

Reliance theories and moral obligation

Sociology



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Reliance Theories and Moral Obligation The fundamental western philosophy argues that human beings are to some extent self-reliant. Social institutions rely on the belief of autonomy where people have freedom to worship, marry, and work. There are various reasons that explain the use of the stakeholder's theories. The coping strategy proposes that the chance of having a governmental intervention and regulations increases when decision making in business conflicts with the society's expectations.

The second reason involves self-interest. The goal of any business in a capitalistic society is to make a profit regardless of its effects to the society. Some scholars such as Adam Smith, however, refute the claim by saying that it is the first aim of many goals. Business relationships in transactional activities are always competitive. Both sides are in need of maintaining a long-term relationship that will satisfy their needs.

A business that is socially responsible ensures a balance of the various interests. A responsible enterprise should consider the employees, dealers, local communities, suppliers, and the nation in its operations. Lastly, the rationale of adopting a stakeholder concept to decision making in business borrows heavily from the legalistic reliance theories, social contract theory, and the nature of the market. Markets depend on enforcement mechanisms and rules.

Comments

Reliance theories emphasize on the consideration of detrimental reliance in place of contract enforcement and formation. It is true that the legal and political systems depend on the foundation of free choice. Taking choice as the first concept in decision making has results that implicate on other activities. What matters is the relationship between the decision maker and <https://assignbuster.com/reliance-theories-and-moral-obligation/>

the affected. There are some obligations that arise, as a result, of the relationship. The obligation depends on two variables. First is if the affected depended on the choice of the decision and second, whether the decision maker was aware of the reliance or not. It is necessary to understand whether the stakeholder theory stands out to be of ethical or economic importance to the society.

There is a need to behave well and keep off regulations of a capitalistic government because its regulations are undesired. Modern corporations emphasize on the social nature from any business. The interplay of business, government, and the society matches with context of the social contract. The government's role is to provide advance social expectations through its regulations. The four reasons for the adoption of stakeholder construct, therefore, reinforce the philosophical argument that forms its basis from the moral and legal arguments of responsibility and reliance.

References

Herron, D. Reconciling Capitalism and Democracy.