THE ETHICAL ORGANISATION

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**ETHICAL THEORY AND
CORPORATE BEHAVIOUR**

Alan Kitson and Robert Campbell

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Introduction

Our reason for adding to the plethora of volumes on business ethics is that we hope we are contributing something new, something, moreover, that fills an important gap in what is currently available. The recent growth of interest in business ethics began in the US and the literature reflects this. We felt it was important to try to redress this balance by concentrating on European cases and the issues that matter in European business. We also wished to avoid the problems inherent in transposing discussions rooted in a very different business culture and legal system to the European context.

A problem in writing on business ethics is the risk of falling into one or another of two traps: of concentrating on theoretical (philosophical) material without grounding that material sufficiently in the real issues to which it should apply; or else of taking an overly pragmatic approach which ignores or minimises the theoretical difficulties such approaches should raise. We have tried to avoid both of these traps by placing at the heart of the book a sequence of case studies (Chapters 3, 4, 5 and 6) and sharply focused surveys of areas of management practice (Chapters 10, 11, 12, 13, 14 and 15) and surrounding them with the theoretical material which is designed to supply both introduction and commentary. We hope we have thereby achieved an appropriate balance between theorising about business ethics and describing actual ethical problems.

It is not just a matter of balance, of course. There needs to be an integration of theory with practice and that presupposes a methodology to achieve it. We have adopted a position that owes a good deal to John Rawles (1972, p. 20f).¹ A given ethical theory will have implications (obviously) about what is right and what wrong and these implications may or may not square with our moral intuitions ('gut feelings'). It would be naive to suppose that the first attempt to formulate a theory must be correct. But nor can we assume that our pre-theoretical moral feelings are defensible just as they stand. Rawles suggests that we should go through a process of reflectively considering how to adjust both our feelings and our theory until a stable balance is struck between them. He calls this position 'reflective equilibrium'. We do not claim

to have achieved this here. But we do believe that the book provides material which will enable readers to achieve a 'reflective equilibrium' between their own instinctive reactions to the cases and vignettes we describe and a more considered, theoretically informed judgement. It is hopeless to suppose that theories can be formulated (or worse, taken off the philosophical shelf) in advance of considering the nature of the actual cases or problems to which they are meant to apply. But neither is it sensible to believe that simply working through cases, however thoroughly and assiduously, is enough to generate sufficient insight to generate realistic and principled responses to them. There is a halfway house which in our view is as bad as, or worse than, either of these, and this is to apply a limited number of simplified theoretical insights (usually loosely based on Kantianism and utilitarianism) and mechanically derive some stock conclusions which are often inconsistent with one another and which yield no insight into either the nature of the problems or of the merits and shortcomings of the theories themselves.

Quite apart from anything else, all of these ignore the question of how case studies are selected and formulated. What makes something a problem which is worth our attention? How much information is needed to convey what makes a situation problematic? What is important and significant in a case study and what inessential and incidental? Clearly without some kind of theoretical 'take' on an issue, none of these questions can be answered and examples, problems and case studies cannot even be put together. The belief that a pre-theoretical position is possible usually means that the most conservative view has prevailed and that, in itself, is something which ought to be questioned. Nonetheless, consideration of actual cases may lead one to wish to adjust the initial theoretical 'take' and then to reconsider the case in the light of that next move. Ultimately, what is being aimed at is a set of mutual adjustments which achieves the best possible 'fit' between example and theory.

Theory needs to be informed by actual cases in another sense, too. We need to be clear about what kinds of cases really are morally problematic for practitioners, and not just rely on theory to tell us what ought to be difficulties. We do not want to invent problems which are hardly ever confronted in practice but which are theoretically interesting, but nor do we want to swamp the reader with cases structured only by the most superficial or naive theoretical underpinnings. It has been our aim throughout to avoid both of these undesirable outcomes.

Finally, we hope that this volume will make a contribution through its stress on the importance of organisations to the study of business ethics. Whilst it is true that organisations are made up of people and that much depends on whether those people are equipped to make ethical decisions, to consider just those people and their decisions is to leave out something which is so important that, in its absence, the rest hardly makes any sense. Not only are organisations increasingly important influences on our lives, but most of

us, for a significant portion of our lives, work within an organisation of one kind or another. Our ability to live an ethical life is profoundly affected by the ethics of the organisations with which we deal and within which we operate. For this reason we have chosen to focus on the extent to which it is possible for an organisation to be ethical and the impact that that will have on the actions of those who work for it.

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Note

1. Rawles, J. (1972) *A Theory of Justice*, Oxford University Press.