

Ethical Theory and Business

Tenth Edition

For forty years, successive editions of *Ethical Theory and Business* have helped to define the field of business ethics. The tenth edition reflects the current, multidisciplinary nature of the field by explicitly embracing a variety of perspectives on business ethics, including philosophy, management, and legal studies. Chapters integrate theoretical readings, case studies, and summaries of key legal cases to guide students to a rich understanding of business ethics, corporate responsibility, and sustainability. The tenth edition has been entirely updated, ensuring that students are exposed to key ethical questions in the current business environment. New chapters cover the ethics of IT, ethical markets, and ethical management and leadership. Coverage includes climate change, sustainability, international business ethics, sexual harassment, diversity, and LGBTQ discrimination. New case studies draw students directly into recent business ethics controversies, such as sexual harassment at Fox News, consumer fraud at Wells Fargo, and business practices at Uber.

Denis G. Arnold is the Surtman Distinguished Professor of Business Ethics at the University of North Carolina, Charlotte. One of the world's leading experts in business ethics, he is a former Editor in Chief of the prestigious scholarly journal *Business Ethics Quarterly*, published by Cambridge University Press, and a past president of the Society for Business Ethics. His research includes scores of articles and chapters and several books. A distinguished teacher praised by students at the undergraduate, MBA, doctoral, and executive levels, he has provided ethics training for leaders at Fortune 500 companies, smaller enterprises, and non-profit organizations.

Tom L. Beauchamp holds graduate degrees from Yale University and Johns Hopkins University, where he received his Ph.D. in 1970. He then joined the faculty of the Philosophy Department at Georgetown University, Washington, DC and a joint appointment at the Kennedy Institute of Ethics as Senior Research Scholar. He is the author of *Case Studies in Business, Society, and Ethics* (2003) and *Philosophical Ethics* (2001). He is co-author of *The Human Use of Animals* (2008), *Principles of Biomedical Ethics* (2012), and *A History and Theory of Informed Consent* (1986). Many of his articles were republished under the title *Standing on Principles: Collected Works*.

Norman E. Bowie is the author or editor of eighteen books in business ethics, ethics, and political philosophy. His *Business Ethics: A Kantian Perspective* (Cambridge, 2017), which has been translated into Japanese and Chinese, has just appeared in a much revised and expanded second edition. Other books include *Business Ethics in the 21st Century* (2013) and *Business Ethics for Dummies* (2011). He is past president of the Society for Business Ethics and former Executive Director of the American Philosophical Association. In 2009, the Society for Business Ethics honored him with an award for scholarly achievement. The festschrift *Kantian Business Ethics* was devoted to his work.

ETHICAL THEORY AND BUSINESS

Tenth Edition

DENIS G. ARNOLD

University of North Carolina, Charlotte

TOM L. BEAUCHAMP

Georgetown University, Washington DC

NORMAN E. BOWIE

University of Minnesota



CAMBRIDGE
 UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom
 One Liberty Plaza, 20th Floor, New York, NY 10006, USA
 477 Williamstown Road, Port Melbourne, VIC 3207, Australia
 314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
 New Delhi – 110025, India
 79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781108422970

DOI: 10.1017/9781108386128

Ninth edition © Pearson Education Limited 2014

Tenth edition © Denis G. Arnold, Tom L. Beauchamp, and Norman E. Bowie 2020

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

This book was previously published by Pearson Education, Inc. 2014

Tenth edition published by Cambridge University Press 2020

Printed in the United Kingdom by TJ International Ltd, Padstow Cornwall 2020

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging-in-Publication Data

Names: Arnold, Denis Gordon, editor. | Beauchamp, Tom L., editor. | Bowie, Norman E., 1942– editor.

Title: Ethical theory and business / [edited by] Denis G. Arnold, Tom L. Beauchamp, Norman E. Bowie.

Description: Tenth edition. | New York : Cambridge University Press, 2019. | Revised edition of Ethical theory and business, c2013.

Identifiers: LCCN 2019005967 | ISBN 9781108422970 (hardback) | ISBN 9781108435260 (paperback)

Subjects: LCSH: Business ethics – United States. | Business ethics – United States – Case studies. | Industries – Social aspects – United States. | Industries – Social aspects – United States – Case studies. | Commercial crimes – United States – Cases. | Consumer protection – Law and legislation – United States – Cases.

Classification: LCC HF5387 .E82 2019 | DDC 174/.4–dc23

LC record available at <https://lcn.loc.gov/2019005967>

ISBN 978-1-108-42297-0 Hardback

ISBN 978-1-108-43526-0 Paperback

Additional resources for this publication at www.cambridge.org/arnold10ed

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

Brief Contents

<i>List of Cases</i>	<i>page</i> xiii
<i>Preface</i>	xvii
1 Ethical Theory and Business Practice	1
2 The Rights and Responsibilities of Employees	42
3 Managing, Leading, and Governing	88
4 Diversity, Discrimination, and Harassment in the Workplace	159
5 Corporate Social Responsibility	204
6 Ethics and Information Technology	261
7 Marketing Ethics	295
8 Environmental Sustainability	369
9 Ethical Issues in International Business	432
10 Ethical Markets	492
11 Economic and Global Justice	542
<i>Index</i>	589

Contents

<i>List of Cases</i>	<i>page</i> xiii
<i>Preface</i>	xvii
1 Ethical Theory and Business Practice	1
1.1 Introduction	1
1.2 Fundamental Concepts	1
1.3 Fundamental Problems	7
1.4 Normative Ethical Theory	15
1.5 A Multi-Step Ethical Decision Procedure	34
Cases	39
Case 1: The Training Program	39
Case 2: Should Company Policy Apply to All?	39
Case 3: Deceiving Student Loan Borrowers Drives Profits at Navient	40
2 The Rights and Responsibilities of Employees	42
2.1 Introduction	42
2.2 Ethical Consideration of Employees	45
Treating Employees with Respect, <i>Norman E. Bowie</i>	45
Decency Means More than “Always Low Prices”: A Comparison of Costco to Walmart’s Sam’s Club, <i>Wayne F. Cascio</i>	49
2.3 The Hiring and Firing of Employees	56
In Defense of the Contract at Will, <i>Richard A. Epstein</i>	56
Employment at Will and Due Process, <i>Patricia H. Werhane and Tara J. Radin</i>	61
2.4 Health and Safety	68
Occupational Health and Safety, <i>John R. Boatright</i>	68
Safety Culture in High Risk Industries, <i>Mark A. Cohen, Madeline Gottlieb, Joshua Linn, and Nathan Richardson</i>	75
Legal Perspective	80
Supreme Court of the United States, <i>Automobile Workers v. Johnson Controls, Inc.</i> (1991)	80
Cases	81
Case 1: Outsourcing at Any Cost? Do Corporations Ever Have a Moral Obligation Not to Outsource?	81
Case 2: Sexism in the City of London	83
Case 3: Off-Duty Smoking	84
Case 4: Fired for Drinking the Wrong Brand of Beer	84
Case 5: The Other Side of Manufacturing in the United States	85
Case 6: BP’s Disastrous Safety Culture	86

3 Managing, Leading, and Governing	88
3.1 Introduction	88
3.2 Ethical Culture and Leadership	92
Ethics and Effectiveness: The Nature of Good Leadership, <i>Joanne B. Ciulla</i>	92
Ethics as Organizational Culture, <i>Linda Treviño and Katherine Nelson</i>	95
3.3 Governance	106
Good Directors and Bad Behavior, <i>Robert A. Prentice</i>	106
Ethics and Executive Compensation, <i>Robert W. Kolb</i>	112
Do CEOs Get Paid Too Much?, <i>Jeffrey Moriarty</i>	117
3.4 Whistleblowing	124
Whistleblowing and Employee Loyalty, <i>Ronald Duska</i>	124
Whistleblowing, Moral Integrity, and Organizational Ethics, <i>George G. Brenkert</i>	128
After the Wrongdoing: What Managers Should Know about Whistleblowing, <i>Janet P. Near and Marcia P. Miceli</i>	138
Legal Perspectives	145
Superior Court of New Jersey, <i>Warthen v. Toms River Community Memorial Hospital</i> (1985)	145
Superior Court of New Jersey, <i>Potter v. Village Bank of New Jersey</i> (1988)	145
Cases	147
Case 1: Uber's Ethical Leadership Vacuum	147
Case 2: The Bachelor Party	149
Case 3: Wells Fargo's Corporate Culture	149
Case 4: Shareholder Losses and Executive Gains: Bank of America's Acquisition of Merrill Lynch	153
Case 5: Roger Boisjoly and the <i>Challenger</i> Disaster: Disloyal Employee or Courageous Whistleblower?	156
Case 6: Tainted Medicine	157
4 Diversity, Discrimination, and Harassment in the Workplace	159
4.1 Introduction	159
4.2 Diversity in the Workplace	165
Affirmative Action and Diversity Goals in Hiring and Promotion, <i>Tom L. Beauchamp</i>	165
4.3 Sexual Harassment	170
Sex Discrimination Claims under Title VII of the Civil Rights Act of 1964, <i>Crystal Liu, Elizabeth Macgill, and Apeksha Vora</i>	170
Reconceptualizing Sexual Harassment, Again, <i>Vicki Schultz</i>	178
4.4 LGBT Rights at Work	186
The Social and Economic Imperative of Lesbian, Gay, Bisexual, and Transgendered Supportive Organizational Policies, <i>Eden B. King and José M. Cortina</i>	186
Legal Perspectives	192
Supreme Court of the United States, <i>Meritor Savings Bank, FSB v. Vinson, et al.</i> (1986)	192
Supreme Court of the United States, <i>Teresa Harris, Petitioner v. Forklift Systems, Inc.</i> (1993)	193
Cases	194
Case 1: Hiring Discrimination at Bass Pro Shops	194
Case 2: Promotions at Uptown Bottling and Canning Company	195

CONTENTS

IX

Case 3: Sexism in Silicon Valley	196
Case 4: A Culture of Sexism and Harassment at Fox News	198
Case 5: Freedom of Expression at American Plastics Products	200
Case 6: Harassment at Brademore Electric	200
Case 7: Gay and Lesbian Rights at Friendly Motors	201
Case 8: A Matter of Integrity?	202
5 Corporate Social Responsibility	204
5.1 Introduction	204
5.2 Shareholder Management versus Stakeholder Management	207
The Social Responsibility of Business Is to Increase Its Profits, <i>Milton Friedman</i>	207
The Error at the Heart of Corporate Leadership, <i>Joseph L. Bower and Lynn S. Paine</i>	211
Managing for Stakeholders, <i>R. Edward Freeman</i>	220
Putting a Stake in Stakeholder Theory, <i>Eric W. Orts and Alan Strudler</i>	229
Toward a Theory of Business, <i>Thomas Donaldson and James P. Walsh</i>	235
Legal Perspectives	247
Supreme Court of New Jersey, <i>A. P. Smith Manufacturing Co. v. Barlow</i> (1953)	247
United States Supreme Court, <i>Citizens United v. Federal Election Commission</i> (2010)	247
United States Supreme Court, <i>Burwell v. Hobby Lobby Stores Inc., et al.</i> (2014)	248
Johnson & Johnson: Our Credo	249
Republic of India, The Companies Act of 2013	249
Cases	251
Case 1: The 5,000 Percent Price Hike: Turing Pharmaceuticals' Acquisition of Daraprim	251
Case 2: The NYSEG Corporate Responsibility Program	253
Case 3: H. B. Fuller in Honduras: Street Children and Substance Abuse	255
Case 4: Merck and River Blindness	256
Case 5: From Tension to Cooperative Dialogue: Holcim	258
Case 6: ITC's Vocational Training Program	259
6 Ethics and Information Technology	261
6.1 Introduction	261
6.2 Consumer Privacy	263
The Meaning and Value of Privacy, <i>Daniel J. Solove</i>	263
Information Technology, Privacy, and the Protection of Personal Data, <i>Jeroen van den Hoven</i>	267
The Privacy Merchants: What Is to Be Done?, <i>Amitai Etzioni</i>	273
6.3 Complicity	279
Internet Content Providers and Complicity in Human Rights Abuse, <i>Jeffery D. Smith</i>	279
Cases	289
Case 1: Privacy at MyFriends.Com	289
Case 2: Implanting Microchips in Workers: Improving Efficiency or Invading Privacy?	290
Case 3: Social Media and the Modern Worker: The Use of Facebook as an Organizational Monitoring and Management Tool	291
Case 4: Facebook's Emotional Contagion Study	293
Case 5: Doing Business in China	294

7 Marketing Ethics	295
7.1 Introduction	295
7.2 Autonomy and Marketing	302
Advertising and Behavior Control, <i>Robert L. Arrington</i>	302
Marketing and the Vulnerable, <i>George G. Brenkert</i>	308
7.3 Deception and Commercial Speech	315
The Perils of Ignoring History: Big Tobacco Played Dirty and Millions Died. How Similar Is Big Food?, <i>Kelly D. Brownell and Kenneth E. Warner</i>	315
Persistent Threats to Commercial Speech, <i>Jonathan H. Adler</i>	325
7.4 Pharmaceutical Marketing	330
The Drug Pushers, <i>Carl Elliott</i>	330
The Ethics of Direct to Consumer Pharmaceutical Advertising, <i>Denis G. Arnold</i>	337
Legal Perspectives	346
United States Court of Appeals for the Seventh Circuit, <i>B. Sanfield, Inc. v. Finlay Fine Jewelry Corp.</i> (1999)	346
United States Court of Appeals for the Second Circuit, <i>Coca-Cola Company v. Tropicana Products, Inc.</i> (1982)	346
Supreme Court of California, <i>Kasky v. Nike, Inc.</i> (2002)	347
United States Supreme Court, <i>Central Hudson Gas and Electric Corp. v. Public Service Commission</i> (1980)	348
Cases	349
Case 1: Advice for Sale: How Companies Pay TV Experts for On-Air Product Mentions	349
Case 2: Hucksters in the Classroom	352
Case 3: The Exposure of Children to Erectile Dysfunction Advertising	354
Case 4: Kraft Foods, Inc.: The Cost of Advertising on Children's Waistlines	355
Case 5: Let Them Drink Soda: Coca-Cola's Effort to Influence Public Health Research	359
Case 6: Merck & Company: The Vioxx Recall	361
Case 7: Pfizer: Repeat Offender	365
8 Environmental Sustainability	369
8.1 Introduction	369
8.2 Sustainability and Natural Capitalism	375
Sustainability, <i>Alan Holland</i>	375
Natural Capitalism: The Next Industrial Revolution, <i>Paul Hawken, Amory Lovins, and L. Hunter Lovins</i>	381
Is It Time to Jump Off the Sustainability Bandwagon?, <i>Joseph DesJardins</i>	390
8.3 Corporate Environmental Misconduct	398
Corporate Responsibility, Democracy, and Climate Change, <i>Denis G. Arnold</i>	398
Actions Speak Louder than Words: Greenwashing in Corporate America, <i>Jacob Vos</i>	404
Legal Perspectives	413
United States Supreme Court, <i>United States v. Best Foods et al.</i> (1998)	413
United States Supreme Court, <i>Whitman v. American Trucking Associations, Inc.</i> (2001)	413
Cases	415
Case 1: The Cruise Industry: Exotic Promises and Toxic Waters	415
Case 2: Texaco in the Ecuadorean Amazon	417

CONTENTS

XI

Case 3: Interface Corporation and Sustainable Business	419
Case 4: What Does It Mean to Be Truly Green? Environmental Sustainability at Frito-Lay North America	420
Case 5: Driving Sustainability at Tesla	427
Case 6: The Dirty Truth: Volkswagen's Diesel Deception	429
9 Ethical Issues in International Business	432
9.1 Introduction	432
9.2 Relativism vs. Human Rights	436
Relativism and the Moral Obligations of Multinational Corporations, <i>Norman E. Bowie</i>	436
Corporate Human Rights Obligations, <i>Denis G. Arnold</i>	440
9.3 Sweatshops and Bribery	448
Sweatshops, <i>Laura P. Hartman</i>	448
Can Global Brands Create Just Supply Chains?, <i>Richard M. Locke</i>	453
Corruption and the Multinational Corporation, <i>David Hess</i>	459
Legal Perspectives	467
Supreme Court of Texas, <i>Dow Chemical Company and Shell Oil Company v. Domingo Castro Alfaro et al.</i> (1990)	467
United States Court of Appeals, Ninth Circuit, <i>John Doe I, et al. v. Unocal Corp., et al.</i> (2002)	468
United States Supreme Court, <i>Kiobel v. Royal Dutch Petroleum Co.</i> (2013)	468
The United Nations, <i>Global Compact</i>	469
The United Nations, <i>Protect, Respect and Remedy Framework for Business and Human Rights</i>	470
The United Kingdom Bribery Act (2010) and the United States Foreign Corrupt Practices Act (1977)	474
Cases	475
Case 1: Foreign Assignment	475
Case 2: Blood, Sweat, and Tears: Child Labor in the Chocolate Supply Chain	476
Case 3: Chrysler and Gao Feng: Corporate Responsibility for Religious and Political Freedom in China	477
Case 4: Should Walmart Do More? A Case Study in Global Supply Chain Ethics	479
Case 5: The Hidden Price of Low Cost: Subcontracting in Bangladesh's Garment Industry	481
Case 6: FIFA's Red Card: Corruption and World Cup Soccer	487
Case 7: Walmart de México: Millions in Bribes Fuel Growth	489
10 Ethical Markets	492
10.1 Introduction	492
10.2 Should Everything Be for Sale?	496
Noxious Markets, <i>Deborah Satz</i>	496
Markets without Limits, <i>Jason Brennan and Peter M. Jaworski</i>	502
Markets in Utopia, <i>James Stacey Taylor</i>	507
10.3 Price Gouging	512
The Ethics of Price Gouging, <i>Matt Zwolinski</i>	512
What's the Matter with Price Gouging?, <i>Jeremy Snyder</i>	516

10.4	Financial Markets	520
	Ethical Issues in Financial Services, <i>John R. Boatright</i>	520
	The Moral Problem of Insider Trading, <i>Alan Strudler</i>	527
	Legal Perspective	531
	United States Supreme Court, <i>United States, Petitioner v. James Herman O'Hagan</i> (1997)	531
	Cases	532
	Case 1: Should Everything Be for Sale?	532
	Case 2: Like Taking Candy from a Baby? Mylan's Pricing of the EpiPen	533
	Case 3: The Big Fix: How Big Banks Colluded to Rig Interest Rates	535
	Case 4: Predatory Lending at Countrywide Financial	536
	Case 5: Martha Stewart Living Omnimedia, Inc.: An Accusation of Insider Trading	539
11	Economic and Global Justice	542
11.1	Introduction	542
11.2	Economic Justice	549
	An Egalitarian Theory of Justice, <i>John Rawls</i>	549
	The Entitlement Theory, <i>Robert Nozick</i>	554
	Rich and Poor, <i>Peter Singer</i>	557
	Freedom and the Foundations of Justice, <i>Amartya Sen</i>	561
11.3	Global Justice	564
	Why Globalization Works, <i>Martin Wolf</i>	564
	Globalization Moralized, <i>Richard W. Miller</i>	570
	Legal Perspective	580
	Universal Declaration of Human Rights	580
	Cases	583
	Case 1: Sapura's Patriarchal Society	583
	Case 2: Cocaine at the Fortune 500 Level	584
	Case 3: Surviving (?) on a Minimum Wage	585
	Case 4: Wages of Failure: The Ethics of Executive Compensation	586
	Case 5: SC Johnson: Pyrethrum Sourcing from Kenya	587
	<i>Index</i>	589

Cases

Chapter 1

Case 1: The Training Program	39
Case 2: Should Company Policy Apply to All?	39
Case 3: Deceiving Student Loan Borrowers Drives Profits at Navient	40

Chapter 2

Case 1: Outsourcing at Any Cost? Do Corporations Ever Have a Moral Obligation Not to Outsource?	81
Case 2: Sexism in the City of London	83
Case 3: Off-Duty Smoking	84
Case 4: Fired for Drinking the Wrong Brand of Beer	84
Case 5: The Other Side of Manufacturing in the United States	85
Case 6: BP's Disastrous Safety Culture	86

Chapter 3

Case 1: Uber's Ethical Leadership Vacuum	147
Case 2: The Bachelor Party	149
Case 3: Wells Fargo's Corporate Culture	149
Case 4: Shareholder Losses and Executive Gains: Bank of America's Acquisition of Merrill Lynch	153
Case 5: Roger Boisjoly and the <i>Challenger</i> Disaster: Disloyal Employee or Courageous Whistleblower?	156
Case 6: Tainted Medicine	157

Chapter 4

Case 1: Hiring Discrimination at Bass Pro Shops	194
Case 2: Promotions at Uptown Bottling and Canning Company	195
Case 3: Sexism in Silicon Valley	196
Case 4: A Culture of Sexism and Harassment at Fox News	198
Case 5: Freedom of Expression at American Plastics Products	200
Case 6: Harassment at Brademore Electric	200
Case 7: Gay and Lesbian Rights at Friendly Motors	201
Case 8: A Matter of Integrity?	202

Chapter 5

Case 1: The 5,000 Percent Price Hike: Turing Pharmaceuticals' Acquisition of Daraprim	251
Case 2: The NYSEG Corporate Responsibility Program	253
Case 3: H. B. Fuller in Honduras: Street Children and Substance Abuse	255
Case 4: Merck and River Blindness	256
Case 5: From Tension to Cooperative Dialogue: Holcim	258
Case: 6: ITC's Vocational Training Program	259

XIV

LIST OF CASES

Chapter 6

Case 1: Privacy at MyFriends.Com	289
Case 2: Implanting Microchips in Workers: Improving Efficiency or Invading Privacy?	290
Case 3: Social Media and the Modern Worker: The Use of Facebook as an Organizational Monitoring and Management Tool	291
Case 4: Facebook's Emotional Contagion Study	293
Case 5: Doing Business in China	294

Chapter 7

Case 1: Advice for Sale: How Companies Pay TV Experts for On-Air Product Mentions	349
Case 2: Hucksters in the Classroom	352
Case 3: The Exposure of Children to Erectile Dysfunction Advertising	354
Case 4: Kraft Foods, Inc.: The Cost of Advertising on Children's Waistlines	355
Case 5: Let Them Drink Soda: Coca-Cola's Effort to Influence Public Health Research	359
Case 6: Merck & Company: The Vioxx Recall	361
Case 7: Pfizer: Repeat Offender	365

Chapter 8

Case 1: The Cruise Industry: Exotic Promises and Toxic Waters	415
Case 2: Texaco in the Ecuadorean Amazon	417
Case 3: Interface Corporation and Sustainable Business	419
Case 4: What Does It Mean to Be Truly Green? Environmental Sustainability at Frito-Lay North America	420
Case 5: Driving Sustainability at Tesla	427
Case 6: The Dirty Truth: Volkswagen's Diesel Deception	429

Chapter 9

Case 1: Foreign Assignment	475
Case 2: Blood, Sweat, and Tears: Child Labor in the Chocolate Supply Chain	476
Case 3: Chrysler and Gao Feng: Corporate Responsibility for Religious and Political Freedom in China	477
Case 4: Should Walmart Do More? A Case Study in Global Supply Chain Ethics	479
Case 5: The Hidden Price of Low Cost: Subcontracting in Bangladesh's Garment Industry	481
Case 6: FIFA's Red Card: Corruption and World Cup Soccer	487
Case 7: Walmart de México: Millions in Bribes Fuel Growth	489

Chapter 10

Case 1: Should Everything Be for Sale?	532
Case 2: Like Taking Candy from a Baby? Mylan's Pricing of the EpiPen	533
Case 3: The Big Fix: How Big Banks Colluded to Rig Interest Rates	535
Case 4: Predatory Lending at Countrywide Financial	536
Case 5: Martha Stewart Living Omnimedia, Inc.: An Accusation of Insider Trading	539

LIST OF CASES

XV

Chapter 11

Case 1: Sabora's Patriarchal Society	583
Case 2: Cocaine at the Fortune 500 Level	584
Case 3: Surviving (?) on a Minimum Wage	585
Case 4: Wages of Failure: The Ethics of Executive Compensation	586
Case 5: SC Johnson: Pyrethrum Sourcing from Kenya	587

Preface

It has been forty years since the publication of the first edition of *Ethical Theory and Business* by Norm Bowie and Tom Beauchamp. At that point in time, the book helped to originate and define the academic field of business ethics. Ethical issues have become even more complex and firm misconduct has not abated; unfortunately, this tenth edition is just as relevant now as it was forty years ago. Subjects covered in the book should be of considerable interest and assistance in addressing the many challenging ethical issues confronted by contemporary business.

In 1979 business ethics was primarily a philosophical field and philosophers were the primary teachers of business ethics courses in colleges and universities. Today, business ethics is a multidisciplinary field with scholars from the social sciences making some of the most important contributions to the field and in the classroom. Social scientists have made particularly important contributions to our understanding of the causes of firm misconduct and to understanding the features of organizational design that hinder or enhance ethical business practices. The tenth edition reflects the multidisciplinary nature of the field by including social scientific as well as philosophical perspectives. The textbook can be readily used by teachers from any field, and will provide students in all majors with cutting edge, multidisciplinary perspectives on the most important ethical issues confronting contemporary business.

With this edition, Cambridge University Press has taken over the publication of the book. As one of the world's leading academic presses, Cambridge will allow the book to remain focused on the needs of faculty and students. This edition contains over twenty new case studies on the many ethical issues in business that have made headlines since the ninth edition was published. Legal perspectives, which our former publisher had placed online and charged a fee for students to access, reappear in this edition in the physical textbook. The legal perspectives have been transformed by the editors into summaries (rather than the previous, edited excerpts from court decisions) making them even more user friendly for students. The book has been expanded to include new material, including stand-alone chapters on management, leadership, and governance, and on the ethical limits of markets. The book has more material than is likely to be used in a single course, and this feature allows faculty to tailor the course to their own needs. Most of the case studies can be used with multiple readings, and not merely with the readings in the chapters in which they appear. Faculty may wish to assign all of the opening chapter to students, or only excerpts from that chapter, something that is facilitated by major section breaks. The great variety of topics in the book is a reflection both of the complex environments in which businesses operate and the growth of the literature in the field. It is hoped that you enjoy the range and variety of subjects that are covered in the following pages.

Denis G. Arnold

Cambridge University Press
978-1-108-42297-0 — Ethical Theory and Business
Denis G. Arnold , Tom L. Beauchamp , Norman E. Bowie
Frontmatter
[More Information](#)
