Towards an Ethical Framework Grounded in Everyday Business Life

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Abstract

Business is increasingly concerned to reconcile investor driven pressure to perform with state driven pressure to conform (to a cascade of new regulation). Ethics generally favors the latter at the expense of the former. The ethical frameworks developed in the last few years differ from their classical predecessors, however. Integrative Social Contract Theory begins with the business contract and moves out from there to the wider society. Care theory begins with the relationship between two individual persons and moves out from there. Both theories are skeptical of the Universalist claims of classical ethical and religious frameworks and both claim to be user friendly. This paper compares and contrasts the two theories and hopes to show how the ethical lacunae in ISCT can be fixed by Care Theory. How a business would operate under the sway of Care Theory is described. Fears that Care Theory cannot be applied to business without weakening competitive strength are addressed. The paper is offered as a step towards merging ISCT and Care Theory to evolve an ethical framework for business. It would be a framework that engages fully with business realities, especially competitive realities, but that is directly and clearly guided by classical ethical principles.

Keywords: *Integrative Social Contract Theory, Care Theory, Business Ethics*

1 Introduction - Market freedom and ethical absolutism

Adam Smith (1774/2001) famously proposed that the intervention of an invisible hand would transmute the general greed and self interest of players in free markets into the beneficial effects of a general improvement in welfare. Sellers and buyers compete to minimize resource waste and markets then optimize prices accordingly. Free markets optimally allocate scarce resources. Monopolies appropriate resources undesirably and should be made to behave like firms under free competition. Other than that, classical economists wish government regulation of markets to be as little as possible.

Political philosophers of a libertarian disposition similarly wish to reduce the

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role of government to the minimum necessary to ensure adequate safety for citizens. This is one extreme of social contract theory: At the other extreme is the implicit social contract between the state and the privileged learned professional associations such as lawyers, doctors and CPAs. They are allowed to be self regulating by the state so long as such regulation operates in the interests of the community. This usually results in a plethora of very detailed regulations by the societies.. Near this end of the spectrum is the subdivision of the social contract paradigm proposed by Donaldson (1982, 1988, and 1990) both alone and with Dunfee (1994, 1995, and 2002) Integrative Social Contract Theory (hereafter ISCT). It proposes that individual firms and entrepreneurs are bound by agreements they make with each other, and that these agreements exist in a moral free space, where no interference or regulation is ethically justified, unless necessary to enforce what they call hypernorms. Hypernorms are generally agreed ethical constraints on contractual freedom. ISCT appeals to classical economists and libertarians, because it minimizes the role of state control and general regulation, so keeps markets as free as possible within any one country's prevailing social and legal framework.

2 Absolutism and imagined states of nature

Social contract theories, such as ISCT, generate their hypernorms from an imagined condition rather than a real one. The imagined condition is a state of nature existing before any type of contract. In that state a set of rational adult people is imagined who discuss among

themselves what minimum regulation their community must have to serve everyone's interests. For Hobbes, that meant an agreement to have a government with a monopoly on the use of force, so that safety could be assured. For Rawls (1974), it meant equality of opportunity and a minimum social welfare safety net in order to set a lower limit to permitted levels of destitution. For ISCT, it meant different things at different times as the theory developed from its long list in 1989 to a much shorter list by 1994. In a later formulation by members of the Erasmus School in Rotterdam (van Oosterhout et al 2006), the list of hypernorms has become almost empty, so keen are the proponents on avoiding external interference with free contracting whether formal or informal.

In mainstream jurisprudence, Kelsen (1934/2002) invented the idea of a Basic Norm for any society whose effect was to serve as the ultimate validating source of all of its law. The Basic Norm may be a written constitution, a sovereign's decree, the Koran or any other root agency or event any particular society regards the fundamental root of its identity.

All Basic Norms begin with real historical events or real people in power or both. Social contract hypernorms, however, begin with imaginary states of nature giving rise to imagined agreements about the content of social contract terms. Critics, especially feminist critics such as Held (1993), say this makes the authority of such alleged hypernorms doubtful

Hypernorms are thus rooted in less solid foundations than jurisprudential basic norms, though to them are attributed a

similar legitimising and validating role within society by ISCT.

3   Deontological dictatorship

In contrast to social contract theory, the classical ethical frameworks, such Utilitarianism and Kant, or such development paradigms as Kohlberg's (1978, 1981, and 1986); believe that ethical validity entails universal application. Utilitarian calculus is to be applied anywhere. Kant's categorical imperative, in any of its three formulations, also is to be applied anywhere, anytime, to any one. For Kohlberg, if it was not universal, it was not ethics (Gilligan 1998). The universalism of classical ethics sits uneasily with free market advocates, as it seems to legitimate restraints of trade and business by reference to axioms, norms and beliefs indifferent to, sometimes hostile to, and often written centuries earlier than, regular business conduct.

Moreover, once a politician, religious leader or regulator is convinced of his own insight into universal ethical validities, it becomes ethical for him to prevent behaviour inconsistent with these norms and encourage behaviour that furthers them. Dictatorship is said to be justified to achieve the ethical ends one is sure are right.

If one's ethical framework, like Kant's, requires treating all other humans as ends in themselves not means, then dictatorship can only be justified by the further belief that human nature is incapable of treating people that way without effective legal and regulatory restraint.

An ethical framework such as Kant's grounded in an imaginary state of nature is no less capable of ending up enforced by a dictator than an ethics sourced in total isolation and introspective detachment. Religious ethics, of course, are necessarily and proudly dictatorial. Ideologies, notably Communism, are quite explicitly dictatorial, even if they say there will someday be a withering away of the state.

In sum, Universalist ethical frameworks are susceptible to misuse by dictators precisely because they are Universalist. Hobbesian and Rawlsian social contract theories are Universalist; ISCT is not. Business generally, and free market proponents particularly, do not readily support dictatorships over themselves, whatever they may tolerate when it occurs over others.

4   Relativism as democracy: the case of ISCT

ISCT shares with other versions of Contractarianism the belief that ethical validity requires the prior consent of the parties. This crucial role for consent gives it a democratic credential quite absent from the traditional Universalist ethics. Such democratic credentials are obtained through the doorway of ethical relativism,. For liberals and libertarians, democratic credentials may be more important than the mental security obtainable from Universalist ethical absolutes. Free marketers, Friedmanites, the Chicago School of economists and conservatives naturally suspicious of any grand theory may all join postmodernists in finding attractive the moral free space inhabited by ISCT. The concession to hypernorms may be like Milton Friedman's concession that although the social responsibility of the firm is to in-

crease its profits, nonetheless it should obey the law. It seems like a concession made to broaden the potential market for the intellectual product rather than a sincere commitment. That however is much less applicable to the Donaldson Dunphy (hereafter DD) version of ISCT than the Erasmus School's (van Oosterhout et al, 2006) recent adaptation of it. DD take hypernorms very seriously, are clearly committed to their crucial role within ISCT but have a difficult time deciding what the content of current hypernorms are or should be.

The core propositions of ISCT are as follows per Corny (1995):

1. Local economic communities may specify ethical norms for their members through micro social contracts.
2. Norm-specifying micro social contracts must be grounded in informed consent buttressed by a right of exit.
3. In order to be obligatory, a micro social contract must be compatible with hypernorms.

DD themselves (1994: 264-65) generalize ISCT thus:
A norm (N) constitutes an authentic ethical norm for recurrent situation (S) for members of community (C) if and only if:

1. Compliance with N in S is approved by most members of C.
2. Deviance from N in S is disapproved by most members of C.
3. A substantial percentage (well over 50%) of the members of C, when encountering S, act in compliance with N.

ISCT holds that the convergence of religious, cultural and philosophical beliefs may imply a hypernorm, as may widely endorsed standards such as the Universal Declaration of Human Rights.

Thus, a local community's micro-norm, supported by consent and the right to exit, is—if it does not violate a hypernorm—a "legitimate" norm. If norms conflict, then their reconciliation or prioritization is facilitated by the following guidelines:-

1. Transactions solely within a single community, which do not have significant adverse effects on other humans or communities, should be governed by the host community's norms.
2. The more extensive or more global the community which is the source of the norm, the greater the priority which should be given to the norm.
3. Where multiple conflicting norms are involved, patterns of consistency among the alternative norms provide a basis for prioritization.

Clearly the ethical validity of micro-norms within ISCT is strongly affected by what the hypernorms actually comprise.

Donaldson (1989: 81) initially proposed the idea of fundamental international rights that limit the free decision-making capabilities of international actors, including businesses. It is interesting to consider both content and the order of priority of this list.

1. The right to freedom of movement.
2. The right to ownership of property.
3. The right to freedom from torture.
4. The right to a fair trial.
5. The right to non discriminatory treatment (freedom from discrimi-

nation on the basis of such charac-
teristics as race or sex.)
6. The right to physical security.
7. The right to freedom of speech and
association.
8. The right to minimal education.
9. The right to political participation.
10. The right to subsistence.

Horvath (1995) shows that, in his reply
to Hodapp (1990), Donaldson (1990:
137) goes further: "... we will allow pro-
ductive organizations to operate only on
the condition that they respect rights,
observe standards of justice, and respect
broader societal needs. Hence, tbe pro-
ductive organization is not morally enti-
tled to harm unemployed persons, nor is
it entitled to harm unemployed persons,
nor is it entitled to deny tbeir rigbts, to
treat them unjustly, or to damage their
natural environment."

DD's 1994 (p267) list of hypernorms
has, however, shrunk to the following:

• core human rights, including those
to personal freedom, physical secu-
rity and well-being, political par-
ticipation, informed consent, the
ownership of property, the right to
subsistence; and
• the obligation to respect the dignity
of each human person.

We may wonder why there is such a dif-
ference between the two lists, so close in
time but so different differ in scope and
specificity.

ISCT was explained by Dunfee and
Donaldson (1994, 1999, and 2002) as
lying midway between ethical relativism
and ethical absolutism in a way that
combines individual contracts with
deeper social contracts. It recognizes the

authority of such 'key transcultural
truths' as the idea that all humans de-
serve respect. It inhabits a 'moral free
space' where economic communities
and nations have their own norms unless
those norms entail 'flagrant neglect of
core human values'. The minimum con-
tent of a global social contract is arrived
in a state of nature and comprises the
rights of individuals to voice within and
exit from any group and compatibility
with globally accepted hypernorms rec-
ognized by religions, philosophies and
cultural beliefs around the world., espe-
cially for businesses these three, per van
Oosterhout et al (2006):

1. firms should adopt adequate health
and safety rules for their workers
and give them the right to know the
risks of doing any relevant jobs,
2. no lies should be told
3. business obligations should be hon-
ored in a spirit of honesty and fair-
ness.

The Van Oosterhout et al (2006:522)
writers praise contractualism's 'content
independent normative commitment,
based on whatever norms institutions
choose to live by which as a result they
say 'coheres well with liberal democracy
and a system of free market exchange",
and they do not posit any specific hyper-
norms, only general and abstract ones.

5 Problems with social contract theory in general

There are at least three basic problems:
1) the accuracy of the descriptions of
human nature,
2) questions about the normative au-
thority of human nature, and
3) whether the logic connecting human

nature to a particular form of government is real, is sufficiently strong, is determinative.

The conceptual problem is obvious; if human nature is so ephemeral that the major theorists define it in such different ways, then a normative architecture, where human nature is an ingredient for the foundation's cement, will be too weak to support an ethical framework or any social contract.

Darwall (2006: 208) says 'mutual accountability is what morality is fundamentally about', but others, such as Keeley (1995) question the concept of consent as a viable ethical criterion. Even assuming that consent is normatively significant, why should we think that hypothetical consent has any normative force? (Is it morally permissible for you to take my car without asking me, just because I would have consented had you asked?)

Van Oosterhout et al (2006: 528) say no idea of contract 'could carry normative force under conditions of slavery or dictatorship, or when processes of exchange and social coordination are predominantly organized in a hierarchical and unilateral fashion'. However, one might counter that big business is organized in just such a fashion in most industries in most jurisdictions.

Buss (2005) closely argues that deceit and manipulation can coexist with autonomy, but it is incompatible with the inner morality of ISCT. Brand-Ballard (2004) argues equally closely that contractualism can only support restrictions on behavior outside the content of the contract or agreement by importing deontic positions from outside

its own framework. Moreover, the framework itself could allow cannibalism, consent to being harmed, and it can exclude large blocks of people from its reach (Kittay 1999).

Scanlon (2001) says validity of a moral right lies in whether it can be reasonably rejected so justification to self n others is bedrock of contractualism. This rules out unilateral protection of its citizens from their own folly.

Darwall (2006) argues that the grounding of morality in mutual accountability rules out state protection of citizens from the consequences of their own folly and that means negative externalities to a contract are born by everyone within and outside the contract. There is no rule against imposing externalities in ISCT, and hypernorms that do frown on such conduct are conceded by Scanlon (2001) to be deontic imports rather than part of contractualism's own inner morality. The exclusion of children has been recognized by Scanlon (2001) who would appoint trustees able to contract on behalf of the contractually disabled but this simply creates a new field for the problems of fiduciary duty to grow.

6 Gender equality in search of a hypernorm

To find an appropriate list of hypernorms, DD (1994:267) offer a survey of various writers, codes, and conventions, ultimately proposing a minimum standard of review for:

(a)   Core human rights, including those to personal freedom, physical security and well-being, political participation, informed con-

sent, the ownership of property, the right to subsistence, and

(b)   The obligation to respect the dignity of each human person.

They believe that constructing a list of hypernorms, or even delineating criteria for their discovery, is difficult. Mayer and Cava (1995) note that, as a result of this difficulty, following the prescribed ISCT procedure in gender discrimination cases becomes problematic. To put the legal/ethical interaction into some perspective, they suggest consideration of at least three types of examples. In Type I examples, a company valuing gender equality operates in a host country whose values and laws are intolerant or even hostile to gender equality. In Type II examples, a company valuing gender equality operates in a host country whose values — but not laws — are hostile to gender equality. In Type III, a company not valuing gender equality operates in a host country whose values and laws promote gender equality.

We cannot readily apply the hypernorm aspect of DD's in the type II of case; a conflict of cultural values between home and host country in which laws are not clearly dominant as factors in managerial decision-making. We cannot do so because of a conceptual cloudiness over hypernorms — what they are and how we may come to know them.

If there are both empirical and rational origins of hypernorms, the reality of a global hypernorm favoring gender equality in work settings is doubtful, since many countries appear to reject gender non-discrimination in work settings. To use the epigram of a South African apartheid era writer from her major global survey, women throughout the world are largely "poor, pregnant, and powerless." (Rhoodie, 1989).

Even if ISCT were still to include as global hypernorms principles that favor equal authority and opportunity for women in the workplace, there is, say Mayer and Cava (1996), no clear improvement over deontological approaches to multinational gender equality issues. Where values are in flux and in conflict, the very situations that call for a theory of business ethics that can provide nuance and principle without ethical relativism or ethical imperialism, hypernorms are likely to be needed to complete the calculations in DD's algorithm. For issues of gender equality, ISCT as yet provides neither "detailed normative assessment of particular ethical problems in economic life" nor "unequivocal boundaries on moral free space" (quotes are from DD, 1994: 279). Accordingly, ISCT is not yet more detailed, flexible, or practical than standard normative theories such as Kantianism or universal rights. It may also be seen as not yet really ethical, as it is not yet clear by which specific hypernorms, business contracting should be bound.

7   Care theory fills the hypernorm vacuum

Hoffman (1989) argued that justice first of all presupposes an attitude of caring, a sense of compassion for those in a less advantageous position and only secondarily is concerned with matters, rights, equality or merit. Noddings (1994) formulated the first care theory framework. She said that traditional theories that place justice as the foundation of morality are wrong. Instead, care should be the foundation, with justice as the superstructure. Ethics then is concerned with relationships, not with atomistic indi-

viduals.

Care theory takes as its distinctive elements an attention to particular others in actual contexts (Held, 1987), a focus on the needs versus the interests of those particular others (Tronto, 1993), and a commitment to dialogue as the primary means of moral deliberation (Benhabib, 1992). Care may even be "not a system of principles, but a mode of responsiveness" (Cole and Coultrap-McQuin, 1992).

According to Noddings (1994), people naturally privilege their family members and friends in making decisions. She wants us to move beyond that immediate circle to care for others who are related to us either through our intimates or through some role we play—for example, at work. Noddings sees relationships, and thus caring, as not stopping even with everyone we know. Instead, we are even to care for those with whom we have no present relationship, merely an anticipated hypothetical relationship. Noddings defends herself against the charge of ethical relativism by arguing that a caring attitude is universal, indeed that it is fundamental to all humans. However, she rejects universal laws, saying that ethics is about concrete, particular relationships, not abstract concepts like the good of society.

Moral dilemmas for Noddings are not individual but relational, not a monologue but a dialogue, because each moral dilemma will involve a relationship and thus affect all people involved in that relationship. Consensus is the goal of all those engaged in dialogue regarding moral dilemmas. Above all, we are not to cause anyone pain or separation. No good is worth that.

Such feminist ethicists as Noddings (1994) and Held (1993) saw the mother baby relationship as the foundation of all ethics, because it is the historical foundation for everyone of all their subsequent relationships (the baby part that is, not the mother part). Other feminists consider friendship as the ideal relationship (e.g., Baier, 1985; Code, 1987). This relationship is voluntary, not permanent, and can be equal, although it often is not. It seems to be a better model for real-world relationships, particularly among stakeholders: but other relationships also exist in the real world, notably relationships of convenience or necessity that may not be modeled well by friendship.

A problem with some feminist writing on care theory (e g Gilligan 1982) is that it often seems to place caring and justice in opposition to each other. Tong (1993) argues that caring and justice are not opposed but complementary attributes of the good society: both are necessary but not sufficient.

However, care as a source of ethics faces the difficulty of compatibility with competitiveness. MacIntyre (1984: 254) quoted by Dobson (1996) argues that "..the tradition of the virtues is at variance with central features of the modem economic order .." Specifically, MacIntyre isolates three "central features of the modern economic order" that exclude it from the virtues. These are "individualism ... acquisitiveness and its elevation of the values of the market to a central social place". However, just as individuals may reach the limit of their care capacity at the front door, so company people may not need to care so much about competitors as about stakeholders, but such limits are quite consis-

tent with care theories approval of care intensity diminishing as relations are more remote. More specifically, care theory provides a possible decision rule for the firm that wants to apply the care concept to its interactions with stake-holders:-"I will privilege those with whom I have a close relationship." This is not necessarily a relativistic rule. Relativism concerns a rule that is adopted by a particular individual or society as applicable only to that individual or society. The quoted relational rule would be applicable universally. What is necessary from Noddings' point of view is that harm not be caused at all—but this seems impossible to fulfill in real life. What Burton and Dunn (1996) propose instead is a hybrid approach, recommending that special attention be given to the least advantaged members of the moral community. Following Rawls (1971), the principle would then read, "Care enough for the least advantaged stakeholders that they not be harmed."

In the ethic of care, the focus is the concrete needs of particular individuals. It is the conduct of daily life, lived for the most part with long intervals in between the kind of moral dilemmas that have dominated business ethics discussions, that is its arena (Liedtka 1996). It places less emphasis on the exercise of free will and choice, and more on recognizing the moral demands ever-present imposed upon us (Scaltsas, 1992). Though this lack of interest in prescribing moral solutions has raised questions as to the adequacy of care as a moral theory (Koehn, 1995), it suits well the realities of corporate life, which are often about that which is required, rather than that which is chosen.

Noddings views general mission statements claiming to care as representing only a "verbal commitment to the possibility of care" (1994:18). The quality of particularity is essential—caring lives in the relationship between me, an individual, and you, another individual. Without this particularity, the caring connection is lost and we must re-label the new process: no longer "caring", it becomes "problem-solving", in Nodding's terminology. "The significance of the differentiation between caring and problem-solving goes far beyond semantics. The process of defining generalized "problems" and decoupling these from the lived experiences of individuals who we see ourselves as having relationships with, risks two outcomes antithetical to care. The first is the loss of particularity and resulting dehumanization of the individuals in need."(Liedtka 1996). Ferguson (1984) has argued that bureaucracy is antithetical to the ability to care. The rules in a bureaucracy become, over time, the ends rather than the means. Thus, caring, even for the customer or client, is subordinated to perpetuation of the organization in its current state. Finally, Ferguson asserts that openness, which is central to caring, is impossible to sustain in a bureaucracy, as it threatens the status quo that the structure lives to protect.

It is only in the process of personally engaging with the particular other that we gain the specialized knowledge of their context, history, and needs that permits us to fully care for them on *their* terms, rather than ours (Benhabib 1992). Herman (1993) has noted, in her exploration of Kant's duties for benevolence and mutual aid, that the focus here, as there, is not on pursuing one's ends/or them, it is on enhancing their capability

to pursue their own ends. If, as Flanagan (1982) states, the "motor of cognitive development is contradiction, caring may well be comprised more of "tough love" than of indulgence. Bateson observes (1990:155): "The best care-taker offers a combination of challenge and support...To be nurturant is not always to concur and comfort, to stroke and flatter and appease; often, it requires offering a caring version of the truth, grounded in reality. Self-care should include the cold shower as well as the scented tub. Real caring requires setting priorities and limits. Even the hard choices of triage have their own tenderness."

Self-care, Gilligan (1992) argues, is a precondition for giving morally mature care to others. Similarly, bereft of a strong regard for particularity, communities can smother difference and subjugate those in need of care. The development process evolves out of the aspirations and capabilities of the cared for, rather than being driven by the needs and goals of the care-giver. Gilligan (1982) is supported in the above by Tronto (1993) and Slote (2000), though self care obviously becomes self indulgence when in excess. Caring is neither a positive nor negative attribute but instead forms part of a subjectively experienced relationship, which may be used both to control and/or to empower others (Chodorow 1978, Court 1994).

Engster (2005) attempts to ground a general paradigm on the basis of care theory by extending the work of such writers as Fineman (2004) and Kittay (1999), who had grounded their own assertion of a general duty of care on the evident fact of our general inter-dependency. They in turn had developed their view from

Clement (1996)'s earlier grounding of a general care duty in our not quite so readily evident fact of our condition of general vulnerability to others. Baier (1985) said what makes us human is the care we receive from others and that all unhealthy and sociopathic behavior could be traced back to a deficiency of care. Kittay (1999) asserts that society would cease to exist altogether if nobody cared for anyone else;- the implication being that care is a general duty because society must self-evidently be sustained. Fineman (2004, 48) agrees and focuses on 'caring for' rather than caring about in her assertion: "It is caretaking labor that produces and reproduces society."

8   Care as parentalism

The replacement of the universalist father of classical ethics by the caring mother of feminist care theory carries the danger of failing to respect the individuality of the other party. Brock (1996) reviews how Kultgen (1995) proposes safeguards against this.

For Kultgen, there is some appropriate form of caring which manifests itself in parents caring for children, and this should serve as a model for other contexts.

Kultgen's definition of parentalism is this:

> Call the parentalistic agent, P, the subject acted on, S, and the parentalistic act, A. Then: Action A is parentalistic if and only if (a) P believes that A is an intervention in S's life; (b) P decides to perform A independently of whether S authorizes A at the time of the performance; (c) P believes that A will con-

tribute to S's welfare; and (d) P performs A for this reason. An action is parentalistic if it is an intervention in a subject's life for his benefit without regard to his consent.

He offers us a principle for evaluating when parentalism is justified. His "Principle of Parentalism" is this:
Persons are justified in acting parentalistically if and only if they believe that the expected value of the action for the recipient is greater than any alternative and they have reason to trust their own judgment despite the opposition of anyone, including the recipient.

The potential for 'nanny style' dictatorship is evident in the above, and Brock (1996) proposes limitations to result in what she styles 'the appropriate care view"

For Protective Paternalism (i.e., intervention which aims to protect S from harm independently of her consent):

P may be justified in protective paternalistic intervention in the affairs of S in situation C, when both the following conditions are met:

(TI). Great harm is likely to ensue to S from non-intervention in situation C. (The greater the harm, or the more irrevocable effects of that harm are likely to be, the more justified the intervention, ceteris paribus.)
(T2). S does not know that grave harms are likely (or does not understand what that entails) for S in situation C.

For Promotive Paternalism (i.e., intervention which aims to bestow benefits

on S independently of her consent):
P may be justified in promotive paternalistic intervention in the affairs of S in situation C, when both the following conditions are met:
(Ml). P has special responsibilities to care for or promote S's well-being in certain ways, W, in situations such as C.
(M2). S is sufficiently vulnerable, dependent, incompetent or ignorant so that S's well-being is unlikely to be promoted in ways, W, if P does not intervene, particularly in situations such as C.

Thus any vacuums in the ISCT hypernorms could be filled by parentalistic intervention in specific contexts (and so not ground any new general restrictions), but such interventions would breach ISCT's key requirement of consent. Care theory and ISCT are in head on conflict over the status of consent, and it is outside the scope of this paper to discuss the significance or curability of this conflict.

9 Effects of a care theory framework on business conduct

Corporate behaviour guided by the principles of care theory would manifest like a refinement of the well known Theory Y, itself a humanization of the widely practiced and bottom line driven Theory X.

"If we think of ourselves as deeply and involuntarily connected, and we care about each other's survival more than our own, how do we approach corporate downsizing? If we expect our work relationships to move predictably from initial dependence through increasing

independence to separation, how does that influence our hiring, training, and promotion practices? If we value nurturing, encouraging, and empowering as managerial skills, how should we structure managers' compensation? If we value competitive striving and ranked achievements at a particular stage of employee development, what are the appropriate measures and rewards? How can we create an assessment instrument that fosters healthy competition, but also recognizes and celebrates the unique strengths of individual contributors?" (Derry, 1999)

Liedka's (1996) Table below shows the distinctions between the attitudes and behaviors she finds embedded in the transactional focus of the market mechanisms versus the relationship-based processes of care (see the next page).

If caring organizations cannot be bureaucracies, they have to nonetheless be coherent. Because the concept of reach is partially a function of decision-making scope, the architecture of the organization would need to be highly decentralized. It would entail the creation of a network of connections, where the focus was on the relationships between individuals, rather than the position of "boxes" in a hierarchy. Iannello (1992) has reported on similar efforts at "de-alienating the workforce," by putting "meaning and values back in jobs." Engagement, based on Kahn's work (1990), is itself the product of meaningful work, a safe environment and the availability of resources. In this world, organizational members at every level need to be strategic thinkers, who understand the organization's purpose and its capabilities, as they respond to ever-changing opportunities to better meet customers' needs.

Expertise will be shared and individuals will be teachers of some things and learners of others simultaneously, as individuals are constantly stretched to develop their talents. Contrary to the image of sentimentality often attached to the notion of care, "tough love," as noted previously, may be a more apt description. Caring organizations will need to be as tough-minded and results-oriented as any other organization. It will be their methods and aspirations that distinguish them, not their lack of attention to outcomes. The values of mutual respect, honesty, and patience will be its foundation. Similarly, there must be clear boundaries around each individual's and each organization's responsibility to care. Such focus is necessary to avoid overwhelming the care-giver with responsibilities that exceed his or her emotional, intellectual, and physical capacity to care.

10 Conclusion – Building the Union of Bottom Up or Grounded Business Ethics

Kant argued, "The basis of obligation must not be sought in human nature or in the circumstances of the world in which [man] is placed, but a priori simply in the concepts of pure reason." (Abbott 1909:389). Despite its starting from such a different place from Kant, " an ethic of care is clearly consistent with the 2nd formulation of the Categorical Imperative to always treat persons as ends, and not merely means. Interpreting this within an ethic of care, however, would require that we recognize and treat each person as a concrete, rather than a generalized other" (Benhabib, 1992).

Role	Business as Market Transaction	Business ad Caring Relationship
Customer	Ancillary: Process is driven by organization's need to sell its solution to some identified set of problems. These come with customers attached.	Primary: Process is driven by the organization's desire to attend carefully to customer's self-defined needs and aspirations and facilitate their achievement.
Employees	Expendable/Replaceable: Their labor is purchased at market rates in order to produce and sell organization's solutions.	Primary: Developing members of a community of mutual purpose and linchpin that creates the organizational capability set and connects it with customer needs.
Suppliers	Interchangeable: Interested in selling their solutions as input into the production of next downstream product. As their customers, our firm is ancillary to their purpose.	Primary: As partners in the process of attending to end uses in the value chain that we share, they attend to us and make possible our customers focus.
Organization and Senior Management	Primary: To plan, supervise, control, and monitor the processes of production and selling to ensure quality and efficiency.	Supporting: To Create a caring context and systems which provide resources and decentralized authority that enables employees to care for customers.
Shareholders	Primary: As owners of the business, their interests, in the form of profits earned, dominate decision-making.	Supporting: As members of the workplace community, they provide capital that facilitates the process of meeting the needs of other stakeholders. Their needs are met as project succeeds.

Both ISCT and Care Theory are participative rather than detached. To the extent that this entails relativism in some sense, taking a non-universalist approach need not entail rejection of Kantian moral norms. Nor does it require that we conclude they have no importance in the quest to expand international cooperation. Instead it means one should approach and develop these norms differently-that is, drawing on the local and particular to inform the search for shared understandings and traditions rather than start with the universal and assume one has what is necessary. Indeed, embracing a non-universalist position need not entail the rejection of international human rights or other cross-cultural moral norms (Wicks, 1998). However, there appear to be three key differences in taking a non-universalist vantage point.

First, there is a greater skepticism and scrutiny brought against any candidate. Second, more attention is paid to the details of any alleged convergence in moral understanding to ensure that, for example, the language of rights and the content a given right may embody is truly shared. And third, ethicists would approach this task from within given traditions or cultural contexts to arrive at these notions rather than relying on a theoretical argument to generate them (i.e., more inductive or dialectical rather than purely/primarily deductive).

Held (1993:195) says social contract theories of a Rawlesian or Hobbesian type which begin with independent man in a state of nature are wrong, since such a state of nature is quite impossible and therefore cannot validly serve as a starting point for any theory, positive or normative, of human nature, inasmuch as any so called independent men would have begun life as babies dependent on mothers. Folbre (2001) applies similar criticisms to market and contractualist based morality paradigms, saying that productive labor and entrepreneurs first have to be bred and raised, and someone has to care enough to make that happen. Finally from this perspective, Kittay (2001:535) says the duty to care should be seen as a "categorical imperative… derivable from universalizing our own understanding that were we in such a situation, helpless and unable to fend for ourselves, we would need to care to survive and thrive." Engster (2005) wonders if there exists a basic human right to obtain care when it is needed, on the grounds that the such a right is a prerequisite of human survival, survival being taken to be a self evident basic good. From here he ingeniously proceeds to make Care Theory's particularity and

relativism into a general theory in the following manner. Because resources of money, time and energy are limited, care effort has to be allocated according to some sort of priority schema. It is reasonable and efficient for us to care more for those especially dependent on us such as our intimate family. This includes a primary duty to care for ourselves enough to prevent us becoming an unnecessary burden on others. This 'universal principle of partiality' is the core of Engster's general care theory project. It means each person should care primarily for her/his intimates and dependants because generally that will distribute care resources most effectively across society. As for those left out and uncared for by their intimates, they become the responsibility of everyone. However, he does not say how resources can consistently, fairly or effectively be allocated to such unfortunates whose numbers may be rather large and increasing over time.

Let us end this article with a quote from Solomon on the ethical executive to show what the essential contribution of care theory to corporate life would be, even though Solomons himself is a virtue ethicist not a care theorist.

"An executive who is forced to fire someone, a military commander who has to order men to their death may well feel and ought to feel distress because, while doing their duties, they also feel compassion. At such times, it is good to feel bad, and to avoid the pain is. in some sense, immoral. Thus when the executive pleads that 'it's just a business decision' or the commander insists that 'it's nothing personal' we can recognize in their detachment a kind of moral 'bad faith.' So much for the 'wisdom' that says

that "you shouldn't take it personally."

Taking it personally is what converts a difficult or distasteful action into an acceptable one". (Solomon 1998)

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