

Student Awards in Business Ethics 2006



Postgraduate winner

Simon Wright, International Centre for Corporate Social Responsibility at Nottingham University Business School.

Topic Addressed: *"Corruption is mainly a problem when doing business in less developed countries." Critically evaluate this statement and set out how a company could address corruption problems within its operations.*

Abstract

The paper analyses the problem of corruption in less developed countries. There is evidence that corruption is rampant in the public sector of many developing countries, largely due to the absence of good state governance and an effective judiciary. Widespread corruption leads to political and economic instability and prevents development. The collusion by many Western businesses and NGOs with corrupt regimes, and conformity to questionable cultural practices exacerbate the situation. At the same time, corruption raises the cost of doing business in these countries, which can adversely affect foreign direct investment and thus hinder economic growth.

The paper further argues that corruption also exists in Western societies, although more sophisticated means are often used. Questionable lobbying practices and a number of business scandals are cited as examples. Furthermore, Western institutions such as the World Bank and the OECD seem to encourage corruption in developing countries, through the terms and conditions they impose on them.

In the final section, the paper suggests and critically evaluates some tools that businesses can adopt to counteract corruption, such as corporate codes of conduct and the sanitization of the operating environment. An evolving ethical framework built upon past experiences and successes is recommended as the most prudent approach for companies.

Postgraduate Runner-Up

Simon Henzell-Thomas, Birkbeck College

Topic Addressed: *Where does a firm's responsibility for its products end? The case of Caterpillar's bulldozers*

This paper investigates whether Caterpillar has acted unethically by selling bulldozers to Israel, which have been used to demolish Palestinian settlements. The paper analyses the case through two ethical frameworks: utilitarian and virtue ethics. Whereas different conclusions can be drawn from the ethical analysis, the main argument is that Caterpillar's actions can be regarded as a violation of its own corporate code of conduct.

Student Awards in Business Ethics 2006



Undergraduate winner

Victoria Clark, Manchester Metropolitan University Business School

Topic Addressed: *How ethical are the moves made by McDonald's to become more corporately socially responsible?*

Abstract

The aim of this paper is the ethical assessment of the moves made by McDonald's into Corporate Social Responsibility.

This is done by thoroughly analysing McDonald's most recently published Corporate Social Responsibility report. The Corporate Social Responsibility moves cited in their report were then compared with supporting or conflicting external data gathered through newspapers, journals and various websites. The actions of McDonald's have then been analysed where appropriate using the three main ethical theories: utilitarianism, deontology (Kantian ethics) and virtue ethics.

The results of the research indicate that McDonald's whilst appearing to advocate excellent Corporate Social Responsibility policies throughout their report, do not always match these promises with proof of action. It also highlights that certain 'socially responsible' actions may have been performed with alternative agendas and carried out due to public pressure and pressure group coercion.

McDonald's in essence have sound corporate socially responsible policies, however real action for these policies has not been demonstrated. Despite somewhat damning evidence in some circumstances of unethical practice, they can be afforded the praise of having improved from past practices and are moving in 'the right direction'. A move towards transparency, external auditing of their Corporate Social Responsibility policies and proof of these 'promises' will allow McDonald's Corporate Social Responsibility policies to be considered ethical.