

Guided reading activities

Business



Guided Reading Activities: Ethical Theory and Business By Business Ethics in a Global Environment Beauchamp, L. T., Bowie, E. N., and Arnold, D. G. (1998). Ethical Theory and Business. Upper Saddle River, New Jersey: Commonwealth of Australia.

The main issue or problem raised in this text is the ethical management of business in the global environment. As more companies try to diversify and capture more market, they face a number of factors ranging from stakeholder interests to the protection of all interests in an ethical manner. Managerial capitalism indeed affects most corporations with the shareholder being the objects of business ethics.

The authors articulately address the problem by bringing in the dominant story that encompasses managerial capitalism versus stakeholder interests. In this sense, they categorically claim that the dominant managerial model. They explain their stand and arguments by giving specific examples and referring to the relevant theories. In this regard, the claimed contribution to the current knowledge is the use of the dominant story in furthering ethical business conducts especially by the stakeholders of particular concerned companies. The authors of the article mainly use the dominant theory to discuss the essence of ethics in doing business in the contemporary world. They specifically state that the dominant theory is not consistent with the law in that the dominant theory puts the interests of the stakeholders first before considering the interest of the community, customers, suppliers, and the employers.

In addition, the dominant theory is according to the authors resistant to change in that because of the priority given to the shareholders' interests, the system becomes reluctant to accept change as it firmly believes in a <https://assignbuster.com/guided-reading-activities/>

hierarchical system of classifying various interests. Perhaps the most important feature of the dominant theory in this regard is that the dominant theory is inconsistent with the basic ethical rules. In many business environments, business ethics is a fundamental tool for ensuring that corporates operate in accordance with the international best practice. In this regard, it is appropriate to infer that the integration thesis applies to all business decisions and environments. The integration thesis states that nearly all decisions that are of business nature normally contain some element of ethics in them and the opposite is true. This means that ethical decisions also have some business implications. There is also the responsible principle that insists that almost everybody either want to or should take individual responsibility for the consequences of their actions.

In the conclusion part, the authors offer some arguments for managing the shareholders especially if their interests seem to supersede that of the other stakeholders that contravenes business ethics. These arguments include the arguments from consequences, rights, and the pragmatist's argument. One of the most significant recommendations offered states that if indeed stakeholders are humans, then they too need to uphold high ethical conduct especially when handling business matters that may elicit various reactions. The main strength of the argument presented is the advantages that come along with good ethical standards because ethical decisions normally carry business implications and vice versa. On the contrary, the main weakness noticed is the overemphasis on the interests of the other stakeholders such as the suppliers, customers, and the employers to a point of neglecting those of the investors. This actually contravenes business ethics, as all stakeholder interest ought to be considered rationally. Certainly, this text has contributed

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a great deal to my understanding of business ethics especially regarding the ethical decisions of the corporate managers. Business decision-making ought to align with the ethical principles in order to implement fully, the international best practice for business.