

Business Ethics: The business context

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The Business Context

Overview:

- Globalization
- The Firm
- The Worker
- Discipline and Employee Rights

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4 Features of Globalization

- Obsolescence of traditional boundaries
- 'space-time compression'
- Complexity / confusion re causal processes
- No one is 'in charge'

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Evidence of Globalization

Can look at different dimensions:

- Political: transnational trade agreements (WTO)
 - Economic: flow of capital (\$1.3 T *daily*)
 - Socio-legal: impact of EU law (HRA)
 - Technology: Internet
 - Environment: global warming
- Is it 'global village or global pillage' (Anthony Giddens)?

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2 Views of the Firm

1. Stockholder View

The only responsibility for business is to make money for shareholders - the market is the best way to allocate scarce resources

2. Stakeholder View

There is a responsibility for businesses to regulate the employment relationship to ensure fairness for a range of stakeholders

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More on the 2 Views

- Stockholder View is 'right wing' *and*
Unitarist: the market is the sole source of authority
– commercial success is the common goal
- Stakeholder View is 'left wing' *and*
Pluralist: need to recognise different interest groups, some are outside the firm and have other goals: e.g. fair trade, environment

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The Economic Worker

- One of Bradley et al's 'Myths'
- Consistent with Utilitarianism
- Consistent with RCT
- Inconsistent with other views of work / people: identity, complexity, valuing vs rewarding

+ simplifies complexity of employee relations, some truth
- dehumanises, symptom of arrogance (managers, academics)

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Discipline and Employee Rights

- Discipline: organization > employee
(grievance: employee > organization)
- Employees should: know expected performance standards and rules; be clearly told if failing these; have opportunity to improve before disciplinary action is taken (except in gross misconduct) + should know nature of accusation, have opportunity to state case, be allowed to appeal, the tribunal should act in good faith

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