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Trends in Business and Economic Ethics

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Introduction

CHRISTOPHER J. COWTON AND MICHAELA HAASE

A Developing Field

A growing number of academics and other specialists are paying attention to ethics in business. The fall of the Berlin Wall and the associated attempts to establish market economies in Central and Eastern Europe; business ‘scandals’ such as Enron and WorldCom in the USA and Parmalat in Europe; the increasing pace of internationalization of trade and supply chains; and the urgency on many fronts of calls to respond to global climate change: all these factors and more have added to the momentum behind attempts to analyze, critique and reform business and economic activity in ethical or ethical-economic terms. Many voices are now heard – not only business practitioners and academics, but also consultants, politicians, NGOs and other critics and commentators.

For academics there are issues about both what is researched and what is taught, and how those tasks are to be approached. Like business and management studies in general, business ethics is not an academic discipline as such but a field of study. In the field of business ethics there is no unique *business-ethical* theoretical framework from which research questions follow simply by means of direct application of the main theory. Indeed, many different disciplinary perspectives can fruitfully be brought to bear on business ethics. The chapters in this volume reflect this as they draw on economics and other social-scientific disciplines, on philosophy, or on knowledge harking back to management theory, which itself is multi-disciplinary. In addition, and as explored by some of the authors in this volume, some of the issues at stake are not, or not only, determined by the specific research programmes of theories but also influenced by the intersections between them. Furthermore (and at least as important), the practices of businesses and managers themselves are – or should be – an important influence.

What might be expected of business in terms of ethical or socially responsible behaviour, and what might be the appropriate contribution of research and teaching, are still subject to considerable debate – issues relating to scope and impact abound. However, what is clear is that ethical issues relating to business are seen as increasingly important by many, and the myriad questions associated with them need to be addressed with both urgency and rigour.

Thus, as both a management activity, broadly conceived, and as a scholarly endeavour, business ethics is increasingly seen as important for both current and future generations of managers, entrepreneurs, and other economic actors. But it is not without its problems and challenges. New insights, clarifications and developments are needed, but the complexity of the issues and the interested nature of what is at stake mean that progress will not be a simple task. Academically, there have been notable advances with respect to the integration of the field's topics in business schools' curricula, especially in the USA. Yet even there, there is a need for consolidation of what has been achieved, and much remains to be done. Furthermore, the different economic, social, political and academic contexts in other parts of the world – including Europe – mean that insights developed in the USA are likely to require a degree of adaptation when transferred elsewhere. The particularities of the US context also mean that some issues relating to business and economic ethics, that might be considered important in (parts of) Europe, have received scant or, so far at least, lesser attention in the USA. For example, the treatment of the workforce, organizational issues and the environmental responsibility of business are three areas in which European scholars have developed notable expertise. Moreover, a particular feature of many non-US perspectives is the systematic treatment of business as part of the economic and social system.¹

Against this backdrop, a major conference took place in May 2006 in Berlin, Germany. This book's origins lie in that conference. Hosted by the School of Business and Economics at the Freie Universität Berlin, "Ethical Aspects of Management in Theory and Practice" (EAMTP) drew together a wide range of international speakers and delegates to discuss the relationship between economics, business economics and management studies, on the one hand, and ethics (economic ethics and business ethics) on the other. Within that broad agenda, more than 40 speakers (38 papers) contributed to the Conference, addressing the Conference's main themes of:

1 Hence our reference in places to 'economic and business ethics', which we usually elide to 'business ethics'.

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- the scope of ethical and moral action within the economy and theories about it;
- approaches to teaching ethics within the business and management curriculum; and
- the dialogue between (management) scholars and practitioners.

All the chapters in this book are written by authors who participated in the EAMTP Conference. Most of them were initially presented in one form or another at the Conference itself, and all have been gone through a process of double blind review which (we hope our contributors will agree) has led to significant development and improvement. We trust that what we have as a result is a set of thought-provoking papers that address important issues in business and economic ethics. Of course, the individual chapters speak for themselves, but in this introductory chapter we wish to explain briefly the structure of the book and provide an overview of its contents.

Overview of the Book

As befits a multi-disciplinary, developing field, the chapters are written from a variety of perspectives. The subsequent papers are characterizable by their focus on issues related to economic ethics (Koslowski, Shionoya), economics and philosophy (Hodgson, Lenz), and the interaction of business ethics with other disciplines, fields of study (economics, philosophy, corporate finance, etc.), or even business practice (Cowton, Brink, Soppe, Gilbert and Rasche, Haase).

The first chapter, Christopher Cowton's *On Setting the Agenda for Business Ethics Research*, reflects on the many influences that can come to bear on research or scholarship in business ethics and thus, in some senses, prepares the way for the other chapters in the book. His chapter begins with an understanding that business ethics is not an established academic discipline as such, but rather a field of study (like business or management studies). If, as Cowton argues, research is necessary not only for pragmatic reasons but also in order to become an accepted academic field, then it is an urgent as well as justified question to ask about the set of research questions addressed, their coherence and sources. Generally speaking, besides problems identified by the theories which form the theoretical basis of business ethics ap-

proaches, problems identified by businesses and firms, and by management studies, are part of business ethics' research agenda, as well as problems related to the curriculum and teaching of business ethics. This analysis seems to be close to one that could also be given for the field of management studies in general. Cowton also, in effect, identifies two dangers for business ethics: sacrificing relevance for rigour, familiar from discussions in management studies; and using methods and applying analytical skills for their own sake, an issue familiar from economics. However, business ethics can develop a strategy with respect to its theoretical development, its applications, and its teaching, and thus form its own coherent identity as a field.

The next four chapters provide a basic and systematic treatment of issues in economic ethics or of the relationship between economics and ethics, respectively. Peter Koslowski and Yuichi Shionoya each generate a framework for economic ethics with respect to concepts, principles and approaches. After this, Bernard Hodgson and Hansrudi Lenz detect conundrums and diagnose conceptual incoherences or even contradictions which accrue from the conceptualization of individual action and decision in economics or its comparison to ends in ethics, as for example norm justification.

Peter Koslowski's *Some Principles of Ethical Economy* concentrates on the development of an ethical economy (or theory thereof) located at the intersection of economics and ethics. Koslowski outlines two strands of economic-ethical investigation that arise if one addresses issues of interest in economics from the point of view of ethics and vice versa. He delineates the interface between economics and ethics based on the multiple meanings of the concept of good and on the problem of the incompleteness and speculative character of choice. From his point of view, the meaning of the term "good" in the economic and technological sense (as the efficient and effective), can neither be equated with the meaning of the term "good" in the moral sense nor completely separated from it. The three meanings of "good" are complementary. Koslowski develops the synthesis of ethical economy as the economic theory of ethics and as the theory of the ethical presuppositions of the economic. He introduces several principles that are relevant for ethical and economic theory at the same time. The paper provides some fundamental thoughts on the formal relation between economic and ethical theory.

Yuichi Shionoya's *Economic Ethics: A Systematic Integration* deals with the intersection of economics and ethics. Shionoya directs his effort at the preparation of the field for both a positive and a normative virtue ethics. It is his goal to construct a system of economic ethics which is able to "develop

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the idea of virtue economics in positive and normative senses to shed light on a neglected issue, i.e., virtuous utilization of resources for the development and self-realization of human beings”. The author characterizes economics: first, with respect to the allocation, distribution and utilization of resources; second, by distinguishing between statics, dynamics and sociology; and third, by a broad concept of good. Economics addresses resources mainly in the light of the end-means relationship between good (in the sense of goodness) and goods (in the sense of commodities) necessary for human life. Compared to that, ethics explores what a good life is and postulates a set of norms to evaluate it from multiple angles. Shionoya constructs a system of ethics by coordination of fundamental ethical values (good, virtue and right) and the main objects of evaluation which (at least in part) already play a role in the institutional strands of economics – namely act, being and rule. From Shionoya’s point of view, economic ethics derived by the juxtaposition of the systems of economics and ethics as characterized above will be able to provide valuable norms which bring us closer to the achievement of ends like just distribution, virtuous utilization and efficient allocation of resources.

Both Koslowski and Shionoya elaborate on the distinction between the economic and the ethical good. As regards their meaning, the concepts remain distinct from Shionoya’s point of view; that notwithstanding, they are related by the acts performed by the economic actors. For this reason, Koslowski would add, humans should take up a stance on their action (and, as Hodgson would add, this requires intentional morality). What can be drawn from both papers is that, if there is an intersection between the economic and the ethical good, with it is opened up a range for self-interested ethical action.

Bernard Hodgson’s *The Conundrum of Moral Evaluation in Economics* addresses some of the moral or value dimensions of classical and neoclassical economic theories. Hodgson diagnoses a “severe conundrum in the standard interpretation of the ‘mainstream’ tradition of classical and neo-classical theory”. Since a moral interpretation of individual decision and action should be able to take precedence over claims of self-interest, it should be able to come into conflict with a point of view completely based on self-interest. This is neither fulfilled by a conception of economic-ethical integration located at the individual level of analysis that equates the moral and the rational (in the sense of the Rational Sceptic discussed by Hansrudi Lenz in the subsequent paper) nor by one that ascribes morality to unintended action results *and* legitimizes it *ex post* in terms of understanding such purely rational, self-interested action as expressing an ethical point of view. If this viewpoint is

right, then the purely methodical interpretation and treatment of the assumptions related to individual action in the tradition of Gary S. Becker possesses – from an ethical point of view – a problem: the implementation of moral values at the micro-level of analysis requires intentional morality. If the market mechanism could do all the work, no ethics requiring the exercise of a rational will would be needed (at least not for the realization of the ethical good). In some sense, this strand of argumentation in Hodgson’s paper, addressing the micro-macro level interaction from an ethical point of view, is complementary to Lenz’s interpretation of the ethical status of the economic “reference individual”.

Hansrudi Lenz’s *Why Act Morally? Economical and Philosophical Reasons* can be located within a field of study that Koslowski in his earlier chapter named “the economics of ethics”. Lenz addresses the constitution and origin of the reference individual to which ethical or economic-ethical analysis could or should refer. As is well-known, the rationality assumption, often criticized because of its regard to self interest, is a fundamental principle in economics. Philosophers have addressed how this assumption relates to ethics and which consequences result from this for the generation and justification of ethical norms. Is there a material steering function of moral norms for rational individuals? The hypothetical figure of the Rational Sceptic that harks back to Peter Stemmer has achieved particular attention in this context. According to this figure, “a moral norm is rationally justified if and only if a Rational Sceptic could be convinced” to act in accord with it.

Lenz argues that this kind of justification of moral norms based on both strict rational and purely selfish individuals leads to a conceptual contradiction of the concept of moral norm based on ethics. Moral norms are senseless for the Rational Sceptic because he would only follow them if they were in accordance with rationality. Thus, the moral dimension of a norm that is acted on by reasons of rationality is superfluous. Koslowski’s position, that the moral cannot be subordinated to the economic, relates to this. Instead of the Rational Sceptic, Lenz recommends that philosophers interested in work at the intersection of economics and ethics should base their work on the conception of an individual equipped with a minimal concern for the interests of other beings. The Rational Sceptic should thus be replaced by that minimal moralistic, non-purely selfish individual. In order to find a sketch of the constitution and behaviour of this new reference individual, philosophers should consult recent empirical findings in, for example, experimental economics and game theory. Lenz argues that both philosophers and economists stand to

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benefit from this change in the presuppositions of research or conception of the reference individual for economic-ethical analyses.

It is well-known that economic ethics and business ethics' approaches give different answers to the question of the reconcilability of, roughly speaking, markets and morals. In addition, many economists are sceptical concerning a closer connection of business ethics and economics. They regard (at least some streams of) business ethics as being hostile to economics or normative, respectively. The first reason for their reluctance relates to assumptions in economic theory (like those belonging to *homo oeconomicus*); the second is the alleged or actual conflict with Max Weber's postulate concerning value judgements in the social sciences (one aspect dealt with by Hodgson's chapter).

Alexander Brink's *Business Ethics and the Rhetoric of Reaction* may provide a guideline for an anticipative reaction to resistance and reactions like these and others. His paper includes the idea that what are called the 'functionalist' and the 'corrective' approaches in business ethics are not necessarily in opposition to each other: if ethics has become an integrative part of economics (this refers to the functionalist idea), then ideas based on corrective approaches can be implemented without provoking "reactionary" opposition from mainstream economics.

Brink's chapter addresses the strategic interplay between business ethics and other disciplines. The paper asks if business ethics can make use of Albert O. Hirschman's idea of the historic interplay between "reactionary" and "progressive" tendencies. (The terms "reactionary" and "progressive" bear no negative or positive connotations; they simply express a mechanical backwards and forwards direction of forces within historical developments, which themselves do not lead automatically to progress.) Based on Hirschman's "Rhetoric of Reaction", Brink discusses three main theses that the reactionary forces bring to bear in order to push back the forces related to change and renewal in history. Business ethics should not wait for the "reactionary" reactions in particular of mainstream economics but instead proactively formulate its progressive strategy of defence. With respect to the strategic development of its interactions with other disciplines or fields of study, Brink suggests a means for putting business ethics in the driving seat in terms of its historical development.

Dirk Ulrich Gilbert and Andreas Rasche's *A Critical Perspective on Social Accounting – The Contribution of Discourse Philosophy* addresses accountability standards (in particular SA 8000), which they assume are not yet

adequately represented in today's business ethics literature. Based on Habermasian discourse ethics, the authors introduce a "discursively informed version of SA 8000" that is an appropriate tool to better support the institutionalization of social accounting standards in firms (they particularly refer to multinational corporations). The authors draw on discourse ethics in a double sense: first, with respect to the justification of norms advocated by SA 8000; and second, with respect to the implementation of these norms in organizations. As the authors point out, "(w)hen meaningfully based on discourse ethics", SA 8000 supports multinational corporations, suppliers, and other stakeholders "to effectively communicate about conflicting issues to 'live' social responsibility". Gilbert and Rasche's discourse theoretical contribution can be viewed as supporting the recent discussion on the ethical nature of corporate ethics initiatives (e.g., internal codes of conduct and accountability standards).

Aloy Soppe's *The Stakeholder Equity Model* sketches a newly developing strand of research in economic ethics relating corporate finance, corporate governance and stakeholder theory. The paper deals with the economic foundations of corporate governance. Reflecting both the critical stance taken by many to the shareholder approach and also the emerging literature related to the stakeholder approach to strategic management, Soppe extends the basic ideas and concepts of corporate finance approaches from the shareholders to the stakeholders of the firm. Referring to a firm's efficiency and the structure of ownership of its stock, he argues that governance costs decrease if the majority of the firm's stock is assigned to its non-shareholder stakeholders. His argument is two-dimensional: first, the familiar relation between ownership, control and efficiency is extended from shareholders to non-shareholder stakeholders; and second, the answer to the question of who (from an efficiency point of view) should hold shares in a firm is given by consideration of the costs of market contracting faced by different groups of actors (like shareholders, the workforce, or managers).

The final chapter in the volume, Haase's *Theory, Practice, and Education: On the Role of Business Ethics for Management Education at Business Schools or Universities*, identifies an education gap with respect to the ethics education of future managers at business schools and universities and suggests the implementation of business ethics as a means of diminishing this gap. It discusses business ethics education from the more general perspective of management practice's knowledge sources. The implementation of business ethics can enhance business schools and universities' competences with

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respect to research and education. Business ethics both extends the classical competences of business schools and universities and contributes to the development of future managers' particular competences related to theoretical knowledge and its application, on the one hand, and ethical reflection and discernment, on the other.

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Chapter 1

On Setting the Agenda for Business Ethics Research

CHRISTOPHER J. COWTON

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- II. What to Research: Some Academic Influences
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 - 1. Businesses and Their Managers
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I. Introduction

Business ethics as a field of academic endeavour has made significant progress over the past two or three decades. It now boasts a substantial body of scholarly literature, which is a major resource in which much time and effort have been invested and from which much can be gained. However, there is still much work to be done, and the dynamic nature of both academic life and the world beyond it ensures that new issues and opportunities will continue to emerge. Business ethicists, individually and collectively, through the allocation of their limited research resources (especially time), will govern how well the field progresses and meets future challenges over the years to come. In particular, through our decisions about what we do or do not study and write about, we will determine the future shape of the scholarly literature – what it addresses successfully and on what it remains silent or inadequate.

Implicitly or explicitly, individually and collectively, choices are made, and some are presumably better than others.

This paper is a reflection on the progress of business ethics as an academic enterprise. Of course, the development of business ethics as a focus of academic interest has been marked by several review papers already (e.g. Hosmer 1996; Werhane/Freeman 1999), some reflecting underlying concerns consistent with Enderle's (1996, p. 43) comment that "in its present stage of development, business ethics appears to be far from being an established academic discipline". Some might question whether something like business ethics can ever be an academic discipline as such, and for the purposes of this paper it will be helpful to distinguish between *disciplines* – such as philosophy, economics and psychology – and *fields* (such as business and management) to which the concepts and methods of academic disciplines can be applied. Nevertheless, whatever kind of academic activity business ethics is taken to be, there are significant issues relating to its academic status.

An important element in the project to promote the academic standing of business ethics is research, which "is needed to establish business ethics on an equal footing not only with other management subjects, but also with other topics in applied ethics" (Collier 1995, p. 6). Research needs to be done, and it needs to be up to the standards of cognate fields and disciplines. Worries about whether this is the case have led to some of the previous reviews of business ethics, particularly (in the early 1990s) of empirical research carried out in its name (e.g. Brady/Hatch 1992; Fleming 1990; Randall/Gibson 1990; Robertson 1993; Weber 1992). Such concerns are legitimate, not only for reasons of academic respectability (see Cowton 1998b) but also because poorly conducted research, in whatever tradition, is a waste of resources and possibly seriously misleading. However, it is not sufficient for research to be conducted according to established academic standards; the choice of question or issue to be addressed is also important. Thus, in addition to attention being paid to *how* business ethics is researched, it is important that sight is not lost of *what* is researched. It is with the latter that this paper is principally concerned.

One approach to advancing the consideration of what is researched in business ethics would be to develop a comprehensive catalogue and critique of the contents of the literature as it currently stands and to make recommendations regarding the focus of future work. However, such an endeavour would be a massive undertaking given the extent of developments since 1990 (Enderle 2003), and it might turn out to be of dubious benefit. The approach

taken here is rather different. Instead of attempting to list the agenda items for future scholarly activity, I will take a step back to consider the process by which that agenda comes to be set, wittingly or not. In other words, how do we, as business ethics scholars, come to choose what we do – and do not – write about, particularly in academic journals? I address this question in the hope that progress in answering it will enable business ethicists, individually and collectively, to recognize more clearly the actual and potential influences to which we are subject and hence to make better choices about our work than we might otherwise do. In the next two sections of the paper I identify various possible influences upon the agenda of business ethics research, divided into those influences which are primarily academic and those which emanate from beyond the academy. I discuss the pertinent features of each one in turn, identifying both their strengths and – of particular importance when they become too strong an influence – their shortcomings.

II. What to Research: Some Academic Influences

The references above to research quality and academic respectability demonstrate the powerful influences emanating from the academic context in which business ethics researchers are principally located. But this context might influence not only how we research, but also what is researched. In this section I identify and discuss five possible academic influences; previous business ethics literature, debates in academic disciplines, business and management research, research resources, and the curriculum.

1. Previous Business Ethics Literature

Clearly it is important, in order to publish, to cite relevant previous work, thus anchoring the work in a stream (Bain 1995). But in addition to helping us to explore independently chosen topics, the reading of literature helps to shape our agenda. It is the means by which we often get our research students started on choosing a research topic, advising them to read the journals, perhaps within a broad remit. As we keep up to date on the literature or delve in to back issues of journals, we can generate ideas for our own responses and hence contributions to the literature. Thus building on previous literature can

either be part of a deliberate approach to deciding what we are going to research, or its influence can be more serendipitous, an element in a more emergent strategy (cf. Mintzberg/Waters 1985).

Good business ethics scholars try to be well-read in their claimed area of expertise, and previous literature in the field is a naturally strong trigger for the reflective reader, prompting the identification of topics, problems and potential contributions. This in itself is not a bad thing, but a literature can develop a life of its own, characterized by contributions of diminishing value which pile up ‘footnotes to footnotes’ of interest only to the protagonists involved. As Sorell (1998, p. 83) comments, ‘One piece of armchair applied ethics can provoke another,’ particularly given the pressures on academics to publish. Thus, although it is desirable to possess a cumulative body of knowledge or insights on a particular topic, over-reliance on existing business ethics literature in setting the agenda could result in an inbred corpus of work which, while perfectly competent according to conventional scholarly criteria, could have a significant opportunity cost in terms of alternative uses of the time and effort expended on it. Vast areas of business and management studies could lie unanalyzed in ethical terms. For example, it is possible that the interests pursued in a specialist academic literature will diverge more and more from those generated by the world of business and management practice, which displays considerable dynamism (see below).

It is also possible that the business ethics literature could become intellectually introspective, failing to connect with wider academic developments, not just practical ones. However, as a relatively new, interdisciplinary field, this is less likely, because – for reasons briefly explained in the introduction – its scholars tend to belong or relate to at least one other academic discipline. The potential influence of other academic disciplines is discussed next.

2. Debates in Academic Disciplines

Business ethics scholars tend to read more widely than just business ethics, in many cases seeking to keep abreast of at least some of the developments in whatever they consider to be their academic disciplinary home. Awareness of what is happening in traditional academic disciplines is thus likely to influence research in the applied field of business ethics. This might occur as part of a deliberate strategy, whereby business ethics scholars intentionally seek to apply concepts, frameworks, tools or whatever in the context of the ethics

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of business. On the other hand, the influence might be more subtle, as business ethics scholars respond subliminally to advances and debates in relevant academic disciplines, absorbing changes in the intellectual climate. Thus intellectual activity in the academic environment, while not directed specifically at the ethics of business may, through the way in which business scholars identify and frame the issues they address, come to have an impact on the agenda for business ethics research. As these disciplines develop and make progress, the potential for building business ethics on sound theoretical foundations is enhanced.

Theology has a long tradition of contributing to the ethical analysis of aspects of business (De George 1987), but many of the leaders of the modern growth of business ethics have a background in philosophy. Thus developments in philosophy – particularly moral philosophy – are likely to be significant. A pertinent example is virtue ethics, which enjoyed a major revival in moral philosophy and has subsequently been taken up with some enthusiasm in business ethics (e.g. Whetstone 2001).

Although such an influence might be taken to imply or confirm the derivative nature of business ethics, the forging of strong links with disciplines might be mutually beneficial, for the exercise of exploring recent academic developments in a business or management context might not only generate new insights for business ethics but also provide an opportunity to make a contribution to the original discipline, particularly if there is substantive work to be done rather than ‘mere application’. For example, Freeman (2000) contends that the best work in business ethics (and biomedical ethics) is helping to change (has ‘rewoven’) the very fabric of ethical theory. One of the areas in which this can happen is in the development of ‘bridge concepts’, such as conflict of interest or autonomy, that are needed for the application of ethical theory (Bowie 2000). Thus the development of philosophical business ethics can stand as a challenge to moral philosophy, contributing to its own agenda.

In addition to the substantive benefits that progress in such work might bring, there is the further advantage that it can enhance the academic respectability of business ethics and business ethicists (see earlier discussion). Another possible benefit is that it might help to stimulate further business-related conversation in philosophy and perhaps increase the degree of interest shown in business and management by the wider philosophical community, taking advantage of philosophy’s having ‘tilted again towards the “real world”’ (Solomon 1991, p. 354) and thus increasing the resources applied to our area of interest.

There seem to be good reasons both to expect and to welcome the influence of academic disciplines such as philosophy. However, any of the influences identified in this paper can, if unchecked, entail problems too. Stark (1993), for one, thinks that the influence of academic philosophy on business ethics is harmful; though if there is merit in Stark's charges, it may be more to do with the way philosophy is sometimes done than anything inherent in its nature (see Crisp 1998). Sorell (1998, p. 83), for example, charges that, '[i]n order to prove its academic credentials, some writers of business ethics have felt obliged to pursue the subject with as much theoretical apparatus as they can bring to bear, with the result that few business people can follow what is being said.' In other words, to employ a distinction used earlier, there exists the possibility that, through perceived pressures to attain academic respectability, a particular "how" comes to trump "what". Style can come to dominate substance. Stark's well-known broadside against business ethics contains a similar point: "Unfortunately, academic insecurity is causing business ethicists to direct their work away from addressing the real needs of managers and toward satisfying the perceived rigors of academic science in their field" (Stark 1993). Thus there is a risk – depending on what developments have been taking place in philosophy (and theology perhaps) and how they are applied – that business ethics becomes disconnected from its object of study.

However, the 'sustained and cumulative' normative contribution (Robertson 1993) of the philosophers has been augmented by the introduction of various social scientific perspectives, most often from social psychology and organization theory (Victor/Stephens 1994); also from economics (Hosmer/Chen 2001) and politics perhaps. Again, these offer the potential for rigorous analysis and theoretical development. Furthermore, a feature of social science disciplines is that they bring with them an orientation towards empirical research, which might suggest a stronger connection with the 'real world' and thus reduce the risk of irrelevance, which could happen with more abstract theorizing. Many business schools, particularly those with strong research profiles, have a commitment to social scientific research (see below).

In spite of the importance of root disciplines, though, Hosmer (1996) is disappointed by, and critical of, the relative lack of reference to basic normative and descriptive theories. However, it should be acknowledged that this does not mean that those theories do not have an impact on business ethics research. For example, they might influence the background thinking of scholars, in particular through their manifestation in more fully developed

frameworks and ideas. Thus more detailed conceptual understandings, whether normative or descriptive, might act as ‘intervening variables’, not least because – like Bowie’s ‘bridge concepts’ (Bowie 2000) – they are more likely to be capable of relation to the particular concerns of business ethicists and hence of greater analytical value.

From the perspective of this paper, the real contribution of academic disciplines is that they provide a sound foundation for *how* we undertake business ethics research – whether that be philosophical argumentation, abstract theorizing or empirical testing, or whatever. They might also suggest avenues for *what* we research, but the risk is that a research agenda over-determined by academic disciplines will fail to address many important issues. One possible way to control this is to pay attention to research in business and management studies, some of which may well reflect factors related to the practice of business and management, in addition to drawing on developments in academic disciplines.

3. Business and Management Research

Collier (1995, p. 6) notes that in academic terms business ethics ‘represents both a field in applied ethics and a legitimate area of management studies’. If we take our cue from business and management research, it might be reasonable to expect business ethics research to be at less risk of becoming divorced from its domain of application than if it is more in subjection to academic disciplines such as philosophy.

Business and management is a diverse area, and it is likely that some aspects will be more interesting for, and amenable to, ethics research than others. For example, ethical issues frequently surface in human resource management, in one guise or another, and it is relatively easy to identify ethical questions in relation to advertising. There are plenty of topics that can easily attract the attention of someone with an interest in ethics.

However, although some other areas might also be ripe for ethical consideration, it might be harder to identify the significant issues or to tackle them convincingly, perhaps because the area is thought to involve matters that are technically challenging and therefore relatively difficult to deal with without the requisite expertise. For example, Boatright/Peterson (2003, p. 265) note that ‘business ethics scholars have devoted comparatively little attention to financial topics’. Some financial topics are undoubtedly complex in practice,

but since its capture by neo-classical economics, academic finance has also become increasingly abstruse (Whitley 1986) and the dominant paradigm tends to subordinate or bury ethical issues, making them less obvious both to many experts in the field (who possess and pursue a constrained ‘how’ in research terms) and to observers with limited understanding of the technicalities (who will find it difficult to discern the ‘what’ to study).

Nevertheless, many business ethics researchers, particularly if they work in a business school, already possess the requisite technical background, since many are well versed in a business discipline (even finance in some cases) rather than, or in addition to, an academic discipline, to use the distinction made earlier.¹ Such expertise will not only enable them to pursue known ethical issues but, particularly if they are keeping up to date with their field of academic business expertise, to identify new, emerging issues. Alternatively, for those business ethics researchers who do not possess the requisite technical expertise, it might be possible for them to collaborate with suitable experts – who might be able to identify important ethical issues and who might have a concern for them, but who lack the specialist competence or confidence to pursue that interest on their own.

When thinking about undertaking research, it is normal to think in terms of conducting new projects, but another possibility is for a business ethics expert to help a subject expert to re-analyze their existing research in ethical terms. It might even be possible for a business ethics researcher to re-analyze existing research in business and management studies without the help of the original researcher, using published accounts of the work and/or data archives – a kind of ‘silent collaboration’. Ethical commentary on the substance of a body of existing research should certainly be possible and is probably highly desirable in many cases. Producing ethics perspectives on authoritative review papers on particular topics in particular fields might be a fruitful way of doing this. Thus previous research in business and management studies might have some influence on the agenda for business ethics research by its very availability, particularly if it is awareness of that availability, on the part of either a business ethics researcher or a subject expert, that prompts the new ‘ethical commentary’ work.

1 COWTON/CUMMINS (2003) found that the growth of business ethics teaching in the UK over the previous decade was accounted for by the enthusiasm of staff in business schools or equivalent departments who had originally been appointed to teach another subject and continued to do so.

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One of the interesting issues that arise is where such research should be published. Given the focus of this paper on the success of business ethics as an academic endeavour and the development of a valuable body of knowledge, the most obvious destination for submitting papers is one of the main business ethics journals. However, the strong relationship with business and management research, which is the focus of this section, implies that publishing in journals in fields like marketing or accounting might also be possible – or even preferable. This might be of particular importance if the business ethicist is collaborating with a subject expert, depending on the view that expert takes of managing their curriculum vitae. This might be in addition to publication in a business ethics publication, given appropriate writing-up to pursue a different ‘angle’ in the respective literatures. One of the benefits of publishing in journals dedicated to particular business disciplines is that it enhances the potential for ethics to be incorporated into mainstream subjects. It might also enhance the academic respectability of business ethics and the standing of the individual business ethics scholar. However, the ‘leading’ journals in some areas of business and management enact a construction of appropriate research that does not admit ethical analyses, except in the most constrained social scientific terms. Such definitions of rigour and respectability are strongly enforced in certain areas of business and management research. Nevertheless, it is an avenue worth exploring.

It is also apparent that researchers in other areas of business and management publish their current work in business ethics journals without the help of an expert in business ethics. This is one of the ways in which research in business and management comes to influence the content of business ethics journals, and it is likely to increase as the status of business ethics grows, thus making publication in its outlets more attractive to scholars. This is not the place to assess whether the full potential of those papers, in business ethics terms, is exploited, but if it is not, then such contributions can be picked up and developed further by business ethics scholars, responding to work that is now part of the business ethics literature (see first influence). And having been published in that literature, it is likely to be easier to develop in ethical terms than work published in other parts of the business and management literature, as at least *some* of the ethical work should have been done already for publication in a business ethics journal.

Taking our cue from business and management research might not be as valuable as expected though. According to Ciulla (1991, pp. 213-214), “[o]ne of the first things you hear upon entering a business school is references to

something called the 'real world' ... which dictates what you can and can't do." Yet business schools, notwithstanding their apparently vocational mission, have received criticism from some quarters for the poverty of their relationship with business and management practice, in particular the alleged 'irrelevance' of much of their research. Their research has been criticized for prizing rigour over relevance, perhaps in pursuit of social scientific respectability in the same way that business ethicists can feel themselves subject to academic disciplinary pressure. 'Leading' business schools have been pursuing academic respectability for the past forty years or so by conducting 'rigorous' social science research (Cowton 1998b; Whitley 1986), which has resulted in a 'technical, scientifically-inspired regimen' (Donaldson 1994, p. 4). It seems that academic rewards and resource allocation systems are not configured in such a way as to guarantee research that is respected outside the academy. Therefore, although existing business and management research has a great deal to offer as an influence upon business ethics research, including as a possible corrective to an over-reliance on academic disciplines for setting the agenda, it is not necessarily an infallible guide to ensuring that the agenda will not miss certain important issues.

4. Research Resources

It was noted at the beginning of this paper that, whether we are actively conscious of it or not, research resources for business ethics are limited. What influences the allocation of those resources, particularly time, is the theme of this paper, but it should be acknowledged that research resources can themselves be directed towards particular ends or become available in such a way as to facilitate particular aspects of business ethics research. In the previous section mention was made of the analysis of existing research in business and management. The two other resources to be considered here are money and data.

First, there are funding agencies, of various sorts (e.g. government, foundations, commercial organizations, universities) which either seek to have particular types of research done or, in responsive mode, fund or reject particular project proposals. As such, they mediate, amplify or suppress concerns that emanate from beyond the walls of the academy, some of which will be discussed below. Although business ethics does not receive a large amount of research funding compared to other areas, it receives some. To the

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extent that it does so, the decisions of funders will influence the agenda for business ethics research. If a particular funder became over-dominant, or if an unduly homogeneous agenda came to exist across funders, problems could be entailed for business ethics researchers – though that is probably a more welcome problem than having little or no research funding.

Second, existing data can be a resource for business ethics research. Mention was made in the previous section of the possibility of re-analyzing from an ethical perspective research data from studies already conducted, but the availability of secondary data more generally is a potential influence on research in business ethics. For much of the time, the unavailability of data acts as a constraint, because appropriate data of adequate quality are difficult to obtain for the investigation of many ethical issues. However, where they do exist, data can act as a prompt to research; secondary data can play a serendipitous role in the initiation of research (Cowton 1998a). Many types of such data exist, including company accounts and other material, government statistics, reports from regulatory agencies and newspapers.

One of the interesting features of secondary data is that they contain the seeds of the solution to the question that they stimulate in the minds of the researcher. (Even if they are insufficient for scholarly purposes, some of them help make scholars aware of significant issues.) Another is – as I have argued elsewhere via a notion termed ‘eavesdropping’ (Cowton 1998a) – secondary data provide opportunities for avoiding some of the problems associated with collecting primary data on sensitive issues. However, taken too far, the risk with using secondary data is that we research what is convenient rather than what is important, or we fail to address satisfactorily the real issue because the secondary data are inadequate proxies for the primary data that we would wish to collect. Nevertheless, the significant point for this paper is that secondary data *can* act as an influence on what we research.

5. The Curriculum

Directly or indirectly accessing the research interests of academic colleagues in business and management was mentioned earlier as a way of guiding business ethics research, but the vast majority of academics do not spend all or even most of their time conducting research. Teaching is important. The precise nature of the relationship between teaching and research is often debated

(e.g. the importance of research activity for the vitality of teaching), but there seem to be two important dimensions relating to the concerns of this paper.

First, the teaching of business ethics itself provides opportunities for research. Such pedagogic research (I am not referring to students as proxies for “proper” research subjects) is common in many fields and disciplines. The challenges of teaching business ethics (often to sceptical students), its unusual nature when compared to many other business school courses, and its relatively recent appearance in many curricula mean that questions worthy of research are likely to occur to academics relatively frequently in the course of their teaching. Indeed, the business ethics journals contain many scholarly contributions to the debate on how to teach business ethics and its effectiveness. In addition to learning more about the process of business ethics teaching and learning, shortcomings in teaching material might stimulate research work that might generate mainstream research findings as well as resources for students. As Collier (1995) comments, research is needed to provide a knowledge base for the expansion of business ethics teaching. For example, many writers have pointed out the need to generate non-US material, not only to provide appropriate material for students outside the USA but also to help internationalize the curriculum in US business schools (Cowton/Dunfee 1995). Thus, one might argue, business ethics might be expected to generate a relatively large amount of pedagogic and related research. The only problem is that such research is often viewed as lower status than research into the subject itself, thus compounding the possible status problems of researching business ethics at all (see earlier discussion). There seems to be something of a tension here: for a relatively new academic field such as business ethics, pedagogic research is likely to be of more value than in more conventional business school subjects; but given the relatively low status of pedagogic research there may be an opportunity cost in terms of building the academic respectability of – and hence curriculum opportunities for – business ethics.

Second, and returning to the more tactical tone of some of the earlier comments, one of the desires of many business ethicists is to have ethics integrated into mainstream courses within the business school (Dunfee/Robertson 1988). Taking our research cue from what our colleagues teach might be one way of achieving this. As Murphy comments:

Most of us “doing ethics” would be less than honest if we didn’t recognize that there is still substantial resistance to business ethics within most schools of business. These critics are often not only vocal, but also productive and respected faculty members. They will probably never embrace the notion of eth-

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ics in the curriculum or as a field of study, but we cannot ignore them. Involving them in team teaching of a case or as part of a *joint research topic* are ways to begin the dialogue. (Murphy 1994, pp. 387-388, emphasis added)

Of course, it is often asserted that the curriculum is already too full – across and within courses – to find room for business ethics. The excuse might not be a good one, but it is often deemed sufficient. A possible response is for business ethicists to work on emerging issues in particular subject areas: “New business practices are constantly evolving, the ethical nature of which is not always or immediately clear” (De George 1991, p. 44). Analysis of techniques and methods being promoted in more practice-oriented journals, such as *Harvard Business Review* or *McKinsey Quarterly*, might be a good starting point. If room is left for current issues or space is made for important new topics in the curriculum, and hence new teaching material is being generated, material on ethics is more likely to find a foothold. Indeed, it might even be welcomed by subject specialists as they seek to get to grips with a novel topic and develop a new lecture or seminar. If the new issue or topic is one that the business world is also grappling with, such an approach is also going to do no harm to the perceived relevance of business ethics research. That world beyond the academy is itself a source of potential influences upon the agenda for business ethics research, and is the subject of the next section.

III. What to Research: Some Influences from Beyond the Academy

Janus-like, the scholarly community of business ethics faces two ways; towards the academy of which we are members, as discussed above, and towards the world beyond the academy. Perhaps it is the case that ‘non-academic’ factors have less influence on the business ethics research agenda than might be expected or desired by some commentators. However, as Sorell (1998) notes, there are several ways in which the distance between business ethics and the business world can be diminished. Without any claim to exhaustiveness, this section will attempt to highlight some of the main ways in which ‘real world’ influences might bear upon the research agenda of business ethics, beginning with businesses and their managers and radiating outwards through stakeholder concerns and the wider society.

1. Businesses and Their Managers

It would be strange indeed if business ethics had no contact with businesses and other types of organization that are usually considered to come within its purview, and the identification by business (in the broad sense) of issues that it considers to be of ethical significance is a potential influence upon business ethics research. There are many ways in which business ethics researchers might come to learn of these issues, but a basic division would be between direct and indirect methods.

The ethical concerns of organizations and their managers can be picked up on an opportunistic basis just from interacting with people from the business world, in the classroom or beyond. This can lead to interesting and perhaps important research. Individual case studies, perhaps developed for teaching purposes, can also be a useful source of ideas. On the other hand, the ethical issues that confront business and managers could be established on a more systematic basis. At one level it could be viewed as a kind of market research to ‘poll’ managers on what they consider the most significant ethical issues facing them. An example is to be found in the work of Waters *et al.* (1986), who asked managers “What ethical questions come up or have come up in the course of your work life?” Similarly, Fisher/Lovell (2000) conducted fieldwork to discover from practising management accountants what kinds of ethical problems they had faced. The concerns and work of managers, such as ethics officers, who have formal responsibility for helping to manage the corporate ethics agenda, might be particularly relevant. Such research would not only identify ethical issues but might also aim to prioritize them according to some criteria, which is difficult to do if a more casual approach is taken. Professional associations might be another useful source of such insights. This is not to say that practitioners will be the only source, but as I have suggested elsewhere (Cowton 1998b), although it might be thought that practising managers are not necessarily adept at such exercises (which also raise some research challenges), that is no reason for ignoring them. Instead, their replies should be treated with circumspection as well as respect.

A less direct approach is not to ask businesses but to listen to what businesses say ‘anyway’, or to observe what they do. This is not just to save the trouble of doing more systematic research; direct ‘polling’ research can entail ‘leading’ or socially desirable response bias (Fernandes/Randall 1992; Randall/Fernandes 1991). To cite an obvious example, codes of ethics are one of the most visible manifestations of the addressing of ethical issues in the