

CONTENTS IN BRIEF

PREFACE	vii
CHAPTER 1	Business Ethics and the Changing Environment 1
CHAPTER 2	A Stakeholder Approach, Issues Management Frameworks, and Business Ethics 26
CHAPTER 3	Ethical Principles and Decision-Making Guidelines 65
CHAPTER 4	The Corporation as Stakeholder: Moral Dimensions of Strategy, Structure, Leadership, Culture, and Self-Regulation 92
CHAPTER 5	The Corporation and External Stakeholders: Managing Moral Responsibility in the Marketplace 137
CHAPTER 6	Employee Stakeholders and the Corporation 170
CHAPTER 7	Nations and Multinational Stakeholders 213
CHAPTER 8	Business Ethics into the Twenty-First Century 251
CASE 1	Dow Corning Corporation and Silicone Breast Implants 275
CASE 2	The "Pentium Chip Crisis": Intel's Pentium Chip Problem 285
CASE 3	Women in Public Accounting (and Other Professions): Gender and Workplace Obstacles 291
CASE 4	Trouble in Paris: Euro Disney's Experiment 300
CASE 5	General Motors versus the Media, <i>Dateline NBC</i> 308
CASE 6	Some Don't Like It So Hot: <i>Stella Liebeck</i> vs. <i>The McDonald's Corporation</i> 313
GLOSSARY	321
NAME INDEX	325
SUBJECT INDEX	331

CONTENTS

PREFACE

vii

CHAPTER 1	Business Ethics and the Changing Environment	1
1.1	Business Ethics: An Integrative Framework	2
	Business Ethics: An Awakening	4
1.2	Business Ethics: A Stakeholder Approach	5
1.3	What Is Business Ethics?	7
1.4	Levels of Business Ethics	9
1.5	Myths about Business Ethics	12
	First Myth: "Ethics Is a Personal, Individual Affair, Not a Public or Debatable Matter."	12
	Second Myth: "Business and Ethics Do Not Mix."	13
	Third Myth: "Ethics in Business Is Relative."	14
	Fourth Myth: "Good Business Means Good Ethics."	15
1.6	Why Use Ethical Reasoning in Business?	16
	The Nature of Ethical Reasoning in Business	17
1.7	Can Business Ethics Be Taught and Trained?	19
	Stages of Moral Development	21
	Summary	21
	Questions	22
	Exercises	23
	References and Suggested Readings	24
CHAPTER 2	A Stakeholder Approach, Issues, Management Frameworks, and Business Ethics	26
2.1	Why a Stakeholder Approach to Business Ethics?	27
2.2	Stakeholder Analysis Defined	30
	Stakeholder Analysis: A Strategic and Moral Management Perspective	30
	Stakes	30
	Stakeholders	31
	Who Are the Most Important Stakeholders?	31
2.3	How to Execute a Stakeholder Analysis	33

Step 1: Mapping Stakeholder Relationships	33
Step 2: Mapping Stakeholder Coalitions	34
Step 3: Assessing the Nature of Each Stakeholder's Interest	35
Step 4: Assessing the Nature of Each Stakeholder's Power	38
Step 5: Constructing a Matrix of Stakeholder Moral Responsibilities	38
Step 6: Developing Specific Strategies and Tactics	41
Step 7: Monitoring Shifting Coalitions	43
Summary of Stakeholder Analysis	43
2.4 Moral Responsibilities of Area Expert Managers	44
Marketing and Sales Managers as Stakeholders	46
R&D Engineering Managers as Stakeholders	46
Public Relations Managers as Stakeholders	47
Manufacturing Managers and Engineers as Stakeholders	47
Human Resource Managers as Stakeholders	48
Functional Management Stakeholder Analysis and Moral Responsibility	48
2.5 Executing a Stakeholder Analysis as an Observer	49
2.6 Stakeholder Analysis and Ethical Reasoning	51
2.7 Issues Management Frameworks	52
Strategic Issues Management	52
Developmental Life-Cycle Approach	54
Issues Management and Stakeholder Analysis	56
Managing Crisis	57
Crisis Management Recommendations	59
Summary	60
Questions	61
Exercises	62
References and Suggested Readings	62
CHAPTER 3 Ethical Principles and Decision-Making Guidelines	65
3.1 Decision Criteria for Ethical Reasoning	67
Moral Responsibility	69
3.2 Ethical Relativism	71
Ethical Relativism and Stakeholder Analysis	72
3.3 Utilitarianism	73
Utilitarianism and Stakeholder Analysis	74

3.4	Universalism	75
	Universalism and Stakeholder Analysis	76
3.5	Rights	76
	Rights and Stakeholder Analysis	77
3.6	Justice	78
	Justice and Stakeholder Analysis	79
3.7	Immoral, Amoral, or Moral Management?	80
3.8	Four Social Responsibility Roles	82
3.9	Individual Ethical Decision-Making Styles	84
	Communicating and Negotiating across Ethical Styles	85
3.10	Quick Ethical Tests	86
	Concluding Comments	87
	Summary	88
	Questions	89
	Exercises	89
	References and Suggested Readings	90

CHAPTER 4	The Corporation as Stakeholder: Moral Dimensions of Strategy, Structure, Leadership, Culture, and Self-Regulation	92
4.1	Does a Corporation Have a Conscience?	94
	First View: Corporations Do Not Have a Conscience	95
	Second View: Corporations Have a Conscience	97
4.2	The Corporation as Social and Economic Stakeholder	98
	The Social Contract	99
	Pragmatic Principles for Corporate and Stakeholder Relationships	101
	The Moral Basis and Social Power of Corporations as Stakeholders	101
	Limitations of the Stakeholder View	102
4.3	Corporate Strategy and Moral Responsibility	103
	Four Levels of Strategy	104
	Strategy Implementation and Evaluation	108
	Corporate Structure and Moral Responsibility	110
	Professional, Control Systems, and Moral Responsibility	112
4.4	Corporate Leadership, Culture, and Moral Responsibility	113

Moral Leadership Styles	114
Act I, II, and III Moral Leaders	116
Corporate Culture and Moral Responsibility	118
Corporate Values	118
Strong Corporate Culture Traits	119
Cultures in Trouble	119
High-Ethics Firms and Cultures	121
4.5 The Corporation as Moral Regulator	121
Corporate Restructuring, Mergers, Acquisitions, and Takeovers	122
Other Governance Activities in Corporations	124
Expanded Roles of Corporate Boards and Shareholders	125
Activist Roles of Shareholders in Corporate Governance	127
Corporate Self-Governance	127
Summary	131
Questions	132
Exercises	132
References and Suggested Readings	133
 CHAPTER 5 The Corporation and External Stakeholders: Managing Moral Responsibility in the Marketplace	 137
5.1 Corporate Responsibility for Consumer Stakeholders	140
Free-Market Theory	141
Social Contract View: Corporate Duties and Consumer Rights	141
5.2 Corporate Responsibility in Advertising, Product Safety, and Liability	142
Paternalism or Manipulation?	143
Arguments for Advertising	144
Arguments against Questionable Advertising	144
Ethics and Advertising	146
Advertising and Free Speech	147
Product Safety and Liability	147
5.3 Corporate Responsibility for the Environment	153
Most Significant Environmental Problems	153
Causes of Environmental Pollution	155

Enforcement of Environmental Laws	156
The Ethics of Ecology	157
Rights of Future Generations and Right to a Livable Environment	158
Recommendations to Managers	159
5.4 The Government as Corporate Regulator and Stakeholder	159
The Ethics of Politics and Regulation	161
The Government's Role in Regulating and Influencing Business	161
Types of Governmental Regulation in Business	162
Costs and Benefits of Governmental Regulation	163
Summary	164
Questions	165
Exercises	166
References and Suggested Readings	166
 CHAPTER 6 Employee Stakeholders and the Corporation	170
6.1 Employee Stakeholders: The Workforce in the Twenty-First Century	172
The Aging Workforce	172
Women in the Workforce	172
The Increasing Cultural Mix	173
The Growing Education Gap	173
Mainstreaming Disabled Workers	173
Ethical Implications and the Changing Workforce	174
Changing Workforce Values	175
Advancement of Women in the Workforce	176
6.2 The Social Contract between Corporations & Employees	176
6.3 Employee and Corporation Rights and Obligations	179
The Balance Concept and the Social Contract	180
Rights from Governmental Legislation	180
Rights of Moral Entitlement	180
Obligations between Employers and Employees	181
Employee Rights in the Workplace	183
The Family and Medical Leave Act of 1993	192

6.4	Discrimination, Equal Employment Opportunity, and Affirmative Action	192
	Discrimination	193
	Equal Employment Opportunity and the Civil Rights Act	193
	Affirmative Action	195
	Corporate Guidelines for Managing Diversity	196
	Affirmative Action and Compensatory Justice	197
	Reverse Discrimination: Arguments against Affirmative Action	197
6.5	Sexual Harassment in the Workplace	199
	What Is Sexual Harassment?	200
	Who Is Liable?	201
	Sexual-Harassment and Foreign Firms in the United States	202
	Individual Guidelines	203
6.6	Whistle-Blowing versus Organizational Loyalty	203
	When Whistle-Blowers Should Not Be Protected	205
	Factors to Consider before Blowing the Whistle	206
	Managerial Steps to Prevent External Whistle-Blowing	207
	Summary	207
	Questions	208
	Exercises	209
	References and Suggested Readings	209
CHAPTER 7	Nations and Multinational Stakeholders	213
7.1	The Competitive Global Business Environment	214
	Eight Megatrends for Asia	215
7.2	Capitalism: One System with Different Faces	217
	The Faces of Global Capitalism	218
7.3	Multinational Competition: Japan and the United States	222
	Japan, Inc.	222
	U.S. Capitalism and Management	229
7.4	Multinational Enterprises as Stakeholders	236
	MNE Perspective	239
	Host-Country Perspective	241
7.5	MNE Guidelines for Managing Morality	242
7.6	Ethics and Global Stakeholder Disputes	244
	Summary	245
	Questions	246

Exercises	247
References and Suggested Readings	247

CHAPTER 8 Business Ethics into the Twenty-First Century 251

8.1 A Perspective on the Future of Business and Ethics	252
8.2 Fundamental Changes for the Future of Business Ethics	253
Public Crises of Confidence	254
Emphasis on Quality of Work Life	254
Penalties for Unethical Behavior	255
Power of Special-Interest Groups	255
Role of Media and Publicity	255
Changing Corporate Forms and Ethics	256
Changing Corporate Objectives	257
Concept of "Total Ethics"	258
8.3 Global Ethics: International Interdependencies	259
Cross-Cultural Conflict Negotiation	261
8.4 Changes in the Workforce	263
The Aging Workforce	264
Women in the Workforce	264
Ethnic and Cultural Diversity in the Workforce	264
Disabled Workers	265
The Education Gap in the Workforce	265
8.5 Internet and Online Censorship in Cyberspace	266
Online International Responses to Censorship	267
8.6 Environmental Issues	267
8.7 Integrating Codes of Conduct into Practice	269
Summary	270
References and Suggested Readings	270

CASES

Case 1 Dow Corning Corporation and Silicone Breast Implants	273
Case 2 The "Pentium Chip Crisis": Intel's Pentium Chip Problem	275
Case 3 Women in Public Accounting (and Other Professions): Gender and Workplace Obstacles	285
	291

Case 4	Trouble in Paris: Euro Disney's Experiment	300
Case 5	General Motors versus the Media, <i>Dateline NBC</i>	308
Case 6	Some Don't Like It So Hot: <i>Stella Liebeck vs. The McDonald's Corporation</i>	313
GLOSSARY		321
NAME INDEX		325
SUBJECT INDEX		331