

# Normative theories

Science



It means that an action is ethical correct if the consequences of the action are more favorable than unfavorable to most people (Foot, 1985). In this case, the hostile take-over on Foster's has a widespread effect on entire Foster organization, both external and internal stakeholders:

- \* Shareholders: The shareholders of Foster will acquire higher margin than selling their share on stock market. If the Gabrielle want to buy their shares, the company has to offer higher bid than the market value. As a result, the share will benefit from the takeover.
- The Management: If Gabrielle successfully takes over Foster, it may prefer bring its own staff members to manage the newly acquired business. As a result, the original Foster management may be dismissed or downgrade. Even they still control, original management may find themselves have to adjust to the practices in order to adapt to Gabrielle corporate culture.
- \* Employees: Employees may be impacted a lot. Generally, when company controls change, lot of jobs will be cut in the old company. Sometimes, every old staff will have to go.

Other times, the new company will keep some employees in order to retain their own people. No matter what the decision on the employee, the takeover will have serious impact on the Foster employee morale.

- \* Suppliers: Gabrielle may change the suppliers, however, the impact extent will be depends on the new company policy. Generally, the impacts on suppliers are not serious.
- \* Customers: If the acquisition is successful, the new company may be diversified and cost-saving. The customers will get more cheap beers than before. As result, the customers will benefit.

But it does impact the old company loyal customers. From the above analysis, Foster's shareholders and customers will benefit from the hostile

takeover. The original management and employee will suffer. As the amounts of shareholders and customer are obviously more than management and employee, the hostile takeover consequences are more favorable than unfavorable to most people. Therefore, It is ethical base on teleological theory. Deontological ethical theories focus primarily on complying with independent ethical rules or duties. Generally, there are Right theory and Justice theory.

When following these duties, the actions are ethical (Brook, R. , 2007). When failing to follow these duties, the action is unethical. It does not focus on the consequence of action compared with teleological theory. In this case, the hostile takeover will not treat Foster's shareholders, management and employee equitably and fairly, It also deontological theories. Virtue-based ethical theories did not emphasis on which rules the decision maker should follow, which are action-based theories. It primarily helps people to develop good character traits, such as kindness and generosity.