



SWANSEA METROPOLITAN
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**Swansea
Business
School**

MBA Management Ethics: Introductory Materials

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MBA: Management Ethics 2013

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We have to be very strict on deadlines. There is now a formal process to apply for extensions or to report personal circumstances. See the recent emails from the NUS and the University.

Assignments which are 1 week late get a maximum 40%. Later than 1 week get 0%, fail, and the need to resit, by 1 September 2013. This is the process for all submissions.

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Session 1

1. Introduction to the module and its assessment
2. Would you...? Exercise
3. Introduction to some models and matrices
4. Issuing reading material

Session 2

1. Application of matrices
2. Models of CSR. Reading exercise Anglo American/Finn air examples
3. Negative views: Greenfield (2004)
4. Some information on on-line facilities.

Session 3

1. Codes of ethics: Uses and abuses
2. Reading exercise: Texas Instruments case
3. How do you achieve higher grades? Use grade descriptors in the Student Handbook. (Available on Blackboard).

Session 4

1. Philosophical traditions. Reading exercise Should Karen take the job?
2. Kohlberg's theory of ethical development. Use in analysing organisations and managers.

Session 5

1. My pitch on the impact of the Internet on Business/Management ethics
2. Exercise applying Johnson's Internet qualities

Session 6

1. Read Norman Bowie's article on Piracy
2. Use of other articles: a review

Session 7

1. Marketing Ethics- How to adapt to the assignment.
2. HRM Ethics

3. Corporate Governance

4. Regulation

Session 8

1. Responding to consumers criticisms on the Internet.

2. Read and discuss

- Industry newsletter article Warren (2011)
- Badaracco and Useem (1997)
- Tripp & Gregoire (2011)- Blending news, industry reports and academic models, to answer the question.

Session 9

Assignment Guidance- case choice, sources, weightings

Final session

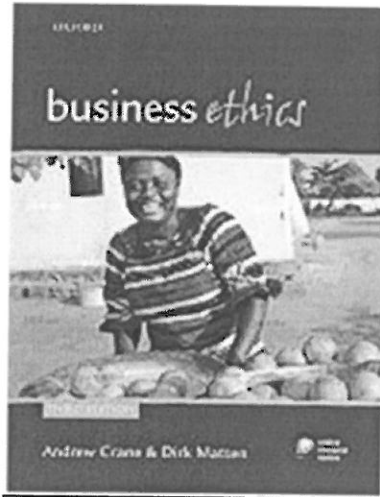
Each person gives a 5 minute presentation on their plan to answer the assignment

Steve Griffiths/Caroline Jawad

Jan 2013

Management Ethics: Basic Information

Caroline Jawad & Steve Griffiths share this module and are research partners in this area.



Crane, A. and Matten, D. (2010) Business Ethics, Oxford, OUP

<http://www.oup.com/uk/orc/bin/9780199564330/>

<http://craneandmatten.blogspot.co.uk/>

Good companion site and authors' blog site

What is business/management ethics?

Not very good jokes

'A book on business ethics? Well that won't take long to read!'

'You're taking a course on business ethics? So what do you do in the afternoon?'

'Business ethics? I didn't think there were any!'

Business ethics is the study of business situations, activities, and decisions where issues of right and wrong are addressed.

However you do not have to be totally converted to ethics to get something out of the module.

Crane and Matten (2010) has great online resources:

Case study links

http://www.oup.com/uk/orc/bin/9780199564330/01student/case_weblinks/ch02/

Movie trailers

http://www.oup.com/uk/orc/bin/9780199564330/01student/video_trailers/

Web links

http://www.oup.com/uk/orc/bin/9780199564330/01student/case_weblinks/ch02/

Free chapter 1

http://www.oup.com/uk/orc/bin/9780199564330/craneandmatten3e_ch01.pdf

Assessment: What do I need to do to pass? Attendance does correlate with pass/failure. Doing research correlates to getting good grades.

After covering theories on Stakeholding, the legal/ethical, ethical/profitable divide, regulation, ethical communications and a brief philosophical review, Caroline and Steve will set you up for a general discussion on the impact of the Internet on business and management. This will guide you to the key factors to report and analyse in answer to section a of the assignment.

Following this you must decide and negotiate with the tutors, what focus/specialism you want to analyse for section b. Tutors will guide you, but this is the section that the best students will show excellent research skills to get the highest grades. Each student will effectively do different investigations, therefore there can be no cut and pastes from the Internet! Many students in the past have used this section to develop ideas for their dissertations.

Caroline and Steve would be interested in supporting students who wish to research more deeply, as this is their area for research. They will put their conference papers, book chapters etc on Moodle. A list of topic areas is to be seen below. We hope some of you will be studying these areas for your dissertations

Instructions

- 1. Critically evaluate how ethical /CSR models can relate to business use of SNS. 50%**
- 2. Choose one Social Networking Site (SNS) or case of interest. Negotiate with your tutor by session 7, a focus for your analysis, thereafter derive a logical set of recommendations, which could improve ethical performance. 50%**

Do not "sacrifice" the word target describing the organisation or the element of ethical/unethical behaviour. Rather analyse why the organisation is demonstrating good or bad ethics. As part of your critique and logically connected to your analysis of the "problem", offer possible solutions which the organisation or outside agencies might adopt to promote improved ethical

performance. Please attach details of the case in an appendix. You must agree the exact details of your case with me in class discussion

Management Ethics Assignment

Marking Scheme

- a) Students must attempt to apply key definitions to examples they have researched.

"Wide / Narrow", "Arena v Property", "Stakeholder / Stockholder" are likely models as are those of Friedman, Freeman, Carroll, Sternberg... etc.

Teleological and deontological ethical frameworks may be defined in anticipation of discussions in section b.

Students who challenge conventional concepts and who seek wider perspectives will evidence deeper analysis. It is recognised that the assigning of "stakeholder" status to the range of customers, employees, interest groups and the wider stakeholder map is problematic and may vary between industries and cultures.

Definition problems such as the concept of "e-Commerce", "e-Business", "Internet ethics", "Netiquette" and different applications to potential case gives freedom to students but also presents a challenge to develop individual solutions to problems identified. Use of codes of ethics, corporate cultures, legal/regulatory frameworks, assigning of personal responsibility, etc may provide the foundation for deeper analysis later. Students may adopt pragmatic definitions in order to make progress and may revisit these in the concluding section.

A wider understanding of Internet use will be rewarded, although the word limit may allow only limited analysis of long-term strategic issues. International perspectives of each issue and the special concern of those who trade in global markets may be confronted by the most able.

- b) Access to case material will be explored in class sessions. Motive / consequentialist frameworks are likely to be employed. SNS may need to be defined, as many sites designed for other purposes now include networking opportunities. Of course more has been written on the big names, like Facebook, LinkedIn, BEBO etc, you may want to focus on a smaller or specialised one, which might target specialty segments. You might also focus on a B2B site, which might have very different drivers to a C2C, G2C etc.

A discussion on the autonomy of companies, extent of personal responsibility will be linked to CSR and the rationale for "responsible" use is expected.

While most answers are expected to revolve around private commercial strategies, it would be possible to discuss public sector / service and NGO use of the Internet e.g. educational / health information, internal marketing / communications / communications within organisations, political / social campaigning/ management of people and the other functional areas.

Students are likely to seek to focus on a particular functional area in order to achieve deeper analysis e.g. issues arising from selling, employing, data use, and managing commercial activities administration

Alternatively, students may choose a specific industry to evaluate its particular “ethical risk” factor, across a range of functional areas. Another possible avenue for exploration might be to focus on a medium of communication or commercial technique e.g. Internet selling, to evaluate the special dimension presented.

Answers are likely to utilise generic models for ethical programme development, launch, delivery and review. The utilisation of appropriate codes will be a feature of good answers.

Reference to models discussed in a) will allow a range of perspectives on possible strategies, with a variety of policies and assigning of responsibilities to the to the organisations and their relationship to the wider environment in which they operate.

Knowledge and the evaluation of the efficacy of codes of conduct in this field will be expected. Higher grades will be awarded those who analyse the possible conflict between industry, governmental, professional, NGO, personal and international codes.

In each section more able students will acknowledge and integrate an international perspective, recognising different cultural, legal and operational features of the debate.

Management Ethics case material.

Some suggestions on issues that may be found in the literature

- Targeting children online
- Selling controversial products and services online
- Managing people online
- Internet marketing ethics
- Internet gambling
- Adult websites
- Insulting behaviour online
- Buying online
- Role playing a naïve customer online

- Doing content analysis of websites or an Internet marketing campaign
- Pharmaceuticals online
- Privacy issues
- Intellectual Property defence online
- Piracy- software, music, pictures, IP defence
- Spy ware
- Trust online
- Analysis of codes of ethics for using the Internet
- Comparing “Bricks and Mortar” parts of a business with their “Virtual” face
- Tax evasion
- Managing different ethical cultures online
- International ethics and the Internet
- Analysing a legal court case
- Analysing an Internet business e.g. Amazon, e-Bay, Google
- Customer complaints online: How should corporations manage this potential flaming, firestorm, troll fest.....
- Online bullying
- Internet consumerism
- “Hyper reality”. Are we losing our grip on what is real and what is virtual? Does it matter? Virtual existence- Second Life etc

Look at problems in the context of the theories and then offer solutions. Use the stakeholder maps, Enlightenment matrix or Henderson’s model to evaluate examples and get higher grades

Research

See also Steve’s Research Project themes on Moodle. This contains a bibliography which needs up dating but you could cut and paste this as a base for your assignment.

Caroline and Steve have papers on Gambling and Dating on line. Both these can be linked to SNS. Ask for advice in the class sessions if you want more detail.

Steve is also researching Hyperreality. The research is at an early stage, but it incorporates the idea that with digital technology it is becoming more and more difficult to differentiate the real from the virtual. This can be seen as a problem but also possibly a solution to a world with increasing access to technology, with a growing population and scarce/finite resources.

The Post-Modernist philosopher’s fear hyperreality is a means by which exploitative capitalism can force us to live the consumerist lifestyle, using up the worlds resources and destroying the diversity of culture. Others, particularly technical visionaries like Tiffin and Terashima (2001) see Hyper Reality (HR)- notice the slightly different way of spelling it- as a wonderful opportunity for hyper tourism, hyper education, hyper relationships (including freeing women from domestic “slavery”, hyper citizenship etc.

SNS are part of this digital communications revolution.

You may choose to debate the reality of the close friends that you have on Facebook.

Are there some things we still need to do in a conventional way?

How are relationships changing?

How can business use the SNS to create profit, but also remain ethical?

Implications for:

- Education and training
- Recruitment
- HRM
- Financial reporting
- Whistleblowing
- C2C trading
- Word of mouth/viral marketing
- Journalism
- New product development
- Customer complaints and feedback (see separate folder of Moodle)
- Search Engine Optimisation (SEO)
- Respect for cultures, languages, ways of life etc
- Use of digital

There is no shortage of opportunities to focus. However if you are focusing on eg customer complaints using SNS, you need to find out a little bit of what customer complaints theory (with special application to digital technology) says. This is why Caroline and Steve want to know you focus, so that we can advise.

An example of a past essay, beware of cutting and pasting it is loaded on Turnitin.

Q1. Critically discuss the contribution of normative models of ethics to our understanding of ethical practices using examples.

This essay will critically discuss the contribution of normative models of ethics to business ethics and especially the problems that rise from the practical application of these models in business context. The limitations of two widely recognised normative ethical models, utilitarianism and ethics of duties will be explored in more detail. Because of the limited space, other well established normative ethical theories such as egoism and ethics of rights and justice will be left outside of closer examination. When speaking about ethics in tangible business situations, a decision-maker is usually most concerned with 'what constitutes an acceptable ethical standard for business practice and by what authority is the standard acceptable' (Beauchamp & Norman, 1998: 20). Business people may seek legitimacy and guidelines for ethical decision making from various sources, such as company rules and regulations, national laws and policies, and even religious texts, and surprisingly often the different regulations are set upon uniform basic values and principles. The reason for this is that we are constantly under a certain level of normative control. According to Chikudate (2002: 293), '--normative control does not actualize its form, structure and mechanism in visible manners; --[the] background knowledge remains untraceable in an individual's stream of consciousness or active reasoning for conducting actions'. In other words, our - often unconscious - quest to conform within generally accepted framework of behaviours has made us to reinforce common ethical principles and take many of them for granted, even if nobody is deliberately forcing us to do so. Perhaps because of this self-disciplining, and the related strong belief in established truth regimes, the traditional ethical theories are so widely recognised and accepted. These normative ethical theories provide universal rules and principles for determining right and wrong in any given situations, and consequently seek to prescribe the morally correct way of acting in this world (Crane & Matten 2004: 86-90). When business people face an ethical dilemma and try to find a solution that conforms to the generally accepted moral principles, it is naturally very relieving to have a system that claims to provide a comprehensive view of humans and therefore provides a kind of seeming absolution to the decisionmaker.

As Crane and Matten (2007: 86) put it, 'in business context there is often a need for -- decisions to be based on a systematic, rational, and widely understandable argument so that they can be adequately defended, justified, and explained to relevant stakeholders'. Thus,

when one faces an ethical dilemma in business life it is usually not enough that the solution complies with one's own sense of moral but one has to convince others of the adequacy of the decision too. Majority of modernist scholars seem believe that the prescriptions of right and wrong actions provided by normative ethical theories serve as a superior instrument for this. However, as MacLagan (1998: 25) reminds, traditional philosophical theories often tend to be overly complex and not compatible with the day-to-day business situations that managers face. Therefore, as managers are rarely trained philosophers they may experience big psychological and logistical barriers if they try to assimilate and use traditional ethical theories in practice (MacLagan 1998: 25).

It is commonly recognized that traditional, normative ethical theories have their roots in the Enlightenment period, and consequently they have as a built-in a strong notion of the autonomy and rationality of humans. In other words, the pre-assumption of normative theories is that 'within each individual lies a bounded and sacred principality, a domain governed by the individual's own capacities for careful observation and rational deliberation' (Gergen & Thatchenkery, 2004: 230).

According to this view, the best way to solve ethical problems is that an individual approaches the dilemmas through rational reasoning and observation, and after combining the findings with appropriate moral principles, eventually arrives at consistent solutions. Non-consequentialist ethical theories, such as ethics of duties consider an action right or wrong depending on if the underlying principles behind it are morally right. These theories 'look at the desirability of principles, and based on these principles, deduce a 'duty' to act accordingly in a given situation, regardless of the desirability of the consequences' (Crane & Matten 2007: 91). Utilitarianism and other consequentialist models of normative theories, on the other hand, claim that 'the moral judgement is based on the intended outcomes, the aims, or the goals of certain action', and therefore 'if the outcomes of the action are not desirable, the action is morally wrong' (Crane & Matten, 2007: 90-91).

Despite the noticeable difference in emphasis (intention vs. outcome), there are some similarities in the two normative approaches. The main one is that both schools of thought base ethical decision making on rational reasoning, and even assume that 'the reasonableness inherent in these models should be self evident to all rational people' (Horvarth, 1995: 500). However, one can question whether using mere rationality in ethical dilemmas is adequate or even possible. Fineman (2000:12) suggests that 'we want to believe, and we want others to believe, that we think and act rationally, so we construe the

intentions and consequences of our actions as rational', when in reality they can be far from it. How else can it be explained that a manager that gives an emotionally appealing speech tends to convince us more thoroughly than one who just relies on facts and figures? Or why do we tend to remember good stories better than well written formal reports? Moreover, is rationality really the main source of guidance in the numerous situations where we instantly know some behaviour is morally wrong but cannot fully explain why we think so? Post-modernism calls the previous 'moral impulse' or a 'gut feeling'; how humans normally have 'subjective, emotional conviction -- about right and wrong, based on their experiences, sentiments and instincts', and if given the chance these impulses can steer us very strongly (Crane & Matten: 2007: 115). The importance of emotions to ethics can also be explained through the concept of 'emotional intelligence'. According to Barrett (1998:10): emotional intelligence is feedback from the heart based on feelings and intuition, [and] intuition is the direct perception of truth independent of the reasoning process. --The deeply held values that spring from the soul always lead to sound personal and business decisions [because] the soul operates from the position of what is best for the good of the whole.

In other words it can be claimed that if people listen to their intuition or 'gut feeling' when faced with ethical dilemmas they are more likely to make morally sustainable decisions than if they try to solve the problems just through rational reasoning and existing rules. Bauman (1989, cited in Gabriel 2008: 97) names holocaust as an extreme example of what can happen when people discard their intuition of what is morally right and rely too much on given rules. He argues that it is the efficiency and rationality of bureaucracies that allows cruel things to be done by non-cruel people.

Edwin Black's (2002) book on IBM's role in the holocaust is along the same lines. According to him, IBM was so 'self-gripped by a special amoral corporate mantra: if it can be done it should be done' that it did not mind that its technological cooperation with the Nazis was helping the destruction of the Jewish people (2002: 10). As a contrast to the normative ethics that Black and Bauman criticise, Crane, Knights and Starkey (2008: 305-307) interpret Foucault's exploration of ethics and suggest that instead of moral rules and interdictions ethical behaviour should spring from 'strategy of reflexivity'.

By this they mean that the practices of self-discipline and self governance should guide people to become ethical persons rather than the mere following of a certain set of rules set by someone superior or democratic voting (2008: 305-307).

Of course the problem with normative ethics does not just lie in devaluing the significance of personal intuition. The modernist view of rationality these theories bear within can also be critiqued from the point of view that actually there are 'hierarchies of rationality' within cultures and 'by virtue of educational degrees, cultural background, and other such markers, certain individuals are deemed more rational (intelligent, insightful) than others and thus more worthy of leadership, position, and wealth' (Gergen & Thatchenkery, 2004: 235). In other words some people's comprehension of what is morally acceptable matters more than others. This is clearly in contradiction with normative ethical theories that connect individual rationality with universally valid moral principles and the notion of consistency. How can there be universal and consistent principles if the rational reasoning of some people is valued higher than the reasoning of some other people?

In the worst cases those whose rationality is seen less valuable are denied the true freedom of making their own judgements. In Crane, Knights and Starkey's words 'the exercise of power can constitute subjects to deny them any possibility of behaving ethically' (2008: 302). Collinson's (1999) research on North Sea oil rigs demonstrates the influence that devaluing the judgement of those in lower position can have. At the rigs managers treated drillers and other platform workers as 'second class citizens' by creating extreme surveillance and blame culture. This resulted in workers discarding safety measures and lying on accident reports to avoid and resist the superiors' surveillance and blame. The workers consequently jeopardized not just their own safety but the health and safety of everybody at the rigs.

Managers did not directly force the workers to act in ethically questionable way but the overly-strict rules, asymmetrical power relations and the blame culture of the workplace twisted employees' moral judgement and left them practically without any real freedom of choice of how to act at the workplace.

Jeremy Bentham's (1748-1832) utilitarianism looks at the 'overall balance of utility resulting from the action in question' and is perhaps the most widely used consequentialist theory (Mclagan 1998: 26). Utilitarianism has a very noble-sounding aim; it 'focuses on the collective welfare that is produced by a certain decision' (Crane & Matten, 2007: 95). In other words this 'greatest happiness' principle concentrates 'solely on the consequences of an action, and weights the good results against the bad results and finally encourages the action which results in the greatest amount of good for all people involved' (Crane & Matten, 2007:95). Although this theory can be given

credit for emphasizing the common good, it unfortunately has many limitations when put into practice. One of the main constraints is how to measure the 'greatest happiness' and the collective welfare that specific decisions produce.

This problem can be explored through an example of a drug company called Wellcome that developed a treatment for acquired immune deficiency syndrome (AIDS) in the 1980s, and the company's subsidiary, Burroughs Wellcome that successfully launched the drug to US market (Kerin & Peterson, 1997). Inventing and testing the drug required many years of research and heavy investments but the company's research efforts were way ahead of the competitors and the company even received government support, such as tax credits, after launching the drug. The ethical problem was that many AIDS patients claimed that the drug was too expensive and even demanded that it should be nationalized based on national security, whereas Wellcome considered that it had the right to make at least some profit to pay off the big research costs and stay in business.

Utilitarian model concentrates on minimizing harm and maximising benefits but fails to advice in a satisfying way how harm and benefits can be objectively measured and weighted against each other, especially if the situation is as complex as in this example. The patients could for example argue that nationalizing the drug - or at least making it cheaper - would not just benefit them and their families, but the whole country because then more AIDS patients would be able to fight back the disease and stay in working life, and consequently the state would receive greater tax revenues and pay less health care subsidies. Burroughs Wellcome on the other hand could argue that not privatizing and maintaining the price level keeps the company in business and the vast amount of stakeholders happy, which again enables the company to develop even better medication for AIDS and all in all benefit greater amount of people than the price cuts or privatizing would. How can one accurately measure which choice creates most happiness and least pain altogether? Is it really possible and meaningful to 'rank' the pain of the AIDS patients and compare it to the happiness of Wellcome's stakeholders?

To be able to calculate which choice creates most pleasure or happiness, one needs to know how to distinguish and rate what is considered 'good' in the first place. MacIntyre (1984, cited in Horvarth 1995: 499) claims that the ethical systems of the Enlightenment have failed to provide a meaningful definition of "good", and because the definition is missing, business managers have no internal standards by which they can morally evaluate their roles or acts. Utilitarians, though, have tried to

tackle this problem in their theory, and produce some definitions. For example hedonistic utilitarianism rates any act or practice that maximises pleasure right whereas pluralistic utilitarianism believes that multiple intrinsic values (e.g. friendship, knowledge and beauty) possess worth, and the preference based utilitarianism thinks that maximizing a person's utility is solved by providing what he or she has or would choose from among the available alternatives (Beauchamp & Bowie, 1998: 23).

Despite the good effort, these definitions bring about more issues. It is, for example, an intriguing idea to allow people the freedom of choice based on their preferences, but are all preferences morally acceptable or should some preferences be 'ruled out' as not proper? If excluding should be done, who decides the criterion and makes the selection? When peeling of layers we arrive at the issue of power and justice that utilitarian models have neglected. It is not rare that the action that produces the greatest balance of value for the greatest number of people at the same brings about unjustified treatment of a minority (Beauchamp and Bowie, 1998: 27). MacLagan (1998: 26) speaks about the distribution of good and points out that utilitarianism may result in 'justifying the harming of some people if it is outweighed by an apparent greater good'. For example in the AIDS-drug case, Burroughs Wellcome's stand may in itself consist of morally acceptable preferences and have the potential of producing greatest collective welfare, but is it still morally most correct to choose that option and deny AIDS treatment and longer life from the minority of patients who are not wealthy enough to buy the only existing treatment? Utilitarian models do not provide enough tools for answering this question.

Previously given examples of utilitarianism have demonstrated especially the form of utilitarianism called 'act utilitarianism', where the act is in the centre of attention and rules can be justifiably violated if the violation produces the greatest good (Beauchamp & Bowie 1998: 25). Rule utilitarianism on the other hand sees rules as a 'central position in morality that cannot be compromised by the demands of particular situations' (Beauchamp & Bowie 1998: 25). In other words this approach 'looks at classes of action and asks whether the underlying principle of an action produces more pleasure than pain for society in the long run', and in that way defines which principles morally correct and desirable to follow (Crane & Matten, 2007: 97). Rule utilitarianism comes very close to the ethics of duties that Immanuel Kant (1724-1804) developed in connection to a specific theoretical framework called 'categorical imperative'. According to Crane and Matten (2007:98), Kant believed that one can test every possible action with three principles, and if an action 'survives' all three tests, it is morally right.

De George (1999, cited in Crane & Matten, 2007: 98) summarises the three principles, 'maxims', as follows:

- (1) act only according to that maxim by which you can at the same time will that it should become a universal law,
- (2) act so that you treat humanity, whether in your own person or in that of another, always as an end and never as means only, and
- (3) act only so that the will through its maxims could regard itself at the same time as universally lawgiving.

These maxims include valuable points about respecting human dignity and treating others as one wants him/herself and everybody else in the world at all times to be treated. However, relying only and precisely to these maxims has also severe limitations. Beauchamp and Bowie (1998: 29) remind that in Kantian ethics 'motives count substantially in moral evaluation' and therefore one should act from obligation, not for example because of compassion or concern. This brings about the question whether it truly is of lesser moral value that for example an employer comes to visit her sick co-worker at a hospital just because she is an empathic person and cares about the colleague's wellbeing, compared to that the sick worker's boss pays a visit because she 'ought to do' it. According to Beauchamp and Bowie (1998: 31) Kantian ethics have been criticised for discarding sentiments such as sympathy and caring, as well as not having much to say about character and virtue of the moral actor. It does seem inadequate that an ethics theory that overlooks the importance of moral emotions in ethical decision making simultaneously claims the right to value certain motivations higher than others, even when the differing motivations such as empathy would actually be consistent with respecting humanity and desirable as universal characteristics of humans. Crane, Knights and Starkey refer to Aristotle in order to demonstrate why the moral character of an agent is relevant.

'The virtuous person feels an inner moral obligation to live the good life, and seek excellence for its own sake rather than for personal, material and symbolic gain. Thus, virtuous persons are heroic in promoting community values and solidarity not simply in order to gain the approval of others but for purposes of sustaining excellent social practices' (2008: 309). The quotation emphasizes that it is much more sustainable if the motivation to act morally comes mainly from the inner urge to cherish and support harmonious communities rather than from outside rules. The point also relates to the importance of the environment and to the notion that decision-makers are not just totally independent, rational actors, but constituent parts of

networks of relationships and influences. As McIntyre (1984, cited in Crane, Knights & Starkey, 2008: 310) puts it: 'ethics is not just choosing what to do as individuals, but also and more importantly discovering who we are in relation to others—in short, our membership of organizations, communities and societies'.

Another, rather obvious problem with ethics of duties is that it ignores the outcomes of the actions and just narrow-mindedly concentrates on the motives and obligations of the moral agent. The key question is, do motives really matter if the resulting actions produce identical or at least mainly positive outcomes? Nike is a well-known example of a company whose not-obligation-based, selfish motives resulted in desirable outcomes. As widely known, the company faced enormous public disapproval when it was revealed that some of its subcontractors used child labour.

The bad publicity resulted in great losses of profit, and consequently Nike committed to monitor its subcontractors better and not to permit child labour. The main reason for the company to alter its supply chain requirements was obviously not that it thought it was inherently wrong to use children as means only for getting profits, and that no companies should do it. The decision was based on Nike's self interest to keep its customers and remain profitable, but the outcome was that Nike became a somewhat pioneer of anti-child labour policies amongst multinational corporations. Although Nike did not act from duty to reject child labour, did its motives really matter when the outcome greatly appraised human dignity? For Kant it would matter but for example those interested in the well-being of children in the third world countries would probably look at the situation from different angles.

Contrary to normative ethics that attempt to produce a definite, closed view of the world, for example moral relativism recognises that there are no absolute or universal principles and standards of moral behaviour, but actions can be judged from various moral angles, based on for example different cultures, historical periods, and even individual personalities (Gabriel, 2008: 97). In other words circumstances do matter since certain rules and actions can be very applicable in one person's case and at the same time be morally wrong for another person in another environment. Crane and Matten (2007: 89) point out that for example in the USA the justification and ethical legitimation of moral norms in business situations comes quite directly from Christian based value system. A business person from for example Thailand or Turkey on the other hand may extract his/her actions from a

totally different set of moral values based on his/her background. Therefore, as Beauchamp and Bowie (1993) point out, there are very often conflicts between moral rules and it sets challenges for applying Kantian maxims and rule utilitarianism. For example an Italian business person may be very accustomed to bribery and would not mind if everybody knew about it or if it became a universally applied practise, whereas a business person from Sweden might regard bribery as a totally non acceptable practice. How can these two people continue making business in a way that satisfies the moral sense of both of them? How should they proceed when the answers they got by carefully applying categorical imperatives are not compatible with each other? Ethics of duties do not provide answers for this. John Stuart Mill (1748-1832) - one of the developers of utilitarianism - has briefly considered the same issue and suggested that 'the principle of utility should itself decide in any given circumstance which rule is to take priority' (Beauchamp & Bowie, 1993: 26).

Again the challenge is how to use this guideline in practice. For example if an employer considers taking random drug tests at the workplace he or she has to compare the utility that is gained by respecting employees' privacy and personal space, compared to the utility of having drug-free workers at the workplace. Besides already mentioned problem with how to evaluate the aggregate pain and pleasure of those influenced, utilitarianism is also hindered by the fact that before an act has been executed, measuring the resulting utility is nothing but uncertain forecasting.

To conclude, Crane and Matten (2007: 107) adequately note that by presenting a closed model of the world, normative ethics have in theory the advantage of providing a solution to every possible situation, but in practice their own view of the world only presents one aspect of human life while the reality is much more complex and ambiguous. Therefore, instead of blindly following the prevailing moral guidelines, and employing rationality at the expense of emotional intelligence and moral impulses, business people should try to critically evaluate the predominant practices and constitute a balanced combination of multiple approaches. So far no single ethical theory has been able to provide a concept that fully corresponds to the needs of practical application of business ethics, and thus the best way to proceed for now is to 'select the cream of the crop'.

The List of References

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