Preface

*Business Ethics: Concepts and Cases* continues to be one of the most widely used textbooks on business ethics, and remains popular among students because of its accessible style and lucid explanations of complex theories and concepts. Providing clear explanations of ideas without oversimplifying them into caricatures of themselves is a major challenge for texts in this field (as any instructor knows who has examined several texts on business ethics). Instructors who have used previous editions of this textbook have said that it does an outstanding job of meeting this challenge, while also providing an excellent balance of ethical theory and managerial practice. But the world does not stand still. Not only have our technologies, organizational forms, and managerial practices changed over the last few years, but our understanding of ethical reasoning has developed and new moral issues have continued to challenge business. So it was necessary to revise the text and to provide fresh and updated treatments of these and other enduring ethical issues in business. To facilitate the study of these issues, this edition incorporates a number of valuable and exciting pedagogical devices including:

- Six new and seven updated end-of-chapter cases
- Twelve completely new “On the Edge” short cases and six updated short cases in the body of the chapters
- Eight newly illustrated short cases
- Eight ABC News video clips posted online on the book’s companion website, www.mythinkinglab.com to accompany eight of the end-of-chapter cases.
- New graphs and charts, new pictures, and other visual materials
Study questions at the beginning of each chapter

Definitions of key terms in the margins and in the glossary

Summaries in the margins of all the basic ideas discussed in the text

New discussions of: moral reasoning, corporate social responsibility, impediments to moral behavior, the influence of unconscious processes on moral behavior, globalization, technology, predatory pricing, the fraud triangle, sustainability, the value of work, recent business scandals, and much more.

Up-to-date statistics and data in all chapters.

End-of-chapter web resources

Although this new edition updates the contents of its predecessor, it retains both the basic organization and the conceptual framework of previous versions.

The primary aims of the text remain the same as in earlier editions. They are: (1) to introduce the reader to the ethical concepts that are relevant to resolving moral issues in business; (2) to impart the reasoning and analytical skills needed to apply ethical concepts to business decisions; (3) to identify the moral issues involved in the management of specific problem areas in business; (4) to provide an understanding of the social, technological, and natural environments within which moral issues in business arise; and (5) to supply case studies of actual moral dilemmas faced by businesses and business people.

The text is organized into four parts each containing two chapters. Part One provides an introduction to basic ethical theory. A fundamental perspective developed here is the view that ethical behavior is the best long-term business strategy for a company. By this I
do not mean that ethical behavior is never costly. Nor do I mean that ethical behavior is always rewarded or that unethical behavior is always punished. It is obvious, in fact, that unethical behavior sometimes pays off, and that ethical behavior can impose serious losses on a company. When I argue that ethical behavior is the best long-range business strategy, I mean merely that over the long run, and for the most part, ethical behavior can give a company important competitive advantages over companies that are not ethical. I present this idea and argue for it in Chapter 1, where I also indicate how we come to accept ethical standards and how such standards can be incorporated into our moral reasoning processes. Chapter 2 critically discusses four kinds of moral principles: utilitarian principles, principles based on moral rights, principles of justice, and the principles of an ethic of care. These four kinds of moral principles, it is argued, provide a framework for resolving most of the kinds of ethical dilemmas and issues that arise in business. In addition, chapter 2 discusses virtue theory as an alternative to a principles-based approach and discusses automatic moral decision-making and casuistry.

Having defined the nature and significance of ethical standards and having identified four basic criteria for resolving moral issues in business, I then bring the resulting theory to bear on specific moral issues. Thus, Part Two examines the ethics of markets and prices; Part Three discusses environmental and consumer issues; and Part Four looks at employee issues. I assume in each part that in order to apply a moral theory to the real world we must have some information (and theory) about what that world is really like. Consequently, each chapter in these last three parts devotes several pages to laying out the empirical information and theory that the decision-maker must have if he or she is to apply morality to reality. The chapter on market ethics, for example, provides a
neoclassical analysis of market structure; the chapter on discrimination presents several statistical and institutional indicators of discrimination; the chapter on the individual in the organization relies on three models of organizations.

Each chapter of the text contains two kinds of materials. The main text of the chapter sets out the conceptual materials needed to understand and address some particular type of moral issue. In addition, each chapter includes short cases in the main body of the chapter, and longer cases at the end of the chapter, that describe real business situations in which these moral issues are raised. I have provided these discussion cases on the pedagogical assumption that a person’s ability to reason about moral matters will improve if the person attempts to think through some concrete moral problems and allows himself or herself to be challenged by others who resolve the issue on the basis of different moral standards. These kinds of challenges, when they arise in dialogue and discussion with others, force us to confront the adequacy of our moral norms and motivate us to search for more adequate principles when our own are shown to be inadequate. Some of the rationale for these pedagogical assumptions is discussed in Chapter 1 in the section on moral development and moral reasoning. I hope that I have provided sufficient materials to allow the reader to develop, in discussion and dialogue with others, a set of ethical norms that they can accept as adequate.

**New to this Edition**

Although dozens of large and small revisions have been made in all the chapters of this edition, the following changes from the previous edition’s text should be noted by previous users of this text.
Chapter 1 includes new discussions of corporate social responsibility, integrative social contracts theory, the link between emotions and moral reasoning, and impediments to moral behavior. A new “On the Edge” short case has been added entitled “A Traditional Business,” and an older one entitled “Was National Semiconductor Morally Responsible?” has been removed and, like all other deleted cases, was archived on the Companion Website. The end-of-chapter case “Aaron Beam and the HealthSouth Fraud” is added, and “Enron’s Fall” was removed and archived.

Chapter 2 has an expanded discussion of the mistakes people can make when approaching utilitarian theory for the first time; a new discussion of the claim that context, not character, determines moral behavior; a new section on the influence of unconscious mental processes on moral behavior; and a new discussion of the relation between conscious moral reasoning on the one hand, and unconscious moral decision-making, moral intuition, and cultural influences on the other hand. The “On the Edge” short case, “Conflict Diamonds” was dropped and a new one added titled “Should Companies Dump Their Wastes in Poor Countries?” The end-of-chapter case “Publius” was removed and archived, and a new case added named “Traidos Bank and Roche’s Drug Trials in China.”

Chapter 3 has a revised introduction and an expanded discussion of “alienation” in Marx. New “On the Edge” short cases include: “Commodification or How Free should Free Markets Be?” and “Marx’s Children,” while “Brian’s Franchise” was removed and archived. The older end-of-chapter case “Glaxo-SmithKline, Bristol-Myers Squibb, and AIDS in Africa” was replaced with the new case “The GM Bailout.”
Chapter 4 has a revised introduction, a new discussion of predatory pricing, and a new section on “Incentives, Opportunities, and Rationalization.” The new end-of-chapter case “Intel’s ‘Rebates’ and Other Ways It ‘Helped’ Customers” replaces the older “Playing Monopoly: Microsoft.”

The introduction to chapter 5 has been revised, and its discussions of pollution and resource depletion have been revised and completely updated with new charts and graphs. A new section on sustainability was added. The new “On the Edge” short case, “Ford’s Toxic Wastes” replaced “The Aroma of Tacoma,” and the short case, “The Auto Companies in China” was extensively revised and updated. Both of the two end-of-chapter cases were revised and updated.

The introduction to chapter 6 has been revised. The new short case “Selling Personalized Genetics” was added, and the other two cases on the tobacco industry were revised. At the end of the chapter, the case “Reducing Debts at Credit Solutions of America” was added and “The Ford/Firestone Debacle” was removed.

In chapter 7 all the statistical materials were brought up to date and several new graphs were added, while the section on comparable worth programs was removed. Two new “On the Edge” short cases in this chapter are “Helping Patients at Plainfield Healthcare Center” and “Driving for Old Dominion.” The older short case “Wall Street: It’s a Man’s World” was removed and archived. Both of the end-of-chapter cases have been updated.

In chapter 8 all the statistics have been updated and the discussion of conflicts of interest was revised; the older section, “Working Conditions: Job Satisfaction” was removed and a new discussion on the value of work was added. All of the older “On the
Edge” short cases were removed, and three completely new short cases were added entitled “HP’s Secrets and Oracle’s New Hire,” “Insider Trading or What Are Friends For?” and “Sergeant Quon’s Text Messages.” The new end-of-chapter case “Death at Massey Energy Company” replaces “Gap’s Labor Problems.”

SUPPORT FOR INSTRUCTORS AND STUDENTS

MyThinkingLab is an online resource that offers a wealth of tools to help student learning and comprehension, including practice quizzes, videos, primary source readings and more. MyThinkingLab also includes a rich array of interactive tools enhanced with audio and video to engage students in learning. Please see your Pearson representative for more information or visit www.MyThinkingLab.com.

Instructor’s Manual with Tests (0-205-01767-3): For each chapter in the text, this valuable resource provides a detailed outline, list of objectives, and discussion questions. In addition, test questions in multiple-choice, true/false, fill-in-the-blank, and short answer formats are available for each chapter; the answers are page referenced to the text. For easy access, this manual is available at www.pearsonhighered.com/irc.

PowerPoint Presentation Slides for Ethics: Theory and Practice (0-205-01769-X): These PowerPoint Slides help instructors convey ethical principles in a clear and engaging way. For easy access, they are available at www.pearsonhighered.com/irc.

MyTest Test Generator (0-205-01768-1): This computerized software allows
instructors to create their own personalized exams, edit any or all of the existing test questions, and add new questions. Other special features of the program include random generation of test questions, creation of alternate versions of the same test, scrambling question sequence, and test preview before printing. For easy access, this software is available at www.pearsonhighered.com/irc.

Like every textbook author, I owe a very large debt of gratitude to the numerous colleagues and other scholars around the world from whom I have shamelessly borrowed ideas and materials. They all, I hope, have been duly recognized in the notes. Thank you to Marc Orlitzky, The University of Redlands; Barbara Fechner, South East Community College; and Rodney Stevenson, University of Wisconsin – Madison for their feedback. I owe a special debt to my colleagues in the Management Department where I teach, especially to Dennis Moberg. But my largest debt is owed to my wife and family who have patiently (and sometimes not so patiently) had to put up with me while I remained obsessively preoccupied with writing and revising the present edition of this book. To Maryann, Brian, Kevin, and Daniel: Thank You.

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