BUSINESS ETHICS

A Stakeholder and Issues Management Approach

SIXTH EDITION

Joseph W. Weiss



Berrett-Koehler Publishers, Inc. San Francisco a BK Business book

Brief Contents

Chapter 1

Business Ethics, the Changing Environment, and Stakeholder Management

Chapter 2

Ethical Principles, Quick Tests, and Decision-Making Guidelines

Chapter 3

Stakeholder and Issues Management Approaches

Chapter 4

The Corporation and External Stakeholders: Corporate Governance: From the Boardroom to the Marketplace

Chapter 5

Corporate Responsibilities, Consumer Stakeholders, and the Environment

Chapter 6

The Corporation and Internal Stakeholders: Values-Based Moral Leadership, Culture, Strategy, and Self-Regulation

Chapter 7

Employee Stakeholders and the Corporation

Chapter 8

Business Ethics and Stakeholder Management in the Global Environment

Contents

Preface
Acknowledgments
Case Authorship
Chapter 1 Business Ethics, the Changing Environment, and Stakeholder Management
1.1 Business Ethics and the Changing Environment
Seeing the "Big Picture"
Point/CounterPoint
Environmental Forces and Stakeholders
Stakeholder Management Approach
1.2 What Is Business Ethics? Why Does It Matter?
What Is Ethics and What Are the Areas of Ethical Theory?
Unethical Business Practices and Employees
Ethics and Compliance Programs
Why Does Ethics Matter in Business?
Working for the Best Companies
1.3 Levels of Business Ethics
Asking Key Questions
Ethical Insight 1.1
1.4 Five Myths about Business Ethics
Myth 1: Ethics Is a Personal, Individual Affair, Not a Public or Debatable Matter
Myth 2: Business and Ethics Do Not Mix
Myth 3: Ethics in Business Is Relative
Myth 4: Good Business Means Good Ethics
Myth 5: Information and Computing Are Amoral
1.5 Why Use Ethical Reasoning in Business?
1.6 Can Business Ethics Be Taught and Trained?

1.7 Plan of the Book

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemma

Cases

- 1. Bernard L. Madoff Investment Securities LLC: Wall Street Trading Firm
- 2. Cyberbullying: Who's to Blame and What Can Be Done?

Notes

Chapter 2

Ethical Principles, Quick Tests, and Decision-Making Guidelines

2.1 Ethical Reasoning and Moral Decision Making

Three Criteria in Ethical Reasoning

Moral Responsibility Criteria

2.2 Ethical Principles and Decision Making

Ethical Insight 2.1

Utilitarianism: A Consequentialist (Results-Based) Approach

Universalism: A Deontological (Duty-Based) Approach

Rights: A Moral and Legal Entitlement-Based Approach

Justice: Procedures, Compensation, and Retribution

Virtue Ethics: Character-Based Virtues

The Common Good

Ethical Relativism: A Self-Interest Approach

Immoral, Amoral, and Moral Management

- 2.3 Four Social Responsibility Roles
- 2.4 Levels of Ethical Reasoning and Moral Decision Making

Personal Level

Organizational Level

Industry Level

Societal, International, and Global Levels

2.5 Identifying and Addressing Ethical Dilemmas

Ethical Insight 2.2

Moral Creativity

Ethical Dilemma Problem Solving

12 Questions to Get Started

2.6 Individual Ethical Decision-Making Styles

Communicating and Negotiating across Ethical Styles

- 2.7 Quick Ethical Tests
- 2.8 Concluding Comments

Back to Louise Simms . . .

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemma

Cases

- 3. Ford's Pinto Fires: The Retrospective View of Ford's Field Recall Coordinator
- 4. Jerome Kerviel: Rogue Trader or Misguided Employee? What Really Happened at the Société Générale?
- 5. Samuel Waksal at ImClone

Notes

Chapter 3

Stakeholder and Issues Management Approaches

3.1 Stakeholder Theory and the Stakeholder Management Approach Defined

Stakeholders

Stakes

3.2 Why Use a Stakeholder Management Approach for Business Ethics?

Stakeholder Theory: Criticisms and Responses

3.3 How to Execute a Stakeholder Analysis

Taking a Third-Party Objective Observer Perspective

Role of the CEO in Stakeholder Analysis

Summary of Stakeholder Analysis

3.4 Negotiation Methods: Resolving Stakeholder Disputes

Stakeholder Dispute Resolution Methods

3.5 Stakeholder Management Approach: Using Ethical Principles and Reasoning

3.6 Moral Responsibilities of Cross-Functional Area Professionals

Marketing and Sales Professionals and Managers as Stakeholders

R&D, Engineering Professionals, and Managers as Stakeholders

Accounting and Finance Professionals and Managers as Stakeholders

Public Relations Managers as Stakeholders

Human Resource Managers as Stakeholders

Summary of Managerial Moral Responsibilities

3.7 Issues Management, Integrating a Stakeholder Framework

What Is an Issue?

Ethical Insight 3.1

Other Types of Issues

Stakeholder and Issues Management: "Connecting the Dots"

Moral Dimensions of Stakeholder and Issues Management

Types of Issues Management Frameworks

3.8 Managing Crises

How Executives Have Responded to Crises

Crisis Management Recommendations

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemma

Cases

- 6. The BP Deepwater Horizon Explosion and Oil Spill: Crisis and Aftermath
- 7. Mattel Toy Recalls
- 8. Genetic Discrimination

Notes

Chapter 4

The Corporation and External Stakeholders: Corporate Governance: From the Boardroom to the Marketplace

4.1 Managing Corporate Social Responsibility in the Marketplace Ethical Insight 4.1 Free-Market Theory and Corporate Social Responsibility Problems with the Free-Market Theory Intermediaries: Bridging the Disclosure Gap Point/CounterPoint 4.2 Managing Corporate Responsibility with External Stakeholders The Corporation as Social and Economic Stakeholder The Social Contract: Dead or Desperately Needed? Balance between Ethical Motivation and Compliance

The Moral Basis and Social Power of Corporations as Stakeholders

Corporate Philanthropy

Covenantal Ethic

Managing Stakeholders Profitably and Responsibly: Reputation Counts

Ethical Insight 4.2

4.3 Managing and Balancing Corporate Governance, Compliance, and Regulation

Ethical Insight 4.3

Best Corporate Board Governance Practices

Sarbanes-Oxley Act

Pros and Cons of Implementing the Sarbanes-Oxley Act

The Federal Sentencing Guidelines for Organizations: Compliance Incentive

4.4 The Role of Law and Regulatory Agencies and Corporate Compliance

Why Regulation?

Laws and U.S. Regulatory Agencies

Laws Protecting Consumers

Laws Protecting the Environment

4.5 Managing External Issues and Crises: Lessons from the Past (Back to the Future?)

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemma

Cases

```
9. Conscious Capitalism: What Is It? Why Do We Need It? Does It Work?
```

10. Goldman Sachs: Hedging a Bet and Defrauding Investors

11. Google Books

Notes

Chapter 5

Corporate Responsibilities, Consumer Stakeholders, and the Environment

5.1 Corporate Responsibility toward Consumer Stakeholders

Corporate Responsibilities and Consumer Rights

Consumer Protection Agencies and Law

5.2 Corporate Responsibility in Advertising

Ethics and Advertising

The Federal Trade Commission and Advertising

Pros and Cons of Advertising

Ethical Insight 5.1

Advertising and Free Speech

Paternalism, Manipulation, or Free Choice?

5.3 Controversial Issues in Advertising: The Internet, Children, Tobacco, and Alcohol

Advertising and the Internet

The Thin Line between Deceptive Advertising, Spyware, and Spam

Advertising to Children

Protecting Children

Tobacco Advertising

The Tobacco Controversy Continues

Alcohol Advertising

Ethical Insight 5.2

5.4 Managing Product Safety and Liability Responsibly

How Safe Is Safe? The Ethics of Product Safety

Ethical Insight 5.3

Product Liability Doctrines

Legal and Moral Limits of Product Liability

Product Safety and the Road Ahead

5.5 Corporate Responsibility and the Environment

The Most Significant Environmental Problems

Causes of Environmental Pollution

Enforcement of Environmental Laws

The Ethics of Ecology

Green Marketing, Environmental Justice, and Industrial Ecology

Rights of Future Generations and Right to a Livable Environment

Recommendations to Managers

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemma

Cases

- 12. For-Profit Universities: Opportunities, Issues, and Promises
- 13. Fracking: Drilling for Disaster?
- 14. Neuromarketing
- 15. WalMart: Challenges with Gender Discrimination
- 16. Vioxx, Dodge Ball: Did Merck Try to Avoid the Truth?

Notes

Chapter 6

The Corporation and Internal Stakeholders: Values-Based Moral Leadership, Culture, Strategy, and Self-Regulation

6.1 Leadership and Stakeholder Management

Defining Purpose, Mission, and Values

Ethical Insight 6.1

Leadership Stakeholder Competencies

Example of Companies Using Stakeholder Relationship Management

Ethical Insight 6.2

Spiritual Values, Practices, and Moral Courage in Leading

Failure of Ethical Leadership Ethical Dimensions of Leadership Styles How Should CEOs as Leaders Be Evaluated and Rewarded? 6.2 Organizational Culture, Compliance, and Stakeholder Management Organizational Culture Defined High-Ethics Companies Weak Cultures 6.3 Leading and Managing Strategy and Structure Organizational Structure and Ethics Boundaryless and Networked Organizations 6.4 Leading Internal Stakeholder Values in the Organization 6.5 Corporate Self-Regulation and Ethics Programs: Challenges and Issues Ethical Insight 6.3 Organizations and Leaders as Moral Agents Ethics Codes Codes of Conduct Problems with Ethics and Conduct Codes Ombuds and Peer-Review Programs Is the Organization Ready to Implement a Values-Based Stakeholder Approach? A Readiness Checklist Chapter Summary Questions Exercises Real-Time Ethical Dilemmas Cases

- 17. Kaiser Permanente: A Crisis of Communication, Values, and Systems Failure
- 18. Social Networking and Social Responsibility

Notes

Chapter 7

Employee Stakeholders and the Corporation

7.1 Employee Stakeholders in the Changing Workforce

The Aging Workforce

Generational Differences in the Workplace

Steps for Integrating a Multigenerational Workforce

Ethical Insight 7.1

Women in the Workforce

Same-Sex Marriages, Civil Unions, Domestic Partnerships, and Workforce Rights

The Increasing Cultural Mix: Minorities Are Becoming the Majority

Educational Weaknesses and Gaps

Point/CounterPoint

Mainstreaming Disabled Workers

Balancing Work and Life in Families

7.2 The Changing Social Contract between Corporations and Employees

Good Faith Principle Exception

Public Policy Principle Exception

Implied Contract Exception

7.3 Employee and Employer Rights and Responsibilities

Moral Foundation of Employee Rights

The Principle of Balance in the Employee and Employer Social Contract and the Reality of Competitive Change

Rights from Government Legislation

Employer Responsibilities to Employees

Employee Rights and Responsibilities to Employers

Employee Rights in the Workplace

Other Employee Rights and Obligations to Employers

Ethical Insight 7.2

7.4 Discrimination, Equal Employment Opportunity, and Affirmative Action

Discrimination

Equal Employment Opportunity and the Civil Rights Act

Age and Discrimination in the Workplace

Comparable Worth and Equal Pay

Affirmative Action

Ethics and Affirmative Action

Reverse Discrimination: Arguments against Affirmative Action

Ethical Insight 7.3

7.5 Sexual Harassment in the Workplace

What Is Sexual Harassment?

Who Is Liable?

Tangible Employment Action and Vicarious Liability

Sexual Harassment and Foreign Firms in the United States

7.6 Whistle-Blowing versus Organizational Loyalty

When Whistle-Blowers Should Not Be Protected

Factors to Consider before Blowing the Whistle

Managerial Steps to Prevent External Whistle-Blowing

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemma

Cases

- 19. Preemployment Screening and Facebook: Ethical Considerations
- 20. Women on Wall Street: Fighting for Equality in a Male-Dominated Industry

Notes

Chapter 8

Business Ethics and Stakeholder Management in the Global Environment

8.1 The Connected Global Economy and Globalization

Ethical Insight 8.1

Globalization and the Forces of Change

8.2 Managing and Working in a "Flat World": Professional Competencies and Ethical Issues

Shared Leadership in Teams' Competency

Ethical Insight 8.2

Global Ethical Values and Principles

Know Your Own Cultural and Core Values, Your Organization's, and Those with Whom You Are Working

Cross-Cultural Business Ethical Issues Professionals May Experience

8.3 Societal Issues and Globalization: The Dark Side

International Crime and Corruption

Economic Poverty and Child Slave Labor

The Global Digital Divide

Westernization (Americanization) of Cultures

Loss of Nation-State Sovereignty

8.4 Multinational Enterprises as Stakeholders

Power of MNEs

8.5 Triple Bottom Line, Social Entrepreneurship, and Microfinancing

The Triple Bottom Line

Social Entrepreneurs and Social Enterprises

Microfinancing

8.6 MNEs: Stakeholder Values, Guidelines, and Codes for Managing Ethically

Employment Practices and Policies

Consumer Protection

Environmental Protection

Political Payments and Involvement

Basic Human Rights and Fundamental Freedoms

8.7 Cross-Cultural Ethical Decision Making and Negotiation Methods

External Corporate Monitoring Groups

Individual Stakeholder Methods for Ethical Decision Making

Four Typical Styles of International Ethical Decision Making

Hypernorms, Local Norms, and Creative Ethical Navigation

Chapter Summary

Questions

Exercises

Real-Time Ethical Dilemmas

Cases

21. Google in China: Still "Doing No Evil"?

- 22. Sweatshops: Not Only a Global Issue
- 23. The U.S. Industrial Food System

Notes

Index

About the Author