principle is still valuable under the following conditions: when resources are lacking or scarce, when priorities are in conflict, when there is no clear choice of fulfilling everyone's needs and goals, and when large or diverse collectives and groups are involved in a zero sum decision, that is, when there are a fixed and limited number of resources to be distributed (Delong 1981; Velasquez 1988, 116).

Utilitarianism and Stakeholder Analysis

Because you will use utilitarian principles when conducting a stakeholder analysis, the following points should be considered:

1. Define how costs and benefits will be measured in selecting one course of action over another. Include social as well as economic and monetary costs and benefits; include long-term and short-term costs and benefits.
2. Define what information you will need and use to determine costs and benefits in making comparisons.
3. Identify procedures and policies you will use to explain and justify your cost/benefit analysis.
4. State your assumptions in defining and justifying your analysis and conclusions.
5. Ask what moral obligations you have toward each of your stakeholders, after the costs and benefits have been estimated for particular strategies.

3.4 UNIVERSALISM

Immanuel Kant (1724–1804) is considered one of the leading founders of the principle of **universalism**. Also referred to as “deontological ethics,” the principle of universalism holds that the means justify the ends of an action, not the consequences. Universalism, therefore, is also referred to as a **nonconsequentialist** ethic.

Kant’s principle of the **categorical imperative**, unlike utilitarianism, places the moral authority for taking an action on an individual’s duty toward other individuals and humanity.

The categorical imperative consists of two parts.* The first part states that *a person should choose to act if and only if she or he would be willing to have every person on earth, in that same situation, act exactly that way*. This principle is absolute and allows for no qualifications across situations or circumstances. The second part of the categorical imperative states that in an ethical dilemma, *a person should act in a way that respects and treats all others involved as ends as well as means to an end*.

Kant’s categorical imperative forces decision makers to take into account their duty to act responsibly and respectfully toward all indi-

*The following discussion is based on material from Hoffman and Moore 1990; Kant 1964; Steiner and Steiner 1988; and Velasquez 1988.

viduals in a situation. Individual human welfare is a primary stake in any decision. Decision makers must also consider formulating their justifications and reasons as principles to be applied to everyone.

In Ralph Simms’s example, if he followed principles of universalism, he might ask, “If I accept the government official’s offer, could I justify that anyone anywhere acts the same way?” If he answers in the negative, he should not accept the offer.

The weaknesses of universalism and of Kant’s categorical imperative include the following: First, these principles are imprecise and lack practical utility. It is difficult to think of all humanity each time one must make a decision in an ethical dilemma. Second, it is difficult to resolve conflicts of interest when using a criterion that states that all individuals must be treated equally. There are degrees of differences in different stakeholders’ interests and relative power in certain situations. However, Kant would remind us that it is the human being and his or her humanity that must be considered above the stakes, power bases, or consequences of our actions. Still, it is often impractical not to consider these other elements in an ethical dilemma. Finally, what if a decision maker’s duties conflict in an ethical dilemma? The categorical imperative does not allow for prioritizing one’s duties. A primary purpose of the stakeholder analysis is to prioritize conflicting duties—duties toward competitors, customers, employees, suppliers, owners, the media, and the public. It is, again, difficult to take absolute positions when limited resources and time and conflicting values are factors in ethical dilemmas.

Universalism and Stakeholder Analysis

The logic underlying universalism and the categorical imperative can be helpful in applying a stakeholder analysis. Even though we may not be able to employ Kant’s principles absolutely, we can consider the following uses of his ethics:

1. Identify individuals as well as aggregates and their welfare and risks in considering policy decisions and outcomes.
2. Identify the needs of individuals involved in a decision, the choices they have, and the information they need to protect their own welfare.
3. Identify any manipulation, force, coercion, or deceit that might be harmfully used against individuals involved in a decision.

4. Identify duties of respecting and responding to individuals affected by particular decisions before adopting policies and actions that affect individual lives.
5. Ask if the desired action or policy would be acceptable to these individuals involved if they were informed of the policy intentions. Under what conditions would they accept the decision?
6. Ask if the designated action or policy would acceptably be repeated as a principle by different individuals in a similar situation. If not, why? And would the designated action continue to be employed?

3.5 RIGHTS

The moral authority that drives the ethics of rights is that of entitlement. Individual rights mean entitlements and unquestioned claims. Every American is guaranteed in the Declaration of Independence the rights of life, liberty, and the pursuit of happiness. The U.S. Constitution holds that each citizen is guaranteed certain fundamental rights. These rights are founded on a legal basis in the U.S. system of legislation and justice. The principle of rights is one of the most powerful concepts enabling and protecting individual freedom, dignity, and choice. This principle is the cornerstone of American democracy.

Moral rights are based on legal rights and on the principle of duties. My moral right implies that you have certain duties toward aiding—or at least not obstructing—my rights. Moral rights are also based and viewed from an *individual* perspective, not a societal or group point of view. Individual freedom, welfare, safety, health, and happiness are the essential core values of moral rights. Chapter 6 deals with the rights of employees and employers in the workplace.

Rights can also override utilitarian principles. Many times, violations of rights are solved by the criterion of “Whose rights have precedence in a given situation?” Lawsuits are won and lost on the principle of individual rights not being upheld or protected.

Ralph Simms might, in our earlier example, ask what his rights are in this situation. If he believes that his constitutional and moral rights would be violated by accepting the offer or from his firm’s pressuring him to accept the offer, he would consider refusing to negotiate on the foreign official’s terms.

The limitations of the principle of rights include the following:

1. The entitlement justification of individual rights can be used by certain individuals and groups to disguise and manipulate selfish, unjust political claims and interests (see Steiner and Steiner 1988).
2. Protection of rights can exaggerate certain entitlements in society at the expense of others. Fairness and equity issues may be raised when rights of certain individuals and groups take precedence over the rights of others in similar situations. Issues of reverse discrimination have, for example, resulted from this reasoning.
3. There is also the question of the limit of rights. To what extent should industrial and government practices that may benefit the entire society but threaten certain individual or group rights be permitted to occur?

Rights and Stakeholder Analysis

Using the principle of rights in a stakeholder analysis is particularly useful when conflicting legal and/or moral rights of individuals occur or when individual and group rights may be violated if certain courses of action are pursued. The following guidelines can be observed in using this principle (Velasquez 1988):

1. Identify the individuals and their rights that may be violated by a particular policy or course of action.
2. Determine the legal and moral basis of these individuals’ rights. Does the decision violate these rights?
3. Determine to what extent the action to be taken has moral justification from utilitarian principles if individual rights may be violated. National crises and emergencies may warrant overriding certain individual rights for the public good.

3.6 JUSTICE

The principle of justice deals with fairness and equality. Here the moral authority that decides what is right and wrong concerns the fair and equitable distribution of opportunity and hardship to all. The principle of justice is also concerned with punishment for wrong done to the underserving. John Rawls (1971), a contemporary philosopher, offered two principles of fairness that are widely recognized as representative of the principle of justice:

1. Each person has an equal right to the most extensive basic liberties compatible with a similar liberty for others.
2. Social and economic inequalities are arranged so that they are both (a) reasonably expected to be to everyone's advantage and (b) attached to positions and offices open to all.

The first principle states that all individuals should be treated equally. The second principle states that justice is served when all persons have equal opportunity and advantage through their positions and offices to society's opportunities and burdens. Equal opportunity or access to opportunity does not guarantee equal distribution of wealth. Society's disadvantaged may not be justly treated, some critics claim, whenever only equal opportunity is offered. The principle of justice also addresses the unfair distribution of wealth and opportunity and the infliction of harm.

Richard DeGeorge (1986, 76) discusses four types of justice. **Compensatory justice** concerns compensating someone for a past harm or injustice. For example, affirmative action programs, discussed in Chapter 6, are justified in part as compensation for decades of injustice and injury that minorities have suffered (Velasquez 1988, 332). **Retributive justice** concerns serving punishment to someone who has inflicted harm on another. A criterion for applying this justice principle is, "Does the punishment fit the crime?" **Distributive justice** refers to the fair distribution of benefits and burdens. Have certain stakeholders received an unfair share of costs associated with a policy or action? Have others unfairly profited from a policy? **Procedural justice** designates fair decision practices, procedures, and agreements among parties. This criterion asks, "Have the rules and processes that govern the distribution of rewards and punishments, benefits and costs been fair?" These types of justice are part of the larger principle of justice; how they are formulated and applied varies with societies and governmental systems.

Following the principle of justice, Ralph Simms, in our example, might ask whether accepting the government official's offer would provide an equitable distribution of goods and services to the recipients of the new technology system that would be implemented in that country. Also, would self-respect for individuals involved be served by this decision? If Simms determined that justice would not be served by enabling his company to be awarded the contract without a fair bidding process, he might well recommend that his firm reject the offer.

The obvious practical problems in using the principle of justice include the following: Outside the jurisdiction of the state and its legal

judicial systems where ethical dilemmas are solved by procedure and law, who decides who is right and who is wrong? Who has the moral authority to punish whom? Can opportunity and burden be fairly distributed to all when it is not in the interest of those in power to do so?

Even with these obvious shortcomings, the principle of justice adds an essential and unique contribution to the other ethical principles discussed above. Beyond the utilitarian's calculation of moral responsibility based on consequences, beyond the universalist's absolute duty to treat everyone as a means and not an end, and beyond the principle of rights, which values unquestionable claims, the principle of justice forces us to question how fairly benefits and costs are distributed to everyone, regardless of power, position, wealth, and station in life.

Justice and Stakeholder Analysis

In a stakeholder analysis, the principle of justice can be applied through these questions:

1. How equitable will the distribution of benefits and costs, pleasure and pain, reward and punishment be among stakeholders if we pursue a particular course of action? Would all stakeholders' self-respect be acknowledged?
2. How clearly have procedures been defined and communicated for distributing the costs and benefits of a course of action or policy? How fair are these procedures to all affected?
3. What provisions can we make to compensate those who will be unfairly affected by the costs of the decision? What provisions can be made to redistribute benefits from those who have been unfairly or overly compensated by the decision?

Figure 3-2 summarizes the ethical principles we have presented. This figure can be used as a reference for applying these principles individually and in a stakeholder analysis with groups.

Immoral, Amoral, or Moral Management?

It is also possible for owners, managers, and individual stakeholders to relate to their constituencies from at least three broad orientations: immorally, amorally, and morally (Carroll 1991). *Immoral treatment* of constituencies signifies a minimal or unethical approach: laying off employees without fair notice or compensation; offering upper-level management undeserved salary increases and perks; giving "golden

Figure 3-2 Summary of Five Ethical Decision-Making Principles and Stakeholder Analysis

BELIEF SYSTEMS	SOURCE OF MORAL ACTIVITY	STAKEHOLDER ANALYSIS ISSUES
1. ETHICAL RELATIVISM (SELF-INTEREST)	Moral authority is determined by individual or cultural self-interests, customs, and religious principles. An act is morally right if it serves one's self-interests and needs.	<ol style="list-style-type: none"> 1. What are the moral beliefs and principles of the individual(s)? 2. If a particular action or policy is chosen, to what extent will ethical principles clash? 3. In seeking a mutually desirable outcome, how can conflicting moral beliefs and principles be avoided or negotiated?
2. UTILITARIANISM (CALCULATION OF COSTS AND BENEFITS)	Moral authority is determined by the consequences produced by an act. An act is morally right if the net benefits over costs are greatest for the majority. Also, the greatest good for the greatest number will be produced by this act.	<ol style="list-style-type: none"> 1. Consider collective as well as particular interests. 2. Formulate different alternatives based on the greatest good for all parties involved. 3. Estimate costs and benefits of alternatives for different groups affected.
3. UNIVERSALISM (DUTY)	Moral authority is determined by the extent to which the intention of an act treats all persons with respect. Includes the requirement that everyone should act this way in the same circumstances.	<ol style="list-style-type: none"> 1. Identify individuals whose needs and welfare are at risk with a given policy or decision. 2. Identify use or misuse of manipulation, force, coercion, or deceit that may be harmful to individuals. 3. Identify duties to individuals affected by the decision. 4. Determine if the desired action or policy is acceptable to individuals if the decision is implemented.
4. RIGHTS (INDIVIDUAL ENTITLEMENT)	Moral authority is determined by individual rights guaranteed to all in their pursuit of freedom of speech, choice, happiness, and self-respect.	<ol style="list-style-type: none"> 1. Identify individuals and their rights that may be violated by a particular action. 2. Determine the legal and moral basis of these individual rights. 3. Determine the moral justification from utilitarian principles if individuals' rights are violated.
5. JUSTICE (FAIRNESS AND EQUITY)	Moral authority is determined by the extent to which opportunity, wealth, and burden are fairly distributed among all.	<ol style="list-style-type: none"> 1. If a particular action is chosen, how equally will costs and benefits on stakeholders be distributed? 2. How clear and fair are the procedures for distributing costs and benefits of the decision? 3. How can those who are unfairly affected by the action be compensated?

parachutes" (attractive payments or settlement contracts between a firm and high-ranking executives) when a change in company ownership or control is negotiated (such payments are often done at the expense of shareholders' dividends and often without their knowledge or consent). Managing immorally means intentionally going against ethical principles of justice and fair and equitable treatment of other stakeholders.

Amoral management happens when owners, supervisors, and managers negligently or unintentionally treat shareholders, outside stakeholders, and employees without concern or care for the consequences of their policies or actions. No deliberate or willful wrong may be intended, but also no thought is given to moral behavior or outcomes. Minimalist actions are taken in setting policies that are solely or singularly profit-oriented, production centered, or short term. Employees and other stakeholders are viewed as instruments in executing the economic interests of the firm. Strategies, control systems, leadership style, and interactions in organizations will also reflect an amoral, minimalist approach toward stakeholders. Nevertheless, the consequences of unintentional, amoral actions are real for the persons affected. Harm can be done.

Moral management of owners, upper-level executives, and supervisors places value on equitable, fair, and just concern and treatment of shareholders, employees, customers, and other stakeholder interests. Ethics codes are established, communicated, and included in training; employee rights are built into visible policies that are enforced; employees and other stakeholders are treated with respect and trust. Corporate strategy, control and incentive systems, leadership style, and interactions will also reflect morally managed organizations. Moral management is the preferred mode of acting toward stakeholders, since respect, justice, and fairness are considered in the decisions.

It is helpful to use these three orientations while observing managers, owners, employees, and coworkers. Have you observed policies, procedures, and decisions in organizations that are amoral? In the next section, we summarize a view of four social responsibility modes and roles that business executives have historically characterized and presently view as moral decision makers. The model presented in this section complements the five ethical principles offered above by offering a more macro-orientation for describing individual ethical orientations to business decisions. You may be interested in using the following framework to characterize your own moral and responsibility roles, those of your boss and colleagues, and even those of contemporary international figures in government or business.

3.7 FOUR SOCIAL RESPONSIBILITY ROLES AND MODES

What social obligations do businesses and their executives have toward their stockholders and society? The traditional view that the responsibility of corporate owners and managers was to serve only or primarily their stockholders' wealth and interests has been challenged and modified—but not abandoned—since the turn of this century. The debate continues over whether businesses' and managers' roles include other social stakeholders as well as economic stockholders. Because of changing demographic and educational characteristics in the workplace and the advent of laws, policies, and procedures that recognize greater awareness of employee and other stakeholder rights, distinctions have been made over the responsibility of the business to its employees and to the larger society.

Anthony Buono and Lawrence Nichols (1990) offer four ethical interpretations of the social role of business in society. Figure 3-3 illustrates these roles. The four social responsibility modes reflect the roles of business toward stockholders and a wider audience of stakeholders.

Figure 3-3 illustrates two distinct social responsibility orientations of businesses and managers toward society: the "stockholder model" (the responsibility of the corporation is primarily to its economic stockholders) and the "stakeholder model" (the responsibility of the corporation is also to its social stakeholders outside the corporation). The two sets of motives underlying these two orientations are "self-interest" and "moral duty." We will discuss (1) stockholder, self-interest and (2) stockholder, moral duty orientations first, followed by (3) stakeholder, self-interest and (4) stakeholder, moral duty orientations. The first two orientations under the stockholder orientation are "productivism" and "philanthropy."

Productivists view social responsibility of the corporation in terms of rational self-interest and the direct fulfillment of stockholder interests. Productivists believe the major—and some would say only—mission of business is to obtain profit. The free market is the best guarantee of moral corporate conduct in this view. Supply-side economists, as productivists for example, argue that the private sector is the vehicle for social improvement. Tax reduction and economic incentives that boost private industry are policies that productivists advocate as socially responsible. Ronald Reagan's "trickle down" policies of social benefits from private-sector wealth are a recent example of this view. The economist Milton Friedman is an example of a productivist.

Philanthropists who also have a stockholder view of the corporation, hold that social responsibility is justified in terms of moral duty toward

Figure 3-3 Four Social Responsibility Modes and Roles
ORIENTATIONS

MOTIVE	ORIENTATIONS	
	Stockholder Model	Stakeholder Model
Self-interest	1 Productivism	2 Progressivism
Moral Duty	3 Philanthropy	4 Ethical Idealism

Source: Anthony F. Buono and Lawrence T. Nichols, "Stockholders and Stakeholder Interpretations of Business' Social Role," In *Business Ethics: Readings and Cases in Corporate Morality*, 2d ed., edited by W. Michael Hoffman and Jennifer Moore, New York: McGraw-Hill, 1990, 172. Reproduced with permission of Anthony F. Buono.

helping less advantaged members of society through organized, tax deductible charity and stewardship. Proponents of this view believe the primary social role of the corporation is still through profit. However, moral duty drives their motives instead of self-interest solely, as is the case with productivists. Philanthropists believe that corporate profits are the primary mission of firms. But advocates of this view are stewards and believe that those who have wealth ought to share some of it with the less advantaged in society. As stockholder stewards, philanthropists share profits primarily through tax deductions. Levi Strauss in the mid-1880s was one such philanthropist. Can you think of other contemporary philanthropists?

The other dominant orientation is the "stakeholder model." **Progressivism** and **ethical idealism** are the two social responsibility modes in this perspective. Progressivists believe that corporate behavior is justified from a motive of self-interest, but they also hold that corporations should take a broader view of responsibility toward social change. Enlightened self-interest is a value that characterizes progressivists. Rheinhold Niebuhr, the famous Christian theologian, was a modern example of a progressivist who argued for the involvement of the church in politics to bring about reasoned, orderly reform. He also worked with unions and other groups to improve conditions and wages of workers. Progressivists support such policies as affirmative action programs, environmental protection, employee stock option programs (ESOPs), and energy conservation.

Finally, ethical idealists believe that social responsibility is justified when corporate behavior directly supports stakeholder interests from moral duty motives. Ethical idealists, like Ralph Nader, hold that, to be

fully responsible, corporate activity should help transform business into an institution in which workers can realize their full human potential. Employee ownership, cooperatives, and community-based and community-owned service industries are examples of this type of corporate transformation that ethical idealists have advocated. The boundaries between business and society are fluid for ethical idealists. Corporate profits are to be shared for humanitarian purposes, to help bring about a more humane society. There is, of course, a spectrum for each of these four responsibility modes. There is, for example, a variety of ethical idealists whose advocates profess different visions and programs regarding the obligations of business to society. Some are more radical than others in orientation. For example, there are ethical idealists who call for the transformation of society in order to redistribute wealth.

Which orientation best characterizes your beliefs of business responsibility to society at this time: productivism, philanthropism, progressivism, or ethical idealism? Which view do you believe businesses should assume? Why?

3.8 INDIVIDUAL ETHICAL DECISION-MAKING STYLES

In addition to the four social responsibility modes presented above, Stanley Krolick (1987) developed a survey that interprets individual primary and secondary ethical decision-making styles. The four styles are (1) individualism, (2) altruism, (3) pragmatism, and (4) idealism. Although these four styles are not exhaustive, we summarize them here to complement the social responsibility modes and the ethical principles discussed above. Caution must be taken in using any of these schemes in order not to label or stereotype oneself or others. These categories are, at best, guides for further reflection, discussion, and study.

Individualists are driven by natural reason, personal survival, and preservation. The self is the source and justification of all actions and decisions. Krolick (1987) states that individualists believe "If I don't take care of my own needs, I will never be able to address the concerns of others." The moral authority of individualists is their own reasoning process based on self-interests. Individualism is related to the principle of naive ethical relativism and to productivism, discussed earlier.

Altruists are concerned primarily with other people. Altruists will relinquish their own personal security for the good of others. They would, as an extreme, like to save the future of the human race. The moral authority and motivation of altruists is to produce the greatest

good for the largest number of people. Unlike utilitarians, altruists would not diligently calculate and measure costs and benefits. Providing benefits is their major concern. Altruists justify their actions by upholding the integrity of the community. They enter relationships from a desire to contribute to the common good and to humankind. Altruists are akin to universalists and philanthropists in earlier discussions.

Pragmatists are concerned primarily with the situation at hand, not with the self or the other. The basis of moral authority and motivation of the pragmatist is with the perceived needs of the moment and the potential consequences of a decision in a specific context. The needs of the moment dictate the importance of self-interest, concern for others, rules, and values. Facts and situational information are justifications for the pragmatist's actions. Pragmatists may abandon significant principles and values in order to produce certain results. Pragmatists are closest to utilitarians in our earlier scheme. While this style seems the most objective and appealing, Krolick (1987) cautions that the pragmatist's shifting ethics may make this person's orientation difficult and unpredictable to work with or under in a business environment.

Idealists are driven by principles, rules, regulations, and values. Reason, relationship, or desired consequences of action will not substitute for the idealist's adherence to principles. Duties for the idealist are absolute. The moral authority and motivation for idealists is commitment to principle and consistency. Values and rules of conduct are the justifications idealists use to explain their actions. Seen as people of high morals, idealists can also be rigid and inflexible. Krolick (1987, 18) notes that "this absolute adherence to principles may blind the Idealist to the potential consequences of a decision for oneself, others, or the situation." This style is related to the social responsibility mode of ethical idealism and to the principle of universalism, which were discussed above.

Which style best characterizes your ethical orientation? The orientation of your colleagues? Your boss?

Communicating and Negotiating Across Ethical Styles

Krolick (1987) states that when working or communicating with each style, one must also observe *the other person's ethical style*. The first step is to "concede that the other person's values and priorities have their own validity in their own terms and try to keep those values in mind to facilitate the process of reaching an agreement" (p. 20). Toward that end, Krolick proposes these guidelines when communicating, negotiating, or working with one of the following ethical orientations:

- *Individualist*—point out the benefits to the other person's own self-interest.
 - *Altruist*—focus on the benefits for the various constituencies involved.
 - *Pragmatist*—emphasize the facts and potential consequences of action.
 - *Idealist*—concentrate on the principles or duties at stake.
- Learning to recognize and communicate with other ethical styles and the willingness to be flexible in accommodating your ethical style to others, without sacrificing your own, is an important skill in working effectively with others in organizations.

3.9 QUICK ETHICAL TESTS

In addition to the ethical principles and social responsibility modes presented above, there are other shorter "ethical tests" one may use before making decisions. Many of these quick rules are based on or reflect the principles discussed in this chapter.

These are practical, quick guides and "checkpoints" that, if observed, could change the actions you would automatically take in ethical dilemmas. The Center for Business Ethics at Bentley College articulated six simple questions for the "practical philosopher." (These questions are duplicated in Bowditch and Buono 1990.) These are used in training programs. Before making a decision or acting ask:

1. Is it right?
2. Is it fair?
3. Who gets hurt?
4. Would you be comfortable if the details of your decision were reported on the front page of your local newspaper?
5. What would you tell your child to do?
6. How does it smell? (How does it feel?)

Other quick ethical tests, some of which are classical, include the following (which are based on guidelines found in Steiner and Steiner [1988] and rephrased in Carroll [1989]):

- *The Golden Rule*: "Do unto others as you would have them do unto you." This includes not knowingly doing harm to others.

- *The Intuition Ethic*: We know apart from reason what is right. We have a moral sense about what is right and wrong. We should follow our "gut feeling" about what is right.
- *The Means-Ends Ethic*: We may choose unscrupulous but efficient means to reach an end if the ends are really worthwhile and significant. Be sure the ends are not the means.
- *The Test of Common Sense*: "Does the action I am getting ready to take really make sense?" Think before acting.
- *The Test of One's Best Self*: "Is this action or decision I'm getting ready to take compatible with my concept of myself at my best?"
- *The Test of Ventilation*: Do not isolate yourself with your dilemma. Get others' feedback before acting or deciding.
- *The Test of the Purified Idea*: "Am I thinking this action or decision is right just because someone with appropriate authority or knowledge says it is right?" An action may not be right because someone in a position of power or authority states that an action is right. You may still be held responsible for taking the action.

Use these principles and guidelines in examining the motivations of stakeholders' strategies, policies, and actions. Why do stakeholders act and talk as they do? What principles drive these actions?

Concluding Comments

Individual stakeholders have a wide range of ethical principles, orientations, and "quick tests" to draw on before taking action or solving an ethical dilemma. Specifically, in a given business situation in which we have mapped stakeholders and their stakes (from Chapter 2), this chapter can assist our analysis of the moral dimension of the stakeholder approach by helping us identify what Freeman and Gilbert (1988, 109) call the "ground rules" or "implicit morality" of institutional members:

Think of the implicit morality of an institution as the internal rules which must be followed if the institution is to be a good one of its kind. The rules are often implicit, because the explicit rules of an institution may well be the reason that the institution functions rather badly. . . . Another way to think of the implicit morality of an institution is as the internal logics of the institution. Once this internal logics is clearly understood, we can evaluate its required behaviors against external standards. (p. 109)

In the following chapter, we present the conceptual basis of the organization as stakeholder and examine the moral dimensions of a corporation's strategy, leadership, culture, and issues of corporate self-regulation.

SUMMARY

Complex ethical dilemmas in business situations involve making tough choices among conflicting and competing interests. This chapter presents twelve questions and three decision criteria that can assist individuals in determining the most suitable course of action. These principles can also be applied at the group and corporate levels of analysis.

Individuals can gain a clearer perspective of their own motivations and actions by distinguishing them from the motivations of others. This perspective can be useful in guiding your own decision-making process, and understanding the ethical reasoning and decision criteria from this chapter can also enable you to reason more critically when examining other stakeholders' ethical reasoning.

A primary goal of ethical reasoning is to help individuals act in morally responsible ways. Ignorance and bias are two conditions that blind a person's moral awareness. Five principles of ethical reasoning are presented to expose the reader to different methods of ethical decision making. The five methods include (1) ethical relativism (consisting of naive relativism and cultural relativism), (2) utilitarianism, (3) universalism, (4) rights, and (5) justice. Each principle is discussed in terms of the utility and drawbacks associated with it. Guidelines for thinking through and applying each principle in a stakeholder analysis are provided. These principles are not mechanical recipes for selecting a course of action. They are "filters" or screens to be used in clarifying dilemmas.

Four social responsibility roles or orientations of business are presented. Productivism and philanthropy are two roles influenced by stockholder concerns. Progressivism and ethical idealism are driven by stockholder concerns but are also influenced by external stakeholders.

Individuals also have different ethical decision-making styles. Four different but not exclusive styles include individualism, altruism, pragmatism, and idealism. It is important to understand another person's ethical decision-making style when engaging in professional or other types of communication and negotiation. These styles are a starting point for reflecting and identifying our (and others') predominant decision-making characteristics. Styles can change.

The final section of this chapter offers quick "ethical tests" that can be used to provide insight into your decision-making process and actions. These methods and principles of ethical reasoning can enable individuals to better understand moral issues as well as their own motivations and intentions.

Questions

1. What is a first step in addressing ethical dilemmas?
2. What are three criteria that can be used in ethical reasoning to help systematize and structure our thinking and arguments?
3. What single focal question is often most powerful in solving ethical dilemmas?
4. What are two conditions that eliminate a person's moral responsibility for causing injury or harm?
5. Briefly explain five fundamental ethical principles that can be used in ethical reasoning.
6. What are some of the problems associated with cultural relativism? The benefits?
7. Why is utilitarianism useful in conducting a stakeholder analysis? What are some of the problems we may find in using this principle?
8. Briefly explain the categorical imperative. What does it force you, as a decision maker, to do when choosing an action in a moral dilemma?
9. Explain the difference between the principles of rights and justice. What are some of the strengths of each principle? What are some of the weaknesses?
10. What are the four social responsibility modes? How can these be used?
11. Briefly explain each of the individual ethical decision-making styles. Which style do you consider most closely characterizes your own?
12. Which of the ethical "quick tests" do you prefer for yourself? Why?

Exercises

1. Write an example from your experience of a serious ethical dilemma. Use the 12 questions developed by Laura Nash, presented in the chapter, to offer a resolution to the problem, even if your resolution is different the second time. Did you use any of the questions in your original experience? Would any of these questions have helped you? How? What would you have done differently? Why?
2. Identify a real-life example of an instance when you thought ignorance absolved a person, group, or organization from moral responsibility. Then identify an example when a person, group or organization simply failed to become fully informed about a moral situation. Under what conditions do you think individuals are morally responsible for the effects of their actions? Why?
3. Which of the four social responsibility modes of business in the chapter do you most identify with? Why? Identify a company that reflects this orientation. Explain why you believe the company is an example of the mode you have chosen. Would you want to work for this company? Would you want to be part of the management team? Explain.

4. Select a company in the news/press that has acted morally and one that has acted immorally. Using this chapter, characterize the "ethics" of each company or of its spokespersons or executives.

References and Suggested Readings

- Bowditch, James, and Anthony Buono. *A Primer on Organizational Behavior*. 2d ed. New York: John Wiley and Sons, 1990.
- Buono, Anthony F., and Lawrence T. Nichols. "Stockholder and Stakeholder Interpretations of Business' Social Role." In *Business Ethics: Readings and Cases in Corporate Morality*, 2d ed. Edited by W. Michael Hoffman and Jennifer Moore. New York: McGraw-Hill, 1990.
- Carroll, Archie. *Business and Society: Ethics and Stakeholder Management*. 1st and 2d eds. Cincinnati: South-Western Publishing Co., 1989 and 1993.
- _____. "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders." *Business Horizons* (July/August 1991): 38-48.
- DeGeorge, Richard T. *Business Ethics*, 2d and 3d eds. New York: Macmillan, 1986 and 1990.
- DeLong, James V. et al. "Defending Cost-Benefit Analysis: Replies to Steven Kelman." *AEI Journal on Government and Society* (March/April 1981): 39-43.
- Freeman, R. Edward, and Daniel Gilbert, Jr. *Corporate Strategy and the Search for Ethics*. Englewood Cliffs, N.J.: Prentice-Hall, 1988.
- Hoffman, W. Michael, and Jennifer Moore. *Business Ethics: Readings and Cases in Corporate Morality*, 2d ed. New York: McGraw-Hill, 1990.
- Jackall, Robert. *Moral Mazes: The World of Corporate Managers*. New York: Oxford University Press, 1988.
- Kant, Immanuel. *Groundwork of the Metaphysics of Morals*, translated by H. J. Paton. New York: Harper & Row, 1964.
- Keeley, Michael. *A Social-Contract Theory of Organizations*. Notre Dame, Ind.: University of Notre Dame Press, 1988.
- Kelman, Steven. "Cost-Benefit Analysis, An Ethical Critique." *AEI Journal on Government and Society* (January/February 1981): 33-40.
- Krolick, Stanley. *Ethical Decision-Making Style: Survey and Interpretive Notes*. Beverly, Mass: Addison-Wesley Training Systems, 1987.
- Mill, John Stuart. *Utilitarianism*. Indianapolis: Bobbs-Merrill, 1957.
- Nash, Laura. "Ethics Without the Sermon." *Harvard Business Review* (November/December 1981): 88.
- Rawls, John. *A Theory of Justice*. Cambridge, Mass.: Harvard University Press, 1971.
- Steiner, George A., and John F. Steiner. *Business, Government, and Society: A Managerial Perspective*. 5th and 6th eds. New York: Random House, 1988 and 1991.
- Toffler, Barbara Ley. *Tough Choices: Managers Talk Ethics*. New York: John Wiley & Sons, 1986.
- Velasquez, Manuel G. *Business Ethics: Concepts and Cases*. 2d and 3d eds. Englewood Cliffs, N.J.: Prentice-Hall, 1988 and 1992.
- Walton, Clarence. *The Moral Manager*. Cambridge, Mass.: Ballinger, 1988.

4

The Corporation as Stakeholder

Moral Dimensions of Strategy,
Structure, Leadership,
Culture, and Self-Regulation

- 4.1 Does a Corporation Have a Conscience?
- 4.2 The Corporation as Social and Economic Stakeholder
- 4.3 Corporate Strategy and Moral Responsibility
- 4.4 Corporate Leadership, Culture, and Moral Responsibility
- 4.5 The Corporation as Moral Regulator