BUSINESS ETHICS QUARTERLY



January 1991 Vol. 1 No. 1

The Journal of the SOCIETY FOR BUSINESS ETHICS

Business Ethics Quarterly is the journal of the Society for Business Ethics

Institutional Members:

Allings Institute
John Carroll University
North Central College
Arthur Andersen & Company
Loyola University of Chicago

Business Ethics Quarterly is distributed by:

Philosophy Documentation Center Bowling Green State University Bowling Green, OH 43403-0189 (419) 372-2419 or (800) 444-2419 Fax: (419) 372-6987

Subscription Rates:

Individual North American rate, \$50.00; others \$55.00; Members of the Society of Business Ethics \$40.00; Institutional rate \$98.00.

Business Ethics Quarterly, ISSN 1052-150X, is a copyright[©] of the Society for Business Ethics, 1991.

Photocopy Policy:

In order to be "user-friendly," copies of articles published in *BEQ* may be made for instructional, non-commercial use. *BEQ* does not require prior clearance and makes no charge for this use. However, the commercial use of any article appearing in *BEQ* will require the permission both of the journal and the author(s) in question.

Communications concerning subscriptions to the BEQ should be addressed to:

Business Ethics Quarterly
Philosophy Documentation Center
Bowling Green State University
Bowling Green, OH 43403-0189

Communications concerning The Society for Business Ethics should be addressed to:

Executive Director
The Society for Business Ethics
Department of Philosophy
Loyola University at Chicago
6525 North Sheridan Road
Chicago, Illinois 60626

Business Ethics Quarterly

Information for Contributors

Three clean copies of the manuscript should be sent directly to:

Patricia H. Werhane, Editor-in-Chief Business Ethics Quarterly Loyola University of Chicago Department of Philosophy 6525 North Sheridan Road Chicago, IL 60626

(Optional) Along with hard copy, contributors are encouraged to submit their articles on diskette, in Word Perfect 4.2 or 5.0 format.

Provide the full title, author's name, affiliation and present address on the cover page to the manuscript.

Repeat the full title on page one of the manuscript without the author's name or any other information.

Please provide a brief personal biography of yourself, (maximum of seventy words).

Please provide a one hundred word abstract of your paper.

Authors wishing their manuscripts returned must include return postage and a self addressed envelope.

Manuscripts must conform to either the Chicago Manual of Style or the Academy of Management Review Style Guide for Authors.

Notes and references of any kind are to appear at the end of the article.

Manuscripts considered for publication are reviewed by selected members of the Editorial Review Board and are accepted or rejected for publication by the Editor-in-Chief.

While decisions on the use of gender terms are left to individual authors, BEQ encourages authors to use non-sexist language.

BEQ will not consider a manuscript that is currently under consideration elsewhere or has been published previously, except for special circumstances.

Every attempt will be made to notify authors of the status of their manuscript within three months of the date of submissions.

Authors of manuscripts accepted for publication will receive galley proofs for the correction of typographical errors and minor changes prior to publication. Shortly after publication of a manuscript, the author will receive a complimentary copy of *BEQ*.

Book Reviews

Readers of BEQ who would like to see a particular book reviewed, or who are interested in reviewing a book, please contact:

A. R. Gini, Managing Editor Business Ethics Quarterly Loyola University of Chicago Department of Philosophy 820 North Michigan Avenue Chicago, IL 60611

Business thics Uarterly

January 1991

Vol. 1 No. 1

TABLE OF CONTENTS

ARTICLES

NORMAN E. BOWIE, Challenging the Egoistic Paradigm	1
THOMAS W. DUNFEE, Business Ethics and Extant Social Contracts	23
KENNETH E. GOODPASTER, Business Ethics and Stakeholder Analysis	53
Ronald M. Green, When is "Everyone's Doing It" a Moral Justification?	75
RICHARD T. DE GEORGE, Green and "Everybody's Doing It"	95
DAVID VOGEL, The Ethical Roots of Business	101
REVIEW ARTICLE	
Stewart W. Herman, Furthering the Conversation Between Philosophy and Organizational Theory (Michael Keeley, A Social-Contract Theory of Organizations)	121
Notes on Contributors	133

The Journal of the SOCIETY FOR BUSINESS ETHICS

A WORD FROM THE EDITOR

We are pleased to present the first issue of *Business Ethics Quarterly*, the journal of the Society for Business Ethics. The publication of this journal is especially timely in light of contemporary crises in ethics and economics. These crises are illustrated not merely by particular cases of questionable behavior, and corporate misdemeanors, but also on the macro level precipitated by the savings and loan crisis.

The concept and realization of this publication is a result of a number of thoughtful members of the Society for Business Ethics including the past and present Executive committee: William Frederick, Michael Hoffman, Jennifer Moore, and Lisa Newton. The financial and moral support of the members of the Society for Business Ethics and Loyola University of Chicago have made BEQ possible. The work of Al Gini at Loyola has produced the actual copy.

The first issue includes articles by leaders in the field, Norman Bowie, Thomas Dunfee, Kenneth Goodpaster, Ronald Green, Richard De George, David Vogel, and a review article by Stewart Herman. The diversity of backgrounds and previous contributions to business ethics exemplified by these authors makes this first issue particularly outstanding.

Future issues of *BEQ* will include articles by Clarence Walton, Michael Hoffman, Peter French, Manuel Velasquez, Amitai Etzioni, Edward Freeman, and other well-known scholars. We invite all our readers to submit papers on any aspect of the relationship between business and ethics from every disciplinary point of view. From time to time, *BEQ* will also publish historical articles and papers on methodology and pedagogy. One of the aims of *BEQ* is to develop a dialogue between disciplines, and we strongly encourage discussion pieces in response to any of the articles published in previous issues.

At least once a year, one issue of BEQ will focus on a particular topic. Themes for projected special issues include: (1) international business, (2) business and law, (3) methodologies in business ethics, (4) historical perspectives on ethics and economics, (5) business and public policy, (6) employment, and (7) pedagogy. We welcome recommendations for other themes on which special issues of this journal can focus.

Thank you for your support in creating this important and exciting publication. We look forward to your submissions and recommendations.

Patricia H. Werhane, Editor-in-Chief

Business Ethics Quarterly

Business Ethics Quarterly is the journal of The Society for Business Ethics, a nonaffiliated international scholarly association of persons interested in business ethics. BEQ's purpose is to publish scholarly articles from a wide variety of disciplinary orientations on the general subject of the application of ethics to the business community. The journal will address theoretical, methodological, and issue-based questions that can advance ethical inquiry or improve the ethical performance of business organizations. With the contemporary focus on international business, the journal is particularly interested in articles that discuss global business and economic concerns. The journal will also be interested in the value dimensions of gender, race, ethnicity, nationality and culture, and how these factors affect and are affected by business questions.

The Society for Business Ethics is pleased to acknowledge the financial support of Loyola University, Chicago in the publication of *BEQ*.

Editor-in-Chief
Patricia H. Werhane
Henry J. Wirtenberger, Professor of Business Ethics
Loyola University of Chicago

Managing Editor
A. R. Gini
partment of Philosoph

Department of Philosophy Loyola University of Chicago

Editorial Advisory Board

William Frederick Graduate School of Business University of Pittsburgh

Lisa Newton
Director, Program of Applied Ethics
Fairfield University

Jennifer Mills Moore Department of Philosophy University of Delaware

W. Michael Hoffman
Director, Center for Business Ethics
Bentley College

Editorial Review Board

Norman E. Bowie University of Minnesota

Rogene Buchholz

Loyola of New Orleans

Archie B. Carroll
University of Georgia

Paul Caminisch
DePaul University

Gerald F. Cavanagh, S.J. University of Detroit

Joanne B. Ciulla Univesity of Pennsylvania

Max B. E. Clarkson University of Toronto

Robert A. Cooke DePaul University

Richard T. DeGeorge University of Kansas

Robbin Derry
American College

Thomas Donaldson
Georgetown University

Thomas W. Dunfee University of Pennsylvania

Ronald Duska
Rosemont College

Gerald Dworkin
University of Illinois
at Chicago

Georges Enderle University of St. Galen

Edwin Epstein
University of California

Amitai Etzioni George Washington University

Edward Freeman
University of Virginia

Peter French
Trinity University

Kenneth E. Goodpaster University of St. Thomas

Ronald M. Green

Dartmouth College

David K. Hart

Brigham Young University

Brian Harvey
University of Nottingham

Dove Izraeli
Tel Aviv University

Deborah G. Johnson
Rensselaer Polytechnic Institute

Michael Keeley
Loyola University of Chicago

James W. Kuhn
Columbia University

Peter Madsen
Carnegie Mellon University

Larry May
Purdue University

Thomas McMahon, C.S.V.
Loyola University of Chicago

Alex C. Michalos
University of Guelph

Patrick E. Murphy
University of Notre Dame

James W. Nickel University of Colorado

Richard P. Nielsen
Boston College

Walter Nord
University of South Florida

Lynn Sharp Payne Harvard University

Robert Solomon University of Texas

James Sterba
University of Notre Dame

LaRue Tone Hosmer University of Michigan

Henk J.L. Van Luijk
Netherlands School of
Management

Manuel Velasquez
Santa Clara University

David Vogel
University of California

Clarence Walton
American College
Frederick A. Zeller

West Virginia University

Business Chics Uarterly

January 1991

Vol. 1 No. 1

TABLE OF CONTENTS

ARTICLES

NORMAN E. BOWIE, Challenging the Egoistic Paradigm	1
THOMAS W. DUNFEE, Business Ethics and Extant Social Contracts	23
KENNETH E. GOODPASTER, Business Ethics and Stakeholder Analysis	53
RONALD M. GREEN, When is "Everyone's Doing It" a Moral Justification?	75
RICHARD T. DE GEORGE, Green and "Everybody's Doing It"	95
DAVID VOGEL, The Ethical Roots of Business	101
REVIEW ARTICLE	
Stewart W. Herman, Furthering the Conversation Between Philosophy and Organizational Theory (Michael Keeley, A Social-Contract Theory of Organizations)	121
Notes on Contributors	133

The Journal of the SOCIETY FOR BUSINESS ETHICS