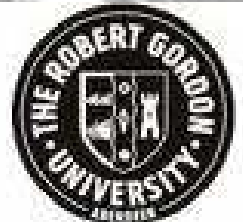


Contemporary Consumer & Business Ethics

Milan 2 - 5 May, 2011

Dr Neil Connon



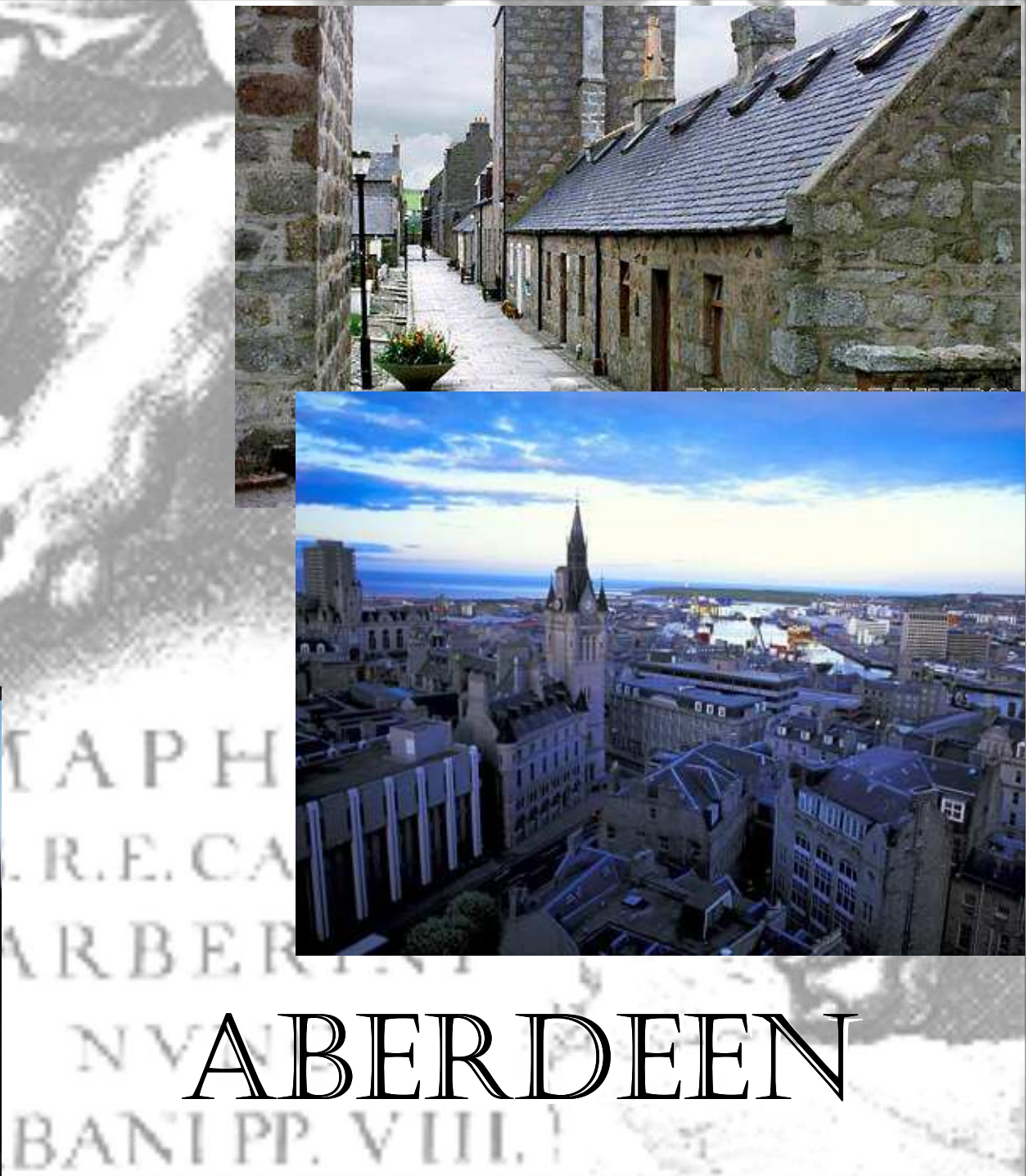


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AROUND ABERDEEN





ABERDEEN BUSINESS SCHOOL

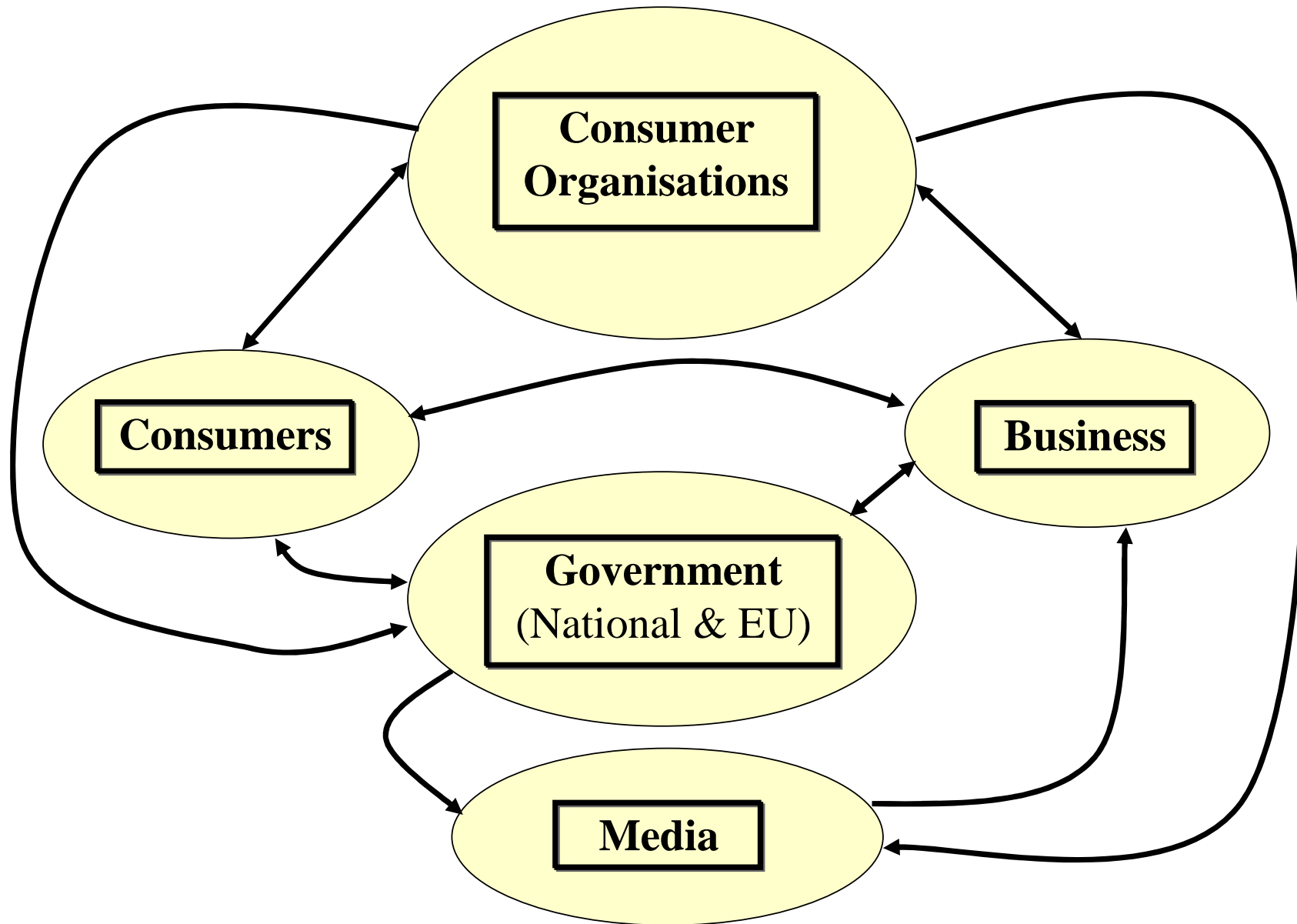


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**See handout 1 -
Actors needs and
influences**

Day/time	Topic	Notes
Monday 2 May 14.00 – 18.00	An introduction to contemporary ethics	<ul style="list-style-type: none"> • What is/are ethics • What ethical decisions do we make • What are the implications of these • The actors model
Tuesday 3 May 10.00 – 13.00	Current consumption and the consumer perspective Implications and reactions of business Government/media/pressure groups	<ul style="list-style-type: none"> • A worked example: music • Consumption patterns – national/international • High consumption and the implications of this • Rationale for an ethical approach to business
Wednesday 4 May 09.00 – 13.00	Implications and reactions of business Government/media/pressure groups (cont'd)	<ul style="list-style-type: none"> • Case studies (Primark) Legislation, national/international • Government involvement in ethics Media reporting and the influence of the press (a UK perspective) • Pressure group activity and their impact • Presentations
Thursday 5 May 14.00-18.00	Linking the actors and conclusions	<ul style="list-style-type: none"> • Likely future implications • Conclusions





An Introduction to Contemporary Ethics

Session 1

Monday 14.00 – 18.00

Lecture Outline

- Defining ethics
- What changes ethics?
- Culture and ethics
- Consumer ethics
- Business ethics
- Government ethics
- Conclusions

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Defining Ethics

- Part of philosophy
- defn: *search for understanding of the basic truths and principles of the universe, life and morals*
- Ancient Egyptian and Sumerian civilisations
- Philosophers/idealists/academics have attempted to clarify, make sense of and define
- Perceptions change, people look at ethics in context of contemporary surroundings
- Morality is constant theme, as is code of ethics
- Often introduced/defined by non/religious

Defining Ethics

- “*the science of morals*”
- with morals being defined as: “*conforming to, or regulated by what is right*”

The Cassell Concise Dictionary

Let us regard this as settled: what is morally wrong can never be advantageous, even when it enables you to make some gain that you believe to be to your advantage. The mere act of believing that some wrongful course of action constitutes an advantage is pernicious. (p.177)

Cicero: Selected Works, Penguin Classics, Harmondsworth, England, 1971

Defining Ethics

**See handout 2 -
Do questions 1, 2 & 3
(c.30 minutes)**

Types of Ethics

Study of ethics

- history of ethics: Aristotle - Nietzsche - 'existentialism'
- medical ethics
- legal ethics
- environmental ethics
- consumer ethics
- business ethics
- political ethics

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What changes ethics?

- religion - a higher calling, judged in next world
- culture – dynamic, despite cultural awareness ethics of individual are still subjective (traits)
- events - events change viewpoints
- philosophy e.g. existentialism: ‘existence is the only concrete thing, the rest is mere abstraction’. (*Lundin p. 379*)
- acceptable norms of behaviour - dynamic
- economic development - see next slide

Definitions

***Consumer
Policy and
Maslow***

***e.g collector's
pieces***

***luxuries that
define you***

buy gifts for others

***expectation that they are
safe***

ability to buy products



Culture

- culture - customs and civilisations
- Burke (1995) - modern idea of popular culture associated with 'burgeoning forms of national consciousness developing after 18th c.'
- is culture more definite and collective consciousness more apparent than before?
- better communications
- influence by globalisation

Defining Ethics

**See handout 2 -
Do question 4 & 5 in
groups
(c.30 minutes)**

Approaches to ethics

Utilitarianism (consequentialist approach)	Decision based on overall consequences of our acts. Decisions that promote the greatest amount of these values (well being: happiness; health; dignity; integrity; freedom; respect of others) and therefore the greatest amount of values for the greatest number of people.
Deontological ethics	Decisions based on moral principles (e.g. respect of <i>human rights</i>). The following of pre-determined rules. Some rules should be followed despite the consequences (uphold the law, keep your promises and uphold your contracts).
Virtue ethics	Consider moral character of individuals and the influence of characteristics. Characteristics constituting a good and full human life (Greeks: courage; moderation; wisdom; justice. Early Christian: faith, hope, charity)

Consumer Ethics

- what is an ethical product?
- what is ethical purchasing behaviour?
- *‘ethical purchase behaviour can mean people not buying a certain product’.....or.....’a deliberate restriction of choice in purchase behaviour’*

Smith (1990) *Morality and the market* p.2

- the purchase of a good is viewed as a bundle of considerations, ethics may be one of these (Holbrook, 1995)

Consumer Ethics

- individuals have little influence
- groups exercise considerable power (consciously or unconsciously)
- culture has developed to where minority interests have been voiced often turning into powerful interest lobbies, wielding power at the very centre of government
- *e.g. western markets have been affected by green consumer behaviour, that means by behaviour that reflects concern about the effects of manufacturing and consumption on the natural environment. (Wagner p1.)*

Business Ethics

- over the past decade many companies began to feel the impact of market forces brought about by ethical issues
- changes include buying habits of environmentally orientated consumers and boycotting behaviour
- this has resulted from media reporting and pressure group activity
- Simms (1992) it”..is too ‘trendy’ and ‘alternative’ for their conservative, popularist/mass image” for the large supermarkets to be concerned with products that have ethical credentials.
- has there been a change in this attitude?
- when, if ever, will ethical products reach some kind of critical mass and become mainstream?

Ethics and business: quotes

- Good people do not need laws to tell them to act justly, while bad people will find a way around the laws.

Plato

- No snowflake in an avalanche ever feels responsible.

Voltaire

Taken from Hartman & DesJardins (2010)



Organisational decision making process

- 1. Determine the facts**
- 2. Identify the ethical issues involved**
- 3. Identify stakeholders**
- 4. Consider the available alternatives**
- 5. Consider how a decision affects stakeholders:**
 - **Consequences;**
 - **duties, rights, principles;**
 - **implications of personal character**

Government ethics

- if the main role of political parties is to get in to or maintain power, they must reflect and be in touch with the feelings of the people
- interest groups lobby government to put their ideas and concerns to ministers
- some groups feel that the political system cannot achieve their objectives in the way they want them to be achieved, and therefore may operate outwith the legal system
- government reacts to certain issues - those issues are dealt with - government/quasi-govt/independent body

Why study ethics in this context?

- the ethical stance taken by consumers and the effect it has on their consumption patterns
- extent ethical concerns are changing over time and what effect these might have in the future
- reaction of different groups and their pursuance of changes: this includes
 - pressure groups
 - business
 - Government
 - media
 - Consumers

<http://news.bbc.co.uk/1/hi/business/8258039.stm>

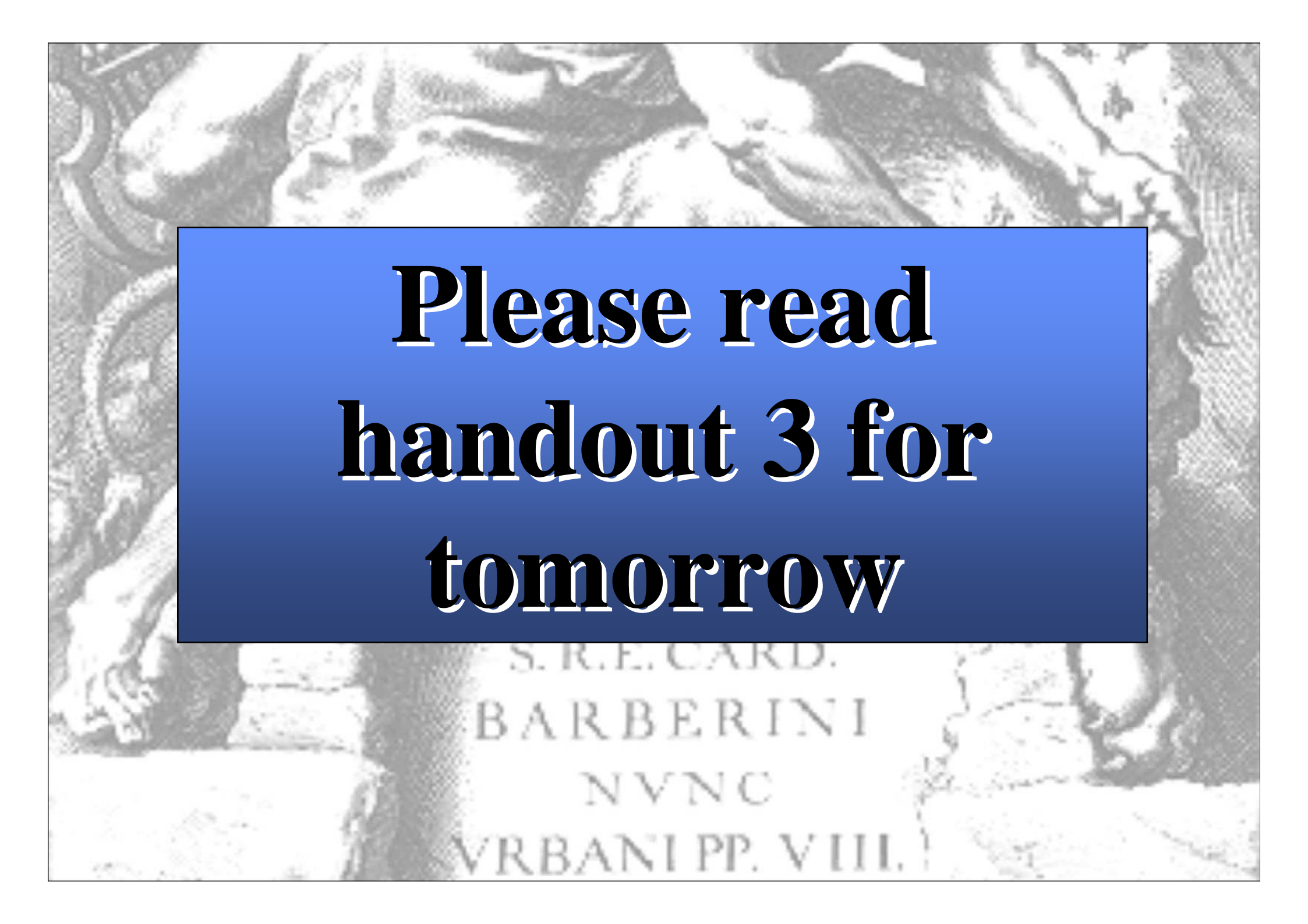
Conclusion

- as an academic area of study the subject of ethics has been around a long time
- it has developed with time and become highly specialised in nature
- the course is mainly concerned with consumer and business ethics
- need to identify the effect changes in ethical outlook will have on the consumer, government and business
- ...and how each group face up to these changes

The background is a grayscale image of a classical sculpture, likely a relief from the Barberini Palace in Rome. It depicts a figure, possibly a deity or emperor, seated and holding a staff or scepter. The figure is surrounded by intricate carvings of drapery and other figures. A large, solid blue rectangular box is superimposed over the center of the image, containing the text "...any questions?".

...any questions?

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**Please read
handout 3 for
tomorrow**