



SCHOOL OF HUMANITIES AND SOCIAL SCIENCES

DEPARTMENT OF PHILOSOPHY

KANT'S ETHICS AS A SOLUTION TO SHORTCOMINGS OF THE STOCKHOLDER AND
THE STAKEHOLDER THEORIES IN INFORMING BUSINESS

MASTER OF ARTS IN APPLIED ETHICS DISSERTATION

By

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DECLARATION

I declare that this thesis is my own work and that it has not ever been submitted to another institution. Acknowledgements have been duly made where other people's work has been used. I take full responsibility for the contents of this dissertation.

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DEDICATION

I dedicate this work to my mother, Vimbai Samanga, Edward Malumero, Beston Gama, Yokonia Chilanga and Simeon Bernard. Their support was uniquely outstanding to my getting to this final stage of my master's studies at UNIMA.

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ABSTRACT

The aim of this study is to demonstrate that Kant's ethics provides an excellent deontological approach to business ethics, capable of militating against the moral decadence currently obtaining in business. Kant's ethics is centred on the transcendental precepts of good will, reason, duty, autonomy, self-legislation and universalisability. These moral precepts provide a valiant moral toolbox for self-examination, self-legislation and self-governance in decision making. Mainstream business has long struggled to model ethical behavior as evidenced by scandals such as the Enron Crisis (2001), Financial Crisis (2007-2008), Cashgate Scandal in Malawi (2013-2014), The Gupta state capture allegations in South Africa), the Zuneth Sattar corruption allegations in Malawi, the Affordable Input Program (AIP) scandal in Malawi, money laundering, shady cryptocurrency business and commercial surrogacy among other vices. Arguably most of the ethical challenges cannot be solved from experience but through *a priori* knowledge. The study is of the view that Friedman's stockholder and Freeman's stakeholder theories of Corporate Social Responsibility have failed to respond to the emerging changing scope and nature of social responsibility. The moral erosion and the attendant reputational carnage and moral vacuum in business bear testimony to the shortcomings of these two theories. Friedman is faulted for promoting avarice in business, while Freeman's 'one-size fits all' approach is faulted for 'socialising' the corporation. In addition, Corporate Social Responsibility itself has become somehow 'enforced', cosmetic and a tool for 'image laundering' or 'image cleansing'. It is against this background that the study seeks to demonstrate that Kant's ethics can provide a moral reset and a solution to the shortcomings of the stockholder and stakeholder theories. Kant's ethics can 'moralise' the corporation, advance shared universal values in business to avert an acute 'moral failure' in business. The study becomes critical given that trust and confidence are essentially pivotal in business. Furthermore, there is growing acknowledgement that the values of business are also increasingly becoming the values of society.

TABLE OF CONTENTS

ABSTRACT.....	6
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background	1
1.2 Problem Statement.....	6
1.3 Aim of the study.....	8
1.4 Research Questions	8
1.4.1 Main research question.....	8
1.4.2 Sub research questions	8
1.5 Rationale of the study.....	8
1.6 Objectives of the study	9
1.7 Methodology.....	9
1.8 Dissertation Structure	10
CHAPTER TWO	11
KANT’S ETHICS	11
2.1 Chapter Introduction	11
2.1 Who is Immanuel Kant?	12
2.2 Kant’s understanding of human nature.....	12
2.3 Kant’s Categorical Imperative	13
2.3.1 Formulations of the Categorical Imperative as the Moral Law	14
2.3.2 Good will and Duty.....	18
2.3.3 Practical reason and transcendental idealism	20
2.4 Hypothetical Imperative	21
2.5 Kant’s Virtue.....	22
2.6 Critique of Kant’s Categorical Imperative	23
2.6.1 Hegel’s critique of Kant’s formalism	23
2.6.2 Supererogation (moral fanaticism)	24
2.6.3 Kant’s absolutism and idealism.....	24
2.7 A defense and justification of Kant’s ethics	26

2.7.1 Candid and straightforward ethics	27
2.7.2 Self-legislating, self-constitution and self-examination	28
2.7.3 Use of a priori reason and knowledge	28
2.7.4 Universalisability of ethics.....	28
2.7.5 Kant's ethics as a weapon against discrimination, inequality and injustice	29
2.8 Chapter Summary	29
CHAPTER THREE	31
FRIEDMAN'S STOCKHOLDER AND FREEMAN'S STAKEHOLDER THEORIES	31
3.1 CHAPTER INTRODUCTION	31
3.2 Ontology of a corporation.....	32
3.3 Corporate Social Responsibility defined	33
3.4 Friedman's stockholder theory: Assumptions and Implications.....	35
3.4.1 Gaps and shortcomings within the Stockholder Theory.....	36
3.5 Freeman's stakeholder theory: Assumptions and Implications	39
3.5.1 Gaps and shortcomings within the stakeholder theory	41
3.6 Chapter Summary	44
CHAPTER FOUR.....	46
KANT'S ETHICS INFORMING BUSINESS	46
4.1 Chapter Introduction	46
4.2 Business ethics	46
4.2.1 Metaethical conception of business ethics: 'Moral or Amoral'	47
4.2.2 Normative conception of business ethics: 'Moral or Immoral'	47
4.3 The Goal and Role of Business	48
4.4 Kant's ethics as solution to Friedman and Freeman's shortcomings	48
4.4.1 Kant's ethics and Friedman's' stockholder theory's shortcomings	48
4.4.2 Kant's ethics and Freeman's stakeholder theory's shortcomings	50
4.5 Kant's ethics and the common moral pitfalls in business.....	51
4.5.1 Moral hazard.....	52
4.5.2 Shady cryptocurrency business, Money-laundering and Terrorist financing	53
4.5.3 Unethical creative accounting/ Off-balance sheet financing.....	54
4.5.4 Corporate Corruption, State Capture and Corporate Capture	55

4.5.5 Clandestine Offshore finance, industrial espionage and arbitrage.....	56
4.5.6 Subprime Lending and manipulative commerce.....	56
4.5.7 Hostile takeovers and Vulture funds.....	57
4.5.8 Anthropogenic activity and environmental degradation.....	58
4.6 Theoretical implications of Kant's ethics in business	58
4.6.1 Treating stakeholders as ends in themselves.....	58
4.6.2 Deontic sense of responsibility (Direct and Indirect duties)	60
4.6.3 Agency of good will among stakeholders	62
4.6.4 Self-legislating, institutionalisation and universalisability of business ethics.....	62
4.6.5 Principle-based rationality, Self-examination and Self- constitution	64
4.6.6 Autonomy and egalitarianism in organisations.....	65
4.6.7 Corporate organisations as part of the moral community	66
4.6.8 Conceptual shift from 'social' to 'moral' responsibility.....	66
4.7 Theoretical limitations of using Kant's ethics in business.....	67
4.8 Theoretical strengths of using Kant's ethics in business	69
4.8.1 Consistency, predictability and universalisability	69
4.8.2 Kant's cosmopolitan ethics and corporate strategic ethical resilience	70
4.8.3 Kant's ethics as the basis for corporate egalitarianism	72
4.8.4 Weapon against the vagaries of technology and globalisation	73
4.7.5 Tenable basis for a professional and institutionalised command ethic	74
4.8 Chapter Summary	74
CHAPTER FIVE	76
CONCLUSION.....	76
5.1 Summation of the key points of the dissertation	76
5.2 Suggestions for further study	79
REFERENCES.....	81

CHAPTER ONE

INTRODUCTION

1.1 Background

A perusal of some of the business news headlines over the past twenty years, and even longer than that, shows the way in which scandals have pervaded the business sphere. There is, for instance, the Enron Accounting Fraud which happened in 2001. Enron, which was one of the largest companies in the United States of America at the time, had become skilled at hiding its losses from partners, and this meant that many companies were negatively impacted when it was revealed that the company had been operating at a loss. It was only in November 2001, after being probed, that the company admitted to having falsely reported that its income was over \$500 million since 1997 according to Segal (2023).

A second example is the Cashgate Scandal in Malawi. The scandal, exposed in 2013, involved the embezzlement of public funds from government bank accounts to private companies as well individual accounts Chiwala (2018). As a result of the scandal, foreign donors withdrew budgetary aid to Malawi, many bank accounts were frozen to allow for investigations, and building contractors who had been involved had their licences revoked.

The two examples above illustrate the way in which ethical business practices have declined globally over the years. Business is currently happening in an environment where economic concerns are always overriding moral concerns and alarmed by a series of corporate scandals, there is a growing acute scrutiny on how the corporate business world is conducting itself. Apart from the incidents mentioned above, the world has also witnessed scandals such as the WorldCom Crisis (2002), the Eurozone Crisis (2009), the State Capture allegations in South Africa, the 2020 Zuneth Sattar corruption allegations in Malawi, the use of cheap migrant labour (mainly Asians and Africans) in building stadia in Qatar in the build-up to the 2022 World Cup, under allegedly appalling conditions, and the Affordable Input Program (AIP) scandal in Malawi.

In some cases, managers are wielding so much power resulting in self-interested escapades in pursuance of their egos. Bakan (2004) also suggests that corporations are also exhibiting their pathological pursuit of profit and power. It is a complete deviation from corporate purpose when

corporations seek power as evidenced by incidences of state capture, for instance, the Gupta family state capture allegations in South Africa. Roddick (2000) is of the view that there is no more powerful institution in society than business and believes it is now more important than ever before for business to assume a moral leadership. Perrow (2002) argues that there are new forms of predatory and cannibalistic behaviour in the corporate world. There are incidences of hostile takeovers and one can argue the acquisition of Twitter by Elton Musk, business magnate was indeed a hostile takeover. Elton Musk used his financial muscle to 'force' to takeover Twitter. Arguably there is evidence of the excesses of unrestrained capitalism. Mpekansambo (2013:53) argues that modern criticism on business largely focuses on the negative consequences of capitalism. According to Smith (2014) the post-financial crisis world has become more business-critical.

Economic globalisation is also posing new ethical challenges for global business, such as the emergence of cryptocurrencies, clandestine Switzerland offshore transactions, corporate crime (money laundering, espionage). Other vices such as manipulative business, illegal business cartels, creative accounting/off balance sheet financing, all add to the list of corporate misdeeds decimating the image of business. The reputational carnage in business results in the erosion trust and confidence, two fundamentally esteemed ethical variables in business. Technological advancements and innovation have also had an undesirable effect on both business and societal values leading Kumari (2019) to suggest that there is need to address ethical issues arising from the fast-paced technological innovations and disruptions for instance in designing of new technologies.

This moral erosion is happening in the full glare of the two main competing theories in business; Friedman's shareholder theory and Freeman's stakeholder theory. Friedman's shareholder theory proclaims that the fiduciary duty of directors is solely to increase share value of stockholders. If one assumes that the sole goal of a business is to make profit, the implication is that business actions are excluded from moral consideration. The only obligation that an organisation has is to function within the dictates of the law and therefore anything outside the law is *ultra vires*. This is problematic as it has the potential of using other stakeholders as merely the means to an end. In addition, it is highly teleological, a dispensation which has been largely blamed for exploitative

behaviour in business. The business environment is fraught with what I would call ‘customer foreboding’, which is the feeling that something adverse will happen.

Freeman (1984) then proposes the stakeholder theory with the aim of superseding Friedman’s doctrine. Freeman argues that organisations should also extend Corporate Social Responsibility to its varying stakeholders beyond its legal obligations. He believes a corporate organisation should be a conscientious ‘corporate citizen’.

The stakeholder theory too has its own shortcomings. Getting the right balance among its priorities, lack of clarity and methodology have been its main challenge, rendering the stakeholder theory unviable especially in complex, intersected and globalised corporate situations. This dissertation is of the view that Freeman may have also suggested a plethora of duties but without a clear procedure. Freeman’s stakeholder theory seems to have also inherited structural deficiencies of Friedman’s stockholder theory. Arguably both approaches have failed to inform business, hence the continuing burgeoning of corporate scandals in the corporate world. These two traditional theories of the Corporate Social Responsibility are arguably fast becoming obsolete and therefore ineffective to tackle the contemporary scope and nature of social responsibility.

Kumari (2019) argues that although Corporate Social Responsibility has evolved overtime it is still an uneven combination of philanthropy, humanitarianism and business acumen. It is limited in its capacity to have optimal influence to guide business in contemporary highly teleological business models characterised by excessive and unrestrained capitalism. To a larger extent, Corporate Social Responsibility has also become cosmetic (therapeutic) and a hypothetical public relations tool for ‘image laundering’ or ‘image cleansing’.

Critical players in these corporations, such as owners and managers, are arguably fully aware of the importance of behaving ethically. They are also conscious of the long-term rewarding benefits on growth, development and even survival of the corporates they preside over. Corporate ethical conduct can actually be a pathway to socioeconomic success as it allows value to flow from corporations to stakeholders and other positive spill-overs to the greater social economy in general. The main challenge is that this informal awareness is usually not formalised. Therefore, Kant’s ethics has the capacity to formalise this awareness and create an opportunity for positive moral progress between business and society. Kant’s Categorical Imperative provides the moral toolbox

sufficient for self-examination vital to militate against the common moral pitfalls business often succumb to. The Categorical Imperative as the supreme principle of morality emphasises the moral precepts of good will, use of reason to legislate and 'will', duty, autonomy, humanity and the Kingdom of Ends, 'Summum Bonum'. These moral variables form an impregnable moral circuit and a moral template to inform corporate leadership when making corporate choices and decisions.

This dissertation also acknowledges the other competing moral theories such as Mill's utilitarianism, Aristotle's virtue theory and Ubuntu. For instance, Mill (1989) argues that morally right action is the action that produces the greatest good for the greatest number. Conrad (2018) argues that utilitarianism focuses on consequences of action, relative benefits or harm and happiness. The morality of any action is judged by its outcome. The major limitation of utilitarianism is the assertion that the end justifies the means. Organisations may value employees as merely means to achieve their economic goals. This often leads to vices like exploitation of workers, alienated labour and child labour. The 'maximisation principle', for instance in the mining sector may also lead to land degradation, pollution and creation of ghost towns. The 'end justifies the means' mantra can justify industrial espionage as it reduces research costs and time. Lying in order to save corporate image may also be excusable. Act utilitarians espouse the 'rule of the thumb' to justify that breaking the law is not always immoral.

The entrenchment of majoritarianism and the minimising of minorities violates fundamental basic human rights. Austin (2015) argues that utilitarianism ignores other moral principles, human rights and the morality of our choices. The 'utility principle' has the tendency to influence moral agents to act in self-interested way, inflict materialistic values on society, thereby materialising the society. Societal values are reshaped in an increasingly acquisitive way. So, hypothetical moral systems cannot be supreme basis for moral decisions. Utilitarian ethics as too simple and not reflective of what we ordinarily think about morality and our actions cannot be reduced to a single outcome of happiness maximization. In this regard, utilitarianism makes us slaves to this concept of happiness. According to Fritzsche & Becker (1984) most managers follow the utilitarian school of thought in their corporations, hence the moral erosion in business.

Virtue ethics is primarily based on character and virtue that determine behaviour. A virtue is an internalised dispositions of inner attitudes and an acquired human quality to do good. Shockley

(2019) argues that an action is right if it is what a virtuous person would do in similar circumstances. According to Swanton (2003:19) a moral agent must have a disposition to respond to moral situations in a good enough way, without struggle with contrary desires. One weakness of virtue ethics is that it is relativistic. MacPherson (2013) argues that virtue ethics has an incompleteness problem. For instance, Virtues may differ from industry to industry and from culture to culture and therefore not applicable to every organization. Srinivasan (2002) argues a virtue cannot be generalized over a single observed action especially if you cannot confirm the agent's reasons for action.

Frankena (2013:446) is of the view that virtues without principles are blind. Rachels (2007) argues it is hard to evaluate the virtue of being honesty without subjecting it to a particular principle. For instance, on whistleblowing, the virtue of honesty and loyalty may conflict. Under such conflicting moral circumstances, it may prove very difficult to determine which virtue is paramount. Pojman (2006) is of the view that virtue ethics has the problem of application. At times does specify the right course of action to take in moral moments which most need direction. There is greater need to manage moral situations rather than managing character in this contemporary morally conflicted world. Virtues can also be outmoded.

Ubuntu is an African philosophy heavily that premised on communitarian ethos of collectivity, togetherness, shared and relational agency, reciprocity, herd morality, inclusivity, unity of purpose, moral pride and growth. It emphasises on dialogue, hospitality, patriotism, social harmony, respect for elders, good character, behavior (mannerism) and mutual accountability. Hoffman (2009:41) suggests that human beings flourish within the context of a community. Ubuntu philosophy revolves around the essence of being human and that one cannot exist in isolation. Metz (2011:532) argues that Ubuntu is centered on our capacity for community through identifying and solidarity with others. Greatest good in Ubuntu philosophy is social harmony and promotion of human welfare. Any moral deviation from societal expectations by an organization is seen as breaking the moral cause and attracts societal criticism. Sigger, Polak and Pennink (2010) argue that there is now clear evidence of the existence of Ubuntu in African organizations.

The first limitation of Ubuntu is that it sounds too relative to a particular society and has colonial roots. One can quickly relate it with the apartheid South Africa and possibly argue it was a mere

tool to fight apartheid. Ubuntu is arguably not a real culture that can be memorised but more of a custom relative to a particular group of people and therefore cannot be universalized. West (2014) acknowledges the theory has ambiguities regarding its distinctiveness as a moral theory. It is also too consultative in that every member's voice is heard. So, Ubuntu may be limited to small and family business and inapplicable in big corporations. It only fits traditional small scale culture and not appropriate for a modern industrialized society or conventional business systems. Ubuntu still needs to be realigned to the global institutional order for it to become a more plausible normative moral theory that could claim international or global validity.

Another weakness of Ubuntu moral theory is that it works against the democratic and capitalist tenets for instance, the principle of individualism. Individualism may be depicted as an anti-community behavior destabilising harmony within the group. The theory can create a bad atmosphere in which people feel the perceived restraint on their personal freedoms. Questioning Ubuntu may be perceived as unacceptable moral behavior. In addition, it can be argued that Ubuntu can stifle competition because of its insistence and sacrifice for the community. It may be rendered less appropriate and effective in this era of human rights and a globalised secular world.

It is against this background that this study seeks to demonstrate that Kant's ethics provides the critical ethical infrastructure and direction to corporations that could trigger a moral reset and possibly curtail moral erosion in business. This study seeks to offer Kant's ethics as an alternative ethical theory to inform business. Kant's ethics can be the most tenable philosophy to guide business practice as it provides a fecund rudimentary basis which corporate organisations can use as a point and standard of reference to ensure they act in ethically acceptable ways. Furthermore, Kant's ethics espouses the concept of 'governing oneself' along the axis of shared universal values.

1.2 Problem Statement

This study is motivated by the need to address the unprecedented moral decadence currently obtaining in the business world. The prevalence of corporate scandals is worrisome, for instance, the Enron crisis (2000), WorldCom Scandal (2002), Financial Crisis (2008-2009), Eurozone Crisis (2010), Cashgate Crisis in Malawi (2013-2014), the Zuneth Sattar corruption allegations in Malawi, the Gupta family State capture allegations in South Africa, the use of cheap migrant labour (mainly Asians and Africans) in building stadia in Qatar in the built up to the 2022 World Cup,

the Affordable Input Program (AIP) scandal in Malawi, among others. Fraudulent cryptocurrency business, corporate corruption, subversion of regulatory authorities, unethical innovation and creative accounting, money laundering, clandestine offshore finance activity, hostile takeovers, rise in oligarchies are among other vices. Perrow (2002) is of the view that there are new forms of predatory and cannibalistic behaviour in the corporate world. This has a corrosive effect of eroding trust and confidence in business as well as threatening the core moral fabric of society. According to Mintzberg (1984) the outcomes of corporate activity have social consequences to society. Freeman & Liedtka (1992) also suggest that the values of business are increasingly becoming the values of society and therefore negative corporate values may alter and damage societal moral values.

The leading theories in business thus the shareholder and stakeholder theories seem to entrench and perpetuate the hypothetical patterns of the business that have largely been blamed for immoral behavior. For instance, Friedman insists that profit making is the main objective of business and nothing else while Freeman also brings in a nexus of stakeholder relationships mostly financially and conflicting. This dissertation is of the view that Corporate Social Responsibility has turned into a marketing and public relations function. It has become cosmetic and therapeutic. Lkening it with the ‘sportswashing’ allegations in Qatar 2022 Football World Cup or football promotion in Saudi Arabia, Corporate Social Responsibility has also arguably become what I would call “image laundering” or ‘image cleansing’ thus organisations covering up and cleansing themselves of illicit conduct through philanthropy. Masaka (2008:13) is of the view that Corporate Social Responsibility is also becoming ‘enforced’ leaving corporate organisation with no option but to include it in their strategic plans despite Watthanabut (2017) assertion that it should be a voluntary and self-regulation endeavour. As a result, it has become a cost that needs to be financed. In most cases, it is the customers that bear the cost.

Unfortunately, philanthropy now seems to be the only term to define Corporate Social Responsibility. Instead of Corporate Social Responsibility being an end in itself, it has become a means to an end and genuine moral concern has disappeared. According to Matten & Crane (2003:2) even the usage of the term thus Corporate Social Responsibility in corporate governance discourse has been far from being consistent. The nature of Corporate Social Responsibility has

also become complex and these traditional business theories thus the shareholder and stakeholder no longer suffice. In addition, the waning of stockholder power and influence in some organisations has also led to opportunism often exploited by some directors who engage in scandalous business decisions to advance their personal egos. As a result, there is a general moral vacuum in business.

1.3 Aim of the study

The aim of the study is to demonstrate that Kant's ethics provides an ethical theory of business capable of solving the shortcomings of Friedman's shareholder theory and Freeman's stakeholder theory.

1.4 Research Questions

In order to achieve the aim of the study, the research is guided by the central r following research questions and sub research questions.

1.4.1 Main research question

How can Kant's ethics address the shortcomings of Friedman's shareholder and Freeman's Stakeholder theories in informing business?

1.4.2 Sub research questions

1. What is Kant's ethics, its assumptions and implications?
2. What is Friedman's stockholder theory, its assumptions, implications and shortcomings?
3. What is Freeman's stakeholder theory, its assumptions, implications and shortcomings?
4. How can Kant's ethics solve the shortcomings of Friedman and Freeman theories?

1.5 Rationale of the study

The study is of paramount importance given the moral decadence in business and its rate of recidivism. The moral decay currently obtaining threatens to disrupt moral fabric of society as business is reshaping people's moral lives. Therefore, the study becomes critical given the assertion that the values of business are increasingly becoming the values of society. A heavily morally conflicted corporate world has the consequential effect of eroding trust and confidence in a field where contracts need to be honoured and promises kept. Business comes into a society that was already expecting it and therefore it should identify with the moral values of society. To the

contrary, there is a progressively growing gap between society's expectations of how business should behave and how it actually conducts itself thus according to Mancosa (2006).

Moreover, the nature and scope of social responsibility is changing from the traditional one of Friedman and Freeman to contemporary issues of climate emergency, commercial crime (money laundering, espionage, arbitrage), state capture and moral hazard among others. According to Varcoe (2004) moral agents should therefore carry the necessary normative moral behaviour expected of them in today's ever 'shifting moral contexts'. A significant rise in consumerism means the contemporary customer expects decent ethical business.

Kant's ethics through his Categorical Imperative contains deeply entrenched morals of good will, reason, duty, rationality, autonomy and the self-legislating. These variables possess moral ingredients that can support a deontological ethical system based on servant leadership in business. The study assesses the contribution of Friedman and Freeman's theories of corporate governance with a view to identify gaps and shortcomings. The study thus creates a theoretical dialogue between Kant's ethics and the practice of business.

1.6 Objectives of the study

The study seeks to:

- highlight the deficiencies of teleological business models such as Friedman's shareholder theory and Freeman's stakeholder theory.
- demonstrate the ways in which Corporate Social Responsibility has turned into a largely therapeutic, a hypothetical public relations tool.
- expose the changing scope and nature of Corporate Social Responsibility.
- validate Kant's Categorical Imperative as the supreme principle of morality for self-examination and self-constitution.

1.7 Methodology

This study is a qualitative study. In order to achieve the main objective of the thesis this study employs philosophical analysis of relevant literature. This method of desk research has been preferred because secondary data is easily accessible, provides the researcher with considerable

information to reach to a conclusion that can then be generalised. This kind of study is fairly affordable.

1.8 Dissertation Structure

Chapter One sets the context of the debate by introducing the historical background of the study, the aim and rationale of undertaking the research.

Chapter Two presents the exposition of Kant's ethics, specifically the Categorical Imperative, and its main formulations.

Chapter Three presents the exposition of Friedman's stockholder theory and Freeman's stakeholder theory. The assumptions, implications and gaps in these two theories are also discussed.

Chapter Four discusses how Kant's ethics addresses the shortcomings of the stockholder and stakeholder theories and business in general.

Chapter Five presents the conclusion and recommendations.

CHAPTER TWO

KANT'S ETHICS

2.1 Chapter Introduction

This chapter seeks to introduce Kant's ethics into the debate. The chapter also offers a brief intellectual biography of Immanuel Kant himself; his background and understanding of human nature in order to appreciate the main motivations behind his deontological ethics. The chapter examines the main transcendental elements within the Categorical Imperative such as good-will, duty, autonomy, use of reason, self-legislative maxims as well as the concept of universal acceptability of maxims. The chapter demonstrates that these moral variables provide the ethical foundation and 'moral metric' that can guide human conduct and behaviour. The chapter engenders the cardinal virtues of self-examination and self-constitution as pivotal in decision making and making ethical choices. The study portrays Kant's ethics as 'ethics of conviction' and also tress the fact that every human endeavour must honour humanity. The chapter discusses the critique of Kant's ethics in order to support a balanced debate, taking a look at issues around absolutism, formalism, idealism and supererogation, and how they reflect on Kant's ethics. In other words, the strengths and weaknesses of Kant's ethics are debated.

2.1 Who is Immanuel Kant?

German philosopher Immanuel Kant, was born in 1724 in Königsberg to a Pietist family of modest means. He died in 1804. Pietism as a religious movement emphasised on morality, inner religious experience, self-examination and self-constitution. Kant also pursued research in natural science. To a large extent, his background had a great influence on his philosophical thinking. He grew up in a society deeply entrenched in moral values that may have influenced him to coin the Categorical Imperative, the supreme principle of morality, and may have contributed to his concept of internalism, which refers to inner principles that one cannot see (*Groundwork* 4:409). In view of Kant's internalism, the morality of an action is a function of the internal forces that motivate one to act, rather than of the external forces or their consequences. The tenets of self-examination, self-constitution and self-governance are cardinal variables of Kant's moral law.

Kant arranged his philosophy into three broad categories, namely, logic, physics and ethics. Logic or the laws of thought contain one of Kant's scientific discovery; the domain of pure reason. In the book *Groundwork for the Metaphysics of Morals*, Kant (1785) sets out to demonstrate that the concept of morality has its roots and foundations in reason. The second branch, physics or the laws of nature, is the branch of natural philosophy that looks at the way our moral world is; the belief that the world in general behaves in a law-like manner. In Kant's conception, morality is a kind of metaphysics in practice. The third branch is that of ethics or the laws of freedom, and focuses on the laws governing the conduct of free beings. It is the branch of moral philosophy that deals with what people ought to do. In view of this, Kant's overriding aim is to establish that there is a domain of laws applying to people's conduct. Kant's main goal is to emphasise that there is such a thing as morality and this morality itself is freedom.

2.2 Kant's understanding of human nature

Kant's ethics gives a candid assessment of human beings. He deeply acknowledges human fallibility, thus appreciating the frailty and impurity of human nature especially in the world's teleologically organised system. Kant suggests that human beings by their very nature are not perfectly rational since people's inclinations and fears usually tempt them to act irrationally, thereby ending up making clouded judgements. In view of this, Shaw (2008:15) argues that sometimes people unfortunately go against the moral principles that claim to espouse. In other words, there is moral disengagement in human nature's conduct. Kant also acknowledges that not

all human beings can be moral agents since some lack the necessary agential properties, an acknowledgement that human beings are severely limited creatures.

According to Kant (1785), human own nature is fraught with "incentives" that tempt and operate directly on people to act in certain ways. Perhaps this might be the overwhelming reason behind Kant coming up with the Categorical Imperative that all rational beings could use as a point and standard of ethical reference. Kant did not believe that a hypothetical, teleological conception of nature has the status of knowledge to realise its own value. An agent's rationale must not be to satisfy an inclination and rational wills should exercise negative freedom (*Groundwork* 4:111).

Despite this assertion that human beings are limited and found wanting in some aspects of their nature, Kant still believes human beings are superior owing to their ability to make choices from alternatives and that they should reason with autonomy. He believes that only a rational being has the capacity and will to act in accordance with the moral law. According to Kant, a *priori* knowledge is endowed in every man simply because it belongs to his very being. As such, human beings are still capable of applying precepts of 'right' and 'wrong' to particular rote-memorised situations. Human beings often cognitively process behaviour that they deem as moral. Kant discerns between good and right, good being what is beneficial while right is the appropriate choice. He states that the goodness of an action does not necessarily mean that the action is right. Kant believes the motivation behind an action is more important since it is the motive that exhibits the moral value inherent in such an action. To Kant, duty shows the presence of human soul and spirit and will to act. Morality is the only condition under which a rational agent can become an end in himself (*Groundwork* 4:435). Humanity and nature are thus central to Kant's moral philosophy.

2.3 Kant's Categorical Imperative

The main aim of one of Kant's major works, the *Groundwork for the Metaphysics of Morals* is to expose Kant's love for the search and establishment of the supreme principle of morality thus, the Categorical Imperative (*Groundwork* 4:392). According to the (*Critique of Practical Reason* 2:61) the Categorical Imperative is the supreme principle of morality to guide human behaviour and lays bare the fundamental principles that are normative to all rational agents. The Categorical Imperative commands that our actions should have the form of moral conduct derivable from universal principles. In other words, Kant's Categorical Imperative determines our duty and

prescribes what morality requires of us (Shaw 2008:54). It is the universal command with specific commands of duty. The Categorical Imperative is a principle binding and governing the conduct of all rational moral agents to act in a way that is unconditional (absolute) as well as universally accepted. Kant views morality as a system of universal rules that govern action and therefore the Categorical Imperative is actually the standard to evaluate the motivation for an action. To Kant, an imperative should always be true at all times and in all situations for it to pass its test of becoming the supreme principle of morality.

Kant's Categorical Imperative calls for self-examination, to 'govern oneself' and to stand guard whenever moral value is in question. Kant argues that whenever our moral judgements are in question, we are not concerned with the actions we see but with the inner principles we cannot see (*Groundwork* 4:409). The maxims we self-legislate can be attributed to the underlying intentions by which we guide and control our more specific intentions. A maxim as a subjective principle of volition allows all rational beings that can have full control of faculty of desire by establishing what sort of conduct is moral. In this regard, the Categorical Imperative provides a way of testing the moral acceptability of what we autonomously propose to do (*Groundwork* 4:157).

Kant argues that our wills are free from natural necessity and the power of desire or inclination. According to Kant moral actions are those which are done because of the rightness of the action independent of any self-seeking endeavour. People's conduct should not depend on egoism and their motive to act should not be hypothetical for it to be considered moral. Kant argues that people's desires are the principal obstacles to rational self-control but the Categorical Imperative can help strengthen moral senses, constrains egoism in ways that can serve the greater good of society. This dissertation argues that Kant's Categorical Imperative succeeds where human perfectionism fails. Above all, the Categorical Imperative encapsulates the moral credentials that befit all human agents in a categorical moral system. In a Kantian world, morality is concerned with practical questions, not with the way things are, but with the way things ought to be. The Categorical Imperative provides a criterion for duty to act on underlying intentions which are morally worthy (*Groundwork* 4:160).

2.3.1 Formulations of the Categorical Imperative as the Moral Law

According to Kant, a person's act of will legislate the moral law. The moral law we obey is self-imposed and self-recognised thus it comes from within as fully internalized principles rooted in

our rational nature (*Groundwork* 4:110). So, as moral beings we must accept the demands of the moral law and subscribe to the tenet of self-constitution. Three principal formulations are enshrined in the Categorical Imperative with some having variants meant to elaborate and bring the moral law closer to intuition. The Formula of Universal Law is encapsulated as;

“I ought never to act except in such a way that I can also will that my maxim should become universal law” (*Groundwork* 4:421).

It has its variant expressed as the Formula of the Law of Nature which reads;

“So, act as if the maxim of your action were to become through your will a universal law of nature” (*Groundwork* 4:421).

Kant is a strong adherent to the principle of universal acceptability whereby an action is morally right only if all rational parties universally accept the underlying principle when the action is applied by them or to them. The Formula of Universal Law in a way outlines the decision procedure for moral reasoning. Kant acknowledges that everything in nature works in accordance with the law, with the law being an object of reverence and command (*Groundwork* 4:409). This formula accords moral status to certain actions and puts them into a category for moral considerability. According to Kant genuine moral principles must have a lawful character (*Groundwork* 4:11). A maxim is a subjective principle of an action Shaw (2008:55). Kant makes it clear that the lawlike character of a maxim is a matter of its form rather than its matter. The matter representing parts of which it is constructed whilst the form represents the arrangement of those parts that enables the objective to serve its intended function. In this regard, Kant therefore urges moralists to pay much attention to the form.

A critical analysis of the above formulae demonstrates that a rational agent's action is justified when the action is of that sort which other rational agents would choose and adopt in similar, generic circumstances without generating a contradiction. The Formula of Law of Nature emphasises on self-legislating by moral agents and the universalizability of the legislated maxims across moral jurisdictions. For instance, a law that allowed promise breaking could contradict the very nature of a promise and lying would contradict the very nature of serious communication.

The second formula is The Formula of Humanity as an End in Itself:

“Act in a way that you always treat humanity whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end” (*Groundwork* 4:429).

This Formula of Humanity reminds us that our rational nature exists as an end in itself and should be the way in which man conceives his own existence (*Groundwork* 4:429). The formula endorses the concept of the ‘respect for persons’, arguing that human persons are ends in themselves due to their intrinsic value. Human beings are of absolute value and should never sacrifice themselves or one another for merely relative valuable ends. This validates the philosophical thinking that human beings should never be valued on their instrumental role alone. Kant rules out using humans as a means to an end as this would be an absurd demand. He insists that human beings must be treated in morally appropriate and acceptable ways. O’Neill (1985:2) argues that if a person is used without his consent then that person is being used as mere means. The formula enjoins people to respect themselves as rational beings and allow others the right to make their own decisions about their own lives. As human agents, people must promote one another's chosen ends. Human beings have preponderant moral standing in society that is unquestionable and should be honoured at all times.

When Kant talks about an ‘end’, it shows how he also believes in some outcomes of human actions. This is in opposition to those who may hold the view that Kant did not mind about the consequences of actions. Perhaps such scholars intentionally create a distinction between Kant and other moral theorists such as Aristotle and Mill. For instance, Kant is against suicide, one reason he gives being that it deprives society of human capital and skills that may be harnessed for the betterment of society. Therefore, for one to say Kant was not particular about outcomes of our actions is rather misplaced. I argue that Kant knows every action is capable of producing an outcome and precisely in Kant’s world, happiness. Kant believes happiness is necessarily an end for all human beings (*Groundwork* 4:104).

The third formula is the Formula of Kingdom of Ends encapsulated as;

“So, act as if you through your maxims a law-making member of the kingdom of ends” (*Groundwork* 4:439).

The formula exposes a more social dimension of Kant’s ethics. In keeping with the formula, a moral agent must self-legislate as a member of in the Universal Kingdoms of Ends ‘Summum

Bonum'. This becomes Kingdom of Morals where the moral fate of all legislative moral agents hangs together. Their actions should always fit into the aspirations of their immediate moral community. The self-legislated maxims in this moral society would provide the moral template on which acceptable moral judgements can be predicated. Every person through his own actions of will legislates the moral law and abides by it. The reason to be bound to obey these laws of morality is because we legislate these laws ourselves, and therefore they are our own laws (*Groundwork* 4:432). The laws of the Kingdom of Ends are by their very nature the laws of freedom that direct us to respect one another's free use of our own reason. Every sovereign member in this moral community is in a moral relationship with others. When we violate the moral law, we contradict ourselves. Moral responsibility is therefore at the core. According to Kant, one assumes moral responsibility when the actions one does are truly autonomous. In this regard the formula morphs itself into a variant, the Formula of Autonomy;

“Not to choose otherwise than so that the maxims of one's choice are at the same time comprehended with it in the same volition as universal law” (*Groundwork* 4:440).

Kant reveals the synergy between morality and freedom. Kant despises authoritative systems that inhibit agents from choosing their purposes entirely. Kant believed that people are free due to their membership with the intelligible world (*Groundwork* 4:413). Moral agents do not exist for any other purpose other than those ends which they autonomously choose. When one is coerced, he cannot be morally judged and therefore be morally responsible. Kant espouses egalitarian systems that allow freedoms to flourish. In order to be free an agent must follow his own authority which involves the self-imposition of universal moral law. In other words, the idea of rational autonomy is 'being a law unto oneself'.

Autonomous human agents must exercise freedom of choice guided by the rule of reason or principle. Autonomy is viewed in Kantian ethics as a basic fundamental human right. It allows personal freedom to deliberate without influence from other agents. When moral agents pursue morality, they elevate themselves above the demands of nature and other material circumstances thereby establishing the autonomy of their will. The reason why a good-willed person does an action and the reason why the action itself is right are the same. Morality must be equally valid for all rational beings and must be a property of freedom to all rational beings. For instance, when a

company director works under pressure from the shareholders or politicians, that director is not autonomous and is therefore not acting of free will and cannot be held responsible.

From the above formulae of the Categorical Imperative one can infer a well netted moral web staffed with rudimentary ethical principles that filters human actions and raises the red flag when a moral issue is in question. Kant's ethics prepares moral agents to study every decision that they make. Through the moral law, Kant seeks to ensure that morality is canonised in our moral world and to make it a priority that whole human beings strive for. Aspects such as motivation, warrant, action through to the outcome are morally synthesised in order to get acceptable moral outcomes free of ethical irregularities. The moral law provides the moral campus and is an indubitable source of moral reasoning and culture. The formulations in the Categorical Imperative provide a moral circuit that enjoins all the moral variables of good will, reason, duty, self-legislative maxims and the cardinal concept of universalisability of ethical principles.

2.3.2 Good will and Duty

When a person does the right thing for the right reason it evinces what Kant calls good will, a moral excellence with unconditional worth. It is part of Kant's argument that good-will be good "through its willing" (*Groundwork* 4:394). A will being a uniquely human capacity to act from a principle Shaw (2008:54). According to Kant good actions have a special kind of value. It is in actions expressive of good will that we see this value. People who exercise good will contribute to the well-being of other people by way of the humanitarian impulse to do good to others and the interventionist heart to serve and honour humanity. The precept of good will holds primacy in estimating the moral worth of our actions and constitutes the conditions for our reasoning and willingness. A person of good-will is always in possession of a 'will' and natural disposition to act from right intentions. Kant (1787 :261) argues that good-will is more decisive for ethical evaluation than mere ability to achieve a purpose. Good will is not good because of what it accomplishes but because of its fitness for motivation.

Good-will is actually an excellence of disposition that reflects on what agents should value without limitation or qualification. Although Kant values good will, he also acknowledges other variables such as courage, constancy or innovation admitting that they are without doubt good and desirable in many respects but can be harmful when the 'will' is not good. They depend on the 'will' that precipitates them. A moral agent must have virtues of altruism and should be concerned with the

welfare of others even if it leads to sublimation of one's interests. Kant states that an action is esteemed and purely moral when that action benefits others even at the expense of one's benefit. So, when we strive to find our own happiness, we should also do that in the pursuit of the happiness of others because we have a duty to one another. A person of good-will must never depend on any particular circumstances when designing moral actions. The actions must be wholly determined by the moral demands.

The specific obligations of goodwill are called duty. In *The Metaphysics of Morals* (1785) Kant devotes himself to a special class of morally good actions, that is, actions done out of duty, and these duties are categorised in detail. These are perfect or strict duties as well as imperfect or wider duties. Perfect duties are good-will in themselves operating under certain subjective limitations. The principle of duty looks at the character of the action. For instance, a person who purports to act from duty and yet has other motives may avoid the action due to absence of duty for its own sake. Similarly, when people do their duty even if they had not wanted to, the mere thought of duty alone is sufficient to produce moral action. In this case the thought of duty is sufficient to cause an action without the assistance of other motives or impelled by some immediate inclination, and is of moral worth. Good-willed actions are right actions done from duty without ulterior purpose. According to Kranak (2019), the Categorical Imperative represents a consistent set of moral duties. Some duties are absolute and humans have universal rational duties to one another, according to Misselbrook (2013).

Imperfect duties, according to Kant, are those without need for ascetic self-sacrificing behaviour. An example would include generosity. Perhaps those who say Kant's ethics is too demanding should consider the nature and motivation behind these indirect duties. Kant shows flexibility and latitude in terms of human behaviour. To expose the element of flexibility and latitude Kant observes;

I cannot do good to anyone in accordance with my concept of happiness (except to young children and the insane), thinking to benefit him by forcing a gift on him; rather, I can benefit him only in accordance with his concept of happiness. (*The Metaphysics of Morals* 6:454)

One may thus view the fusion of perfect and imperfect duties in Kant's ethics as a balancing act that seeks to expose practical and social representations of human nature. Kranak (2019)

categorises Kant's duties into deontic category and value category. The deontic category focuses on duties characterised as right or wrong (primary deontic categories) and the value category focuses on optional and supererogatory duties. Deontic categories are primary while value categories are derived from them. Arguably that explains the difference between Kant and other moral theorists like Friedman, Freeman, Mill and Aristotle, who mainly focus on the value category. They lack the deeper ethical reflection as Kant does, and this explains why their theories are found wanting in many respects.

Kant's ethics demands that the rightness or wrongness of our actions should be predicated on whether they fulfill our duty. This is because the outcome of our actions does not necessarily determine their rightness or wrongness. Kant believes some actions are wrong even if they produce good. Actions have true moral worth only when they spring from a recognition of duty and a choice to discharge it Shaw (2008:54). Duties as obligations must come from within as an expression of our higher selves. According to Kant, duty is the action to which someone is connected and a true reflection of an inner attitude. Duty is the necessity to act out of reverence of the law (*Groundwork* 4:400).

2.3.3 Practical reason and transcendental idealism

Kant believes that human nature is transcendently dependent on people's minds unlike animals that survive on instincts. Allison (1983) argues that all empirical objects in space and time are mind-dependent and therefore we cannot cognize a mind-independent world. Kant believes reason is the same for all rational beings and that we accept our maxims if other rational beings also embrace them. The bindingness of morality is a fact of reason (*Groundwork* 4:13). Human beings can achieve absolute moral truth through nonempirical reasoning and discover their duty Shaw (2008:55). Kant holds the view that reason alone can establish the moral law. According to Kant pure reason contributes to people's knowledge of the world and to the government of their actions. So, the basis of obligation must be sought through a priori. This shows the intellectual side of moral motivation. Kant (1788) emphasised the need for pure practical reason to flourish unrestrained. Kant espoused a priori knowledge (knowledge whose justification does not depend on experience) as opposed to a posteriori knowledge that fundamentally relies on empirical evidence.

Atrak (2019:1-20) suggests that people's reasons determine their nature and identity. Reason determines grounds of the "will" that is good since rational choice is prior to goodness. Both what is good to do and what one ought to do are both determined by what reason prescribes (*Groundwork* 4:100). Reason instigates an intention resulting in intentional moral agents with the necessary moral attitude. Practical reasoning is a 'will' in itself. This indomitable excellence of reason enables rational beings in identifying their ends and 'will' to do their duty.

Reason serves purposes that are above people's own desires and happiness. A perfect moral community must therefore subject itself to the objective laws of reason. Kant claims that the Categorical Imperative is a legitimate requirement of reason. Moral credit is given for reasoning. Practical reasoning provides the basis for rational capacity by which rational agents guide their conduct and avoid arbitrarily chosen ends. Every rational action must trigger not only a principle but also an end that can be categorically pursued. It should be emphasized that rational choices are undertaken under a kind of presupposition of freedom. Kant (1787) emphasises that the only route to true morality is through rational moral cognition, a product of pure reason. Acting morally is a manifestation of imposing the laws of reason on our actions. Kant gives reason the highest normative authority in direct contrast to Hume who assigns reason to a subdued and subordinate role. Hume asserts that reason has no effective ability to motivate actions and is also bereft of producing any sensible emotion. According to Mpekansambo (2013:3) Hume's theory is deeply rooted in passion while Kant's ethics is deeply entrenched in reason.

2.4 Hypothetical Imperative

A hypothetical imperative is based on an assumptive analytical principle that whoever wills an end, insofar as he is rational, also wills the means to that end. Kant also believes that there are also hypothetical imperatives for instance of prudence that suggest what human beings must do given the desire to be happy. According to Shaw (2008:55) a hypothetical prescription sets the condition for a particular outcome. Kant argues that some actions are desirable as a means to the attainment of something. They are impelled by some inclination in order to promote a desirable state of affairs and these kinds of actions lack moral worth. Any moral proposition tied to some particular physical details and conditions are consequential and therefore hypothetical. In contrast, the Categorical Imperative tells us what we ought to do, not based on a particular reward.

According to Kant, hypothetical moral systems cannot be the basis for moral decision-making. Hypothetical moral systems do not enforce any obligation to act and cannot therefore form a valiant ethical basis for actions and decisions. For instance, the problem of bystander apathy is largely influenced by the absence of a clearly defined ‘incentive’ to act. People do not take personal initiative and responsibility if there is no ‘hypothetical imperative’. In a hypothetical moral system, the poor may not find assistance if those with the capacity do not desire to help due the absence of the ethical conviction to serve. Therefore, hypothetical moral systems are morally flawed and cannot stand the test of ethical pressures in general.

2.5 Kant’s Virtue

Kant defines virtue as the moral strength of human being’s will in fulfilling his duty (Metaphysics of Morals 6:405). In contrast to this virtue is the vice which Kant defines as the principled immorality. In a Kantian world virtue is a supreme strength of the will to do what is considered morally right. A virtue envisages a morally good attitude of mind that befits a rational being to be a member in possible Kingdom of ends (*Groundwork* 4:436). Kant believes virtue can be developed over time and human being actually has a duty to develop it. Virtue goes beyond mere having a right intention. Kant’s view of virtue envisages and presupposes an account of moral duty already in place, thus taking virtue to be explicable only in terms of a prior account of dutiful behaviour. Happiness which is the highest good is proportionate to virtue, with virtue as the unconditioned good while happiness is the conditioned good. Kant’s focus is not on what shapes a good character. Instead he sticks to his notion of rational agency which he firmly believes forms the pivotal basis on which virtue can flourish. In this regard, virtue is a special kind of strength and resolve to act on a principle. When anything else is exalted above all price and has no equivalent, then there is dignity of virtue (*Groundwork* 4:435).

To Kant, virtue is actually a disposition of one’s will. This disposition of resoluteness would allow moral agents to resist and overcome moral obstacles that oppose fulfilling their moral duties. Kant views a moral virtue as a trait germane to human nature that is grounded in moral principles. He also views a vice as a transgression and dereliction of the moral law in contrast to Aristotle’s ‘Golden Mean’ which purports the view that a virtue is a mean between two vices. Kant’s ethics exalts virtue as some sort of excellence of the soul. Kant argues that when people lack sufficient virtue, they conduct ourselves wrongly through weakness of will. He also states that human agents

owe it to themselves to work for a perfect virtue by developing a fortitude to maintain this lifelong dispensation. In a Kantian world, living in a system of laws, respect of moral principles and the controlling of contrary emotions ensures a virtuous life.

2.6 Critique of Kant's Categorical Imperative

In order to provide a balanced debate on Kant's ethics, this section seeks to critically analyse Kant's ethics from different moral angles in order to appreciate its validity, efficacy or lack thereof. The aim is to identify strengths and gaps within Kant's ethics.

2.6.1 Hegel's critique of Kant's formalism

German philosopher and idealist Georg Wilhelm Friedrich Hegel (1770-1831) faults Kant's ethics on formalism. Hegel argues that Kant's ethics is too formalistic to satisfy human inquisitiveness as it restricts itself to the examining of a priori forms of thought at the expense of diverse contents. Hegel labels Kant's morality as 'empty formalism', suggesting that it is a formal principle of ethics without content. Due to this general lack of materiality Hegel suggests Kant's ethics cannot therefore be a basis for moral choices and judgements. For instance, he argues that Kantian ethics does not specify what people should actually do in real moral situations, thereby forcing them into an internal conflict between reason and desire. To Hegel, it is unrealistic for humans to sublimate their desires and subordinate them to reason. To expand on Hegel's thread of argument, Bunte (2019) argues;

Laws are no longer given, but tested: and for the consciousness which tests them they are already given. It takes up their content simply as it is, without concerning itself, as we did, with the particularity and contingency inherent in its concrete reality; it is concerned with the commandment simply as a commandment, and its attitude towards it is just as uncomplicated as its being criterion for testing it.

As demonstrated above, Bunte (2019:62) suggests that the reality of moral law itself is in question and therefore the Categorical Imperative is no longer the affirmatively present and authoritative source of morality. In addition, some scholars view Kantian ethical formalism problem as rooted in both logic and form. For instance, Geiger (2007) sees the notion that one must act from duty and not from inclination misleading since human education inclines them to behave in certain ways. Critics argue that rational agents at most times are likely to be under more than one obligation which more often are also in conflict. Moreover, most of people's duties are *prima facie*

obligations thus duties that can be overridden by more important ones. Hegel therefore argues that Kant's moral philosophy never materialises, is unrealisable and impracticable.

2.6.2 Supererogation (moral fanaticism)

McCarty (1989:43) highlights supererogation as the main limitation of Kant's ethics. By supererogation he means that Kant's ethical theory fits into a moral category where human agents perform more than is required, doing good actions which may not be morally obligatory. As a result, rational agents act above and beyond the call of duty because even some quasi moral status has been given to some actions whose moral worth may not be easy to determine. This scenario posits the possibility of non-moral obligatory actions being performed at the expense of genuine morally pressing needs. Even the rational agents themselves are then deprived of the space and freedom to pursue their own goals. An agent's moral efforts are put to the limit despite the limits imposed by that agent's physical capacities. This situation can be described as moral fanaticism in which agents become moral saints and heroes who perform super-meritorious deeds. Moral agents become morally indifferent to moral and non-moral obligatory situations, ending up totally immersed in an environment of moral indifference.

2.6.3 Kant's absolutism and idealism

Arguably moral absolutism in Kant's moral philosophy is a major weakness as Kant's moral law has no exceptions and therefore falls short in solving some complex moral dilemmas. As a moral absolutist, Kant's philosophical thinking fails to appreciate or recognise moral relativism as moral principles may differ between cultures and jurisdictions. Some argue that morality should be relativist and not absolutist since every moral situation is unique. Therefore, Kant's Categorical Imperative can be viewed as supremely authoritative and not flexible enough to appreciate diversity. Kant's philosophy is viewed as purely a command ethic. There is a general absence of positive account of ethics as evidenced by lack of teleology in Kant's ethics. In his philosophy there is no space for love, friendships and family relations, attributes that can precipitate a moral event without any reliance on reason. Oakley (1990) argues that Kantians are against emotions as ethical motives to duty. Kant's ethics has been criticised for placing too much emphasis on reason as the sole basis of morality. In her paper entitled "Modern Moral Philosophy", Anscombe (1958) argues that Kant's deontology has weak psychology. Furthermore, Anscombe argues that morality

that involves following only universally applicable principles and rules is rigid morality that is out of place in a secular modern society.

Critics also view it implausible for Kant's ethics not to be concerned with consequences of an action no matter how grievous it may be even with abundant hindsight. Arguably there are circumstances where consequences are so severe that breaking the rule may be morally excusable. **Critics** believe Kant's ethics is overly demanding and too burdensome to be practical. Kant's stance of duty for its own sake is also less intelligible to his critics and not a sufficient motivating reason for one to act morally. For instance, whistleblowing can be viewed by Kant as a dutiful act but from a teleological perspective it might have dire consequences. The whistleblower can easily lose his/her job and as a result his/her child might drop out of school for failure to pay schools due to loss of income. In addition, the company that has been reported might lose business due to bad publicity and may eventually close shop, leading to mass unemployment. Although the motive, intention and action are right in Kantian terms, there are circumstances where they might be outweighed by the outcomes.

Kant's assertion that one cannot lie in order to save his mother may be incomprehensible. Some argue that this kind of truth telling cannot be universalised in the real world since it belies virtues of non-maleficence. There is more dignity in saving one's life than mere compliance to a particular maxim. **Critics** argue that it is highly intelligible to view outcomes as legitimate sources of motivation for one to act. It is human nature to reflect on consequences before making a moral choice. Thus, **to some** there seems to be too much sacrifice in Kant's ethics, thereby raising the issue of impracticability.

On the use of a *priori* knowledge that is knowledge only from reason and not experience, it contradicts the real-life situations where experience plays a critical role in family and organisational rational decision making. Critics argue that the sole use of a priori knowledge only is rather questionable as most decisions are a product of experience. Previous right moral experiences may aid in making the next moral choice. Closely related to absolutism is the problem of idealism. Critics analyse Kant's ethics as being too idealistic, an abstract philosophical thinking that ideas are the only true reality. In other words, reality is shaped by our thoughts in direct contrast to realism which believes reality is independent from our thoughts and ideas.

The assertion that good-will must be good in itself and not in virtue with other elements such as courage or utility is problematic. Critics argue this is unrealistic as relative advantages of moral behaviour are overshadowed. Reciprocity is part of the moral equation and expected in creating a harmonious society of fairness and equity. Weaponisation of morality for hypothetical reasons is a reality especially in an African society where one is encouraged to do good to others so that they reciprocate that goodness. Even Kant's golden rule espouses that one should act as he wants all other people to act towards all other people. Arguably, it is human behaviour to be motivated by the end states of our endeavours. Human beings exhibit self-directed rational behaviour. Kant's critics argue that his ethics is somehow contradictory, impractical and overly demanding.

Kant's denial of moral agents' access to the external world prevent them from granting objective reality to phenomena. Kant's ethics presents an idealised version of what ought to be done in a perfect world and cannot work in the real world and therefore capable of being presented as a solution to the world's problems. Mill (2017:195) argues that the 'good' in Kant's ethics remain an unrealisable 'ought'. Kant's ethics suggest that every moral event has an internal force but empiricism shows the presence of external forces to some decisions we make as rational beings. There are some peculiar moral moments whereby one's freedom of choice is limited due to the presence of alien forces. For instance, a cyclone community may get assistance not because it was intended but because someone is just responding to a catastrophe and feels obligated to help. In this regard, the moral gesture came as a result of the cyclone, an external force. Frey (2018) argues against the view that good life is all about acting in accordance with the internal authority and not the external one. In addition, MacIntyre (1985) is not comfortable with Kant's obsession on being action-centred and not agent-centred arguing that Kant is too obsessed with trivial things at the and not worried enough about an agent's broader moral character.

2.6.4 Kant and people of colour

2.7 A defense and justification of Kant's ethics

In response to McCarty (1989)'s moral fanaticism claim regarding supererogation in Section 2.6.2 as well as Hegel's labelling of Kant's ethics as empty formalism, I argue that their criticisms lack merit in some aspects which the study highlights in this section. Kant's ethics must be considered in form rather than matter thus giving credence on how the elements in Kant's ethical theory are arranged to serve its intended function rather than separately focusing on an isolated element.

Kant's Categorical Imperative can be likened to the Constitution of a state. No matter how voluminous the Constitution is, it does not hinder social progress in any way. Citizens may not even know the bulk of the contents in it but it still serves its purpose to engender the rule of law and security. Kant's Categorical Imperative could also be likened to what the Bible is like to Christians and the Quran to Muslims. They might be seen as too absolute and overly demanding but that is their nature and both have contributed significantly not just in the spiritual realm but also in the social and economic spheres of life. Kant is candid enough to show the highest standards. Even in an examination, the perfect standard is one hundred percent and although it might be unrealistic to achieve, people still write these examinations and get distinctions. They do not shun attempting the examination because the one hundred percent mark is too high. These scenarios compare very closely with Kant's Categorical Imperative. It is all about setting moral benchmarks, targets and at the same time emphasising the ideal. It is also about making a clear distinction between duty and preference.

Kant's minded ethics remains an influential ethical theory in contemporary Western ethics and like-minded democracies beyond. According to Kranak (2019) Kant's ethics are being fundamentally rational and therefore carries great intuitive appeal. Although some view the Categorical Imperative as overly demanding, Kant ethics provides a vibrant deontological approach to ethics and below are some of the strengths of his ethics.

2.7.1 Candid and straightforward ethics

Kant's ethics is very straightforward. For example, the maxim 'Do unto others as you want them to do unto you' is very simple command to understand. Kant's ethical philosophy is clear and he does not shy away from pinning down his categorical principles. Due to its clarity Kant's ethics make moral judgements more logical. Moral judgements flow logically from their premise, based on reason and from well considered moral principles. The Categorical Imperative is systematic and rational. White (2016) argues that if Kant's ethics is applied in decision making it can account for the complexities and constrained ethical choices within an environment with limited preferences. On the moral requirement of reason Kant clearly sought an ethical practice based on reason and not based on subjective emotion. Kant sought moral principles that do not rest on contingencies. Kant's moral theory abundantly exalts duty as an integral part of human experience.

2.7.2 Self-legislating, self-constitution and self-examination

Self-governance is at the very core of Kant's ethics. Arguably the concepts of self-legislating, self-constitution as well as self-examination represent Kant's most pragmatist approach to ethics. These concepts are desirable since they also link with the concept of autonomy, which is another cardinal tenet in Kant's ethics. It calls for reasoned rationality and an environment where moral agents participate in making rules. O'Shea (2013) suggests that all moral agents are the ultimate sources of normative authority over themselves. In turn, moral agents have the responsibility to obey the principles that they self-legislate. The problems of absolutism, formalism and supererogation do not apply since the moral law is human-made by those who are ready to accept it as well as abide by it. Every moral agent act as he/she wants all other people to act towards him/her or all other human beings. Self -examination is critical in testing and discovering our higher selves.

2.7.3 Use of *a priori* reason and knowledge

The concept of a *priori* knowledge is critical especially in modern times in a world heavily formatted on empirical conditions. One can think of commercial sex, commercial surrogacy, kidney harvesting business, euthanasia, cryptocurrency scandals, money laundering among others, as nonempirical vices that can be difficult to be solved through traditional empirical knowledge. Shaw (2008:55) concurs with Kant that human beings can only achieve absolute moral truth through nonempirical reasoning. The ethical challenges the moral world is facing are unprecedented and keeps on taking different dimensions. Such challenges are difficult to be referenced to the past. Moral challenges keep on changing their scope and nature, thereby making the traditional empirical evidence obsolete. Therefore, *a priori* knowledge allows people to make moral decisions without depending on previous experiences. The right thing to do and what one ought to do are both determined by reason (*Groundwork* 4:100), without reference to the past.

2.7.4 Universalisability of ethics

The concept of universal acceptance is cardinal in Kant's ethics. The universalisability test ensures the moral world submit to shared universal values. Self-legislated principles should apply across different moral jurisdictions regardless of culture, religion or geography. This ensures a harmonious society where all rational agents submit to the same moral standard and where every rational moral agent is treated equally under the same ethical system. Universalisability brings

about conformity and consistency in administering moral justice. This is achievable given Kant's ethics is predicated on three fundamental tenets of humanity: the concept of self (being human), the concept of morality (values) and the concept rationality (decision making). These tenets break the ethical barriers and boundaries across jurisdictions. Kant's ethics espouses a generic approach to ethics.

2.7.5 Kant's ethics as a weapon against discrimination, inequality and injustice

Kant's ethics can be a basis for human rights campaign, equality and justice. 'Do unto others as you would have them do unto you' is a clear statement of moral intent. It militates against majoritarianism or Aristotle's 'tyranny of the majority' scenario whereby the majority pursue their own interests at the expense of the minority. Kant's ethics discriminates against vices such as alienated labour, child labour and exploitation, unfair trial and corruption. Kant's 'respect for persons' tenet ensures human beings treat each other with respect, fairness, equality and dignity. For instance, in the health sector, the physician-patient relationship is largely Kantian in nature. The ethos around this relationship is predicated on patient autonomy and dignity according to Donaldson (2017). Kant's ethics on "respect for persons" can be a vital as it builds a relationship of trust and respect between a physician and a patient. Therefore, medical practice is a prime example of duty-based ethics and guidelines, a duty to behave only in certain ways. It calls for a deep sense of duty on the part of the physician.

In addition, Kant's ethics provides a fecund foundation for modern conception of democracy. Many constitutions around the globe have been modelled around Kant's ethical theory. Kant's ethics sets the standards on which positive law can be predicated on. For instance, the British law is modelled along Kant's ethical philosophy and Britain represents one of the modern vibrant democracies. It believes in parliamentary democracy and the dispensation of justice from both common law and statute.

2.8 Chapter Summary

The chapter has discussed Kant's intellectual biography with a view to appreciate the philosophical ideology behind his deontological ethics. From this background, one can appreciate that Kant learnt the cardinal virtues of self-legislation, self-constitution, self-examination and self-governance. The chapter has demonstrated that reason is the pathway to good-will, duty, self-legislating, autonomy, rational thinking and morality. Kant's Categorical Imperative is viewed as

the supreme principle of morality. The imperative helps strengthen people's moral senses in ways that serve the society's greater good. Kant's Categorical Imperative prepares moral agents to study every decision they make. The Categorical Imperative tests the moral acceptability of what people autonomously propose to do. Human beings must act from a principle that should claim universal acceptability. Acting on maxims allows all rational beings to have full control of faculty of desire by establishing what sort of conduct is moral. According to Kant, morality must be valid for all rational beings.

Kant believes when people pursue morality, they elevate themselves above the demands of nature and other inclinations. Kant's ethics is an affirmation that there is such a thing as morality and that morality itself is freedom. Kantian ethics is capable of ensuring that morality is canonised within society and business. Kant's Categorical Imperative succeeds where perfectionism fails. The chapter has also highlighted the criticism of Kant's ethics, focusing on elements such as supererogation claims, formalism, absolutism and idealism as the main points of weakness and controversy. These elements depict Kant's ethics as being contradictory, impracticable and overly demanding. The chapter stresses that the strengths of Kant's ethics outweigh its limitations. Kant's ethics contains elements of clarity, candidness, predictability, consistency and universal acceptability, and allows every choice and decision to be questioned.

CHAPTER THREE

FRIEDMAN'S STOCKHOLDER AND FREEMAN'S STAKEHOLDER THEORIES

3.1 CHAPTER INTRODUCTION

The aim of this chapter is to discuss Friedman's stockholder theory and Freeman's stakeholder theory, the leading theories of Corporate Social Responsibility. The stockholder theory of Friedman (1970) or the 'Anglo-American model' represents the narrow view of Corporate Social Responsibility which states that the social responsibility of business is to make profit for the stockholders. The stakeholder theory of Freeman (1984) or 'Continental model' represents those who are of the view that an organisation must also consider the interests of stakeholders. The assumptions, implications and shortcomings of these two theories of corporate governance are herein discussed. Some gaps and shortcomings in the stockholder and stakeholder theories are exposed as well as the reasons behind the shortcomings of Friedman and Freeman doctrines. The changing nature and scope of social responsibility are also discussed with a view to reflect on how these dynamics may be affecting efficacy of the stockholder and stakeholder theories. In addition, the chapter highlights the direction Corporate Social Responsibility is taking, thus revealing that it is increasingly becoming cosmetic and an 'image laundering' exercise. The hypothetical patterns being exhibited is also showing an emerging kind of 'enforced' Corporate Social Responsibility.

The chapter also stresses the need for a conceptual shift from a mere Corporate Social Responsibility dispensation to a more morally engrained Corporate Moral Responsibility to reflect on contemporary societal ethical demands and expectations.

3.2 Ontology of a corporation

A corporate organisation comprises of four central elements, which are the body corporate (legal entity), stockholders (principals), management (agents) and workers or staff. A stockholder can be defined as either a legal or natural person who owns transferable property in a company. In other words, stockholders possess property rights in the company. This understanding qualifies stockholders as the sole owners and risk bearers (of indeterminate returns) in companies. The argument is that this status should commensurate with the power and influence they exercise. Managers on the other hand, are surrogates with fiduciary responsibility to the shareholders. Being the management part of the organisation, they enjoy delegated authority from the owners of the company, the shareholders.

The granting of authority to managers separates ownership and control of the organisation and arguably separation of their interests as well. In some cases, the interests of stockholders are likely to be inconsistent with the interest of managers. The separation of power sometimes creates a vacuum of opportunism that directors often exploit. Ideally the prioritisation of the interests of shareholders is meant to provide an efficient and effective mechanism that should undermine opportunism by the managers and also as a means to easily supervise them. The drive to pursue the maximisation of the wealth on behalf of their principals is actually a bold target given to managers by the stockholders.

Managers also form the main group of stakeholders who enter into contractual relationships with most, if not all, stakeholders, thus according to Jansson (2005). According to Hill and Jones (1992) managers are at the centre of those nexuses of contracts. Workers, as mere operatives, do not make decisions and are largely moral patients within the equation. This ontology has a bearing on behavioural patterns within the matrix. The political theory suggests corporate organisations are concerning themselves with their power within the society. To this effect, Roddick (2000) argues that there is no more powerful institution in society than business.

Stockholder power in many organisations is diminishing. In many companies most of the stockholders are just sparsely populated institutional investors who speculatively buy shares around with the aim to dispose them at the next most opportune time and do not have much say and influence on the running of the business. They basically behave like any other customer and look up to the market to see what is in store for them. They cannot be termed real owners as they initially never intended to be involved in the setting up of the company and as such cannot readily identify with the demands of society. The balances and checks are compromised in such instances.

This study is guided by the Moral Typecasting Hypothesis which suggests that an agent perceived as a moral agent is less likely to be perceived as a moral patient, and the one perceived as a moral patient is also less likely to be perceived as a moral agent according to Grey and Wegner (2009:505). In this case a moral agent is an ethical “producer” and a passive ‘consumer’ Torrance (2008). Moral patients are a target of an action by a moral agent. Moral agents participate in moral events by causing them and moral patients experience the effects of those events. A moral event can only happen when there is both the agent and patient according to Fotion (1968). In the stakeholder matrix, a corporation is viewed as the moral agent with the rest of the stakeholders as moral patients.

3.3 Corporate Social Responsibility defined

In terms of its origin, Corporate Social Responsibility is believed to have been coined around 1953 by Howard Bowen, an American economist. Bowen (1953) refers to Corporate Social Responsibility as the obligation of businessmen to pursue policies, decisions and actions which are desirable in terms of objectives and values of society. Organisations are no longer solely assessed basing only on traditional metrics such as product quality or financial performance but are increasingly judged on their impact on society. Corporate Social Responsibility represents the philosophical thinking that corporate organisations have obligations to conduct their business in an ethical manner. Redman (2005) believes Corporate Social Responsibility is a dominant concept in stakeholder dialogue and an important corporate conversation. Fernando (2023) calls it corporate citizenship, whereby companies must be conscious of the kind of impact on the economic, social and environmental aspects. Watthanabut (2017) argues that Corporate Social Responsibility is a form of self-regulation. The horizontal conflicts, which include conflict of interest between shareholders and other stakeholders, are the main concerns of Corporate Social

Responsibility. Corporate Social Responsibility is essential for maintenance of social coordination by way of social impact, corporate conscience, corporate citizenship, responsible and sustainable business and conscious capitalism.

Corporate Social Responsibility can be divided into four parts; economic responsibility, legal responsibility, ethical responsibility and philanthropy. The economic responsibility entails making profits for the shareholders simply for their survival. Carroll (1996:5) suggests that business mainly involves activities in which people engage with the motive and desire to make money. In this sense, corporations mainly respond to the market thus responding to the needs and wants of customers Jones (2005: 11). Redman (2005) call this kind of responsibility the ‘conflict model’ in which social values are in conflict with economic concerns of shareholders of making profits. Friedman’s doctrine represents this view. There is the legal responsibility which in simple terms implies that business must adhere to regulations and this obligation must be understood as a proactive duty. Laws must not be seen as boundaries that enterprises should skirt or circumvent but instead accept them in good faith and as a social good. Carroll (1999:289) posits that Corporate Social Responsibility should strive to make a profit, obey the law and encourage good corporate citizenship. Friedman is again a proponent of this kind of Corporate Social Responsibility as he advocates for organizations to only act within the limits of the law.

Philanthropy is not an obligation in itself but still very much part of Corporate Social Responsibility often known by the mantra ‘Giving back to society’. In this regard altruism is at the centre of business’s aim to make society and the world a better place for all. Charity and donations form part of philanthropic activity as mere public acts of generosity but philanthropy is increasing and becoming the main byword of Corporate Social Responsibility. Lastly, the ethical responsibility of corporations requires them to do what is right even when not required by the letter of the law. This involves responsibility for human rights and the environment (offsetting negative environmental impact and prudential energy consumption). The ethical responsibility is largely voluntary and relies on an organisation’s culture. Ethics comes in given that the law in itself not absolute, may be ambiguous at times and ethics can help fill the vacuum.

Although all these obligations are logical, they are sometimes in conflict thus the economic responsibility may conflict with the legal or ethical responsibility. Carroll (1999:280) argues that although the term Corporate Social Responsibility is intelligible, it may not always carry same

meaning to everyone. Matten and Crane (2003:2) also suggest that the usage of the term in corporate governance discourse has been far from being consistent.

3.4 Friedman's stockholder theory: Assumptions and Implications

In his groundbreaking essay on corporate purpose, Friedman (1970:17) argues that the social responsibility of business is to increase profits. Friedman's stockholder-centric approach and school of thought argues that the responsibility of business is just to respond to market demand, produce and generate profits in any free market economy for the benefit of stockholders. This narrow view of Corporate Social Responsibility assumes a corporation as an artificial entity that cannot be said to have moral responsibilities or owe any obligation to the community, unless prescribed by the law.

Friedman (1970) is of the view that a manager as an employee has fiduciary duty to act according to owners' interests (stockholder/company interests) and thus generate value, get the highest return possible by way of dividends and increased share price. Friedman views stockholders as the economic engine of the organisation and the only group to which the firm is socially responsible. In light of this, stockholders have the right to intercede directly in decision making. Stockholders in their private capacity can thus freely choose whether they should engage in social activities. Otherwise giving this role to managers means they may end up engaging in social initiatives which may not resonate with their job description.

Friedman's argument is that successful businesses indirectly fulfil their social responsibility through economic functions such as taxation, job creation and wealth maximisation. Through profit and wealth maximization society will ultimately benefit from the success of business. An efficient and productive corporation, will inevitably lead to greater good for all through promoting an end that was never intended. This unrestrained market steers individual pursuit of self-interest in a socially beneficial direction according to Shaw (2008). Friedman's seminal economic thinking resonates with Adam Smith's Invisible Hand Concept also predicated on free market capitalism. Smith believes there are unintended greater social benefits or public good that accrue when individuals act in their own self-interests. The argument is that they are hidden and unseen economic forces of self-interest that impact the free market.

The stockholder value maximisation approach claims that whenever a corporate is engaging in social activity it is spending someone else's money. This could be the stockholder's money in terms of reduced dividends, the customers' money in the context of a rise in prices, and reduced wages for employees. The argument is that when a business concerns itself with society rather than profit-making, this scenario often leads to totalitarianism which undermines the basis of a free society. Moreover, an attempt to violate the stockholders' interests may force them to sell their shares or divest, ending up with unintended, undesirable social consequences such as loss of jobs. All this may sound plausible and intelligible but enormous ethical gaps are highly evident within Friedman's school of thinking. Arguably ethical considerations in business situations are being discriminated against.

3.4.1 Gaps and shortcomings within the Stockholder Theory

In an article titled "*Friedman was Wrong*" Posner (2019) faults the stockholder theory in that the theory provides corporations with too much room to violate consumers' rights and trust. According to Shaw (2008:167) Friedman strongly objects to the idea that corporate organisations have direct social responsibility to society and is therefore opposed to calls for business to directly contribute towards society's welfare. Friedman as a rightist and conservatist is against the view that a corporation should also attend to the interests of other stakeholders. Friedman describes Corporate Social Responsibility as a hard-edged business decision and a strategic choice for business. Friedman (1970) suggests a corporation is not a human being but an artificial one and therefore its moral responsibility is limited. His proposition is problematic as it stonewalls the corporate from public scrutiny and places ethics in a silo. This proposition assumes business as operating in a vacuum where there are no desirable ethical culture and norms. It creates a hard border between business and society which bodes ill for social coordination. Arguably Friedman's argument carries overtones of utilitarian influence which often suppresses ethical concerns.

In light of the above, Friedman's stockholder theory may be viewed as being antisocial and as espousing corporate austerity. Corporate austerity in Friedman's context would suggest that a corporation should always lower its operational costs, thereby leaving no budget for social spending. Friedman's focus on profit making has arguably led many managers to value an often-volatile short-term approach over long-term financial solidity. The short-term approach is attractive due to immediate rewards but a recipe for financial shocks. For instance, the Financial

Crisis of 2007-2008, in the United States and other countries was, among other causes, as a result of investors making short-term profits. Such short-term profits included investors borrowing large sums of money from banks in order to boost the housing industry in the United States. As noted by Helleiner (2011:69) this led to mortgage defaults and resulted in a global banking crisis.

The avarice by managers to make a 'killing' and get rewarded with hefty bonuses has led to some 'shortcuts' in business practice and the only way to measure the competency of a manager seems to be the amount profit a firm has made. This puts pressure on management although there are also instances where managers pursue self-interested escapades primarily to benefit themselves.

Arguably Friedman's capitalism has led to the growing gap between the rich and the poor brewing social and political unrest. Recent quos in West Africa due to the resentment of economic disparities may be an example of failed capitalism like that of Friedman and his utilitarian counterparts. Business hates noise and social instability is nemesis for business. According to Mpekansambo (2013:31) Milton Friedman's utilitarianism have one moral dislocation in common; when the means for profit maximisation are left out of moral consideration, it raises issues of justice and human rights.

According to Morse (1999:47), Solomon (1992:327) and Arjoon (2000:168), Friedman's thinking puts business ahead of society as if the economy can have goals of its own outside of immediate human communities. This is contrary to Freeman and Liedtka (1992) who are of the view that a corporation has a network of relationships from which 'caring' becomes significantly imperative. There are other issues that also need to be addressed apart from the main struggle for money. Solomon (1983) believes society should be placed above the economy and that it is the economy that should serve society. The ultimate end of business ethics is that when business activity conflicts with the morality of society, it is business that has to yield. Business should be a force for positive social change since it exists in a society that was expecting it.

Sublimation of other stakeholders' interests might mean merely using those interests as a means to an end. If then profit is the sole goal of a business, this implies that business actions are excluded from moral consideration Sandberg (2008:214); Harris and Freeman (2008: 541). Evan and Freeman (2003) view the shareholder theory as the obstacle hindering directors from considering the interest of other stakeholders. Friedman's thinking may allow exploitation of people and use

of alienated labour thereby creating a situation where workers do not identify with the fruits their labour. They are just taken as expendable tools, do not enjoy good work quotient and quality workplace experience. The stockholder approach portrays business and ethics as an oxymoron, leading to the separation thesis Samberg (2008:213-232), thus, determining a business action to take does not necessarily depend on moral considerations. The assertion that stockholders are the sole reason for a corporation to exist is problematic. Moreover, Handy (1991) argues that there is contention as to whether profits are truly the objective of corporate activity or that it is simply the means to achieve wider objectives.

Business depends on society for success and Solomon (1983) is of the view that business should be a social practice. Social sustainability values balance in societal and corporate objectives. It is a fact that there is now greater interface and exchange between business and society. Freeman and Liedtka (1992) argue that the values of business are increasingly becoming the values of society. The structure of Friedman's theoretical framework leaves managers as mere surrogates who are not autonomous but just accountable to the stockholders. The managers can be accountable but not responsible for their actions, hence the moral hazard problem.

Friedman's assertion that corporate activity is only mandated to be carried within the mandate and confines of the law also has challenges. The law at times obscures reality, may be opaque and not absolute in itself. In such circumstances it is possible for business to circumvent the same law. There are cases where corporations wittingly ignore the law especially when the penalty is too low. In this case the law becomes ineffective as a deterrent to wrong or bad behaviour. MacIntyre (2007: 66) argues that the relationship between managers and workers in a firm is always legal and not moral. Therefore, regulation cannot be panacea to all the ethical challenges confronting business. The purpose of the corporation derives from the social contract business has with society according to Donaldson (1989).

Friedman's thinking summarises the post-industrial revolution era period in which the main focus was on massive production, economic growth, free-market capitalism, profit maximisation and exploitation of labour. Issues of human rights and environmental concerns did not get much attention, as the main focus was on production. The concept was ideal at that moment when industry was still responding to the industrial revolution. In addition, during that period stockholders had more power unlike in the current millennium where they have lost influence and

dominance. Today the landscape has changed; social and moral situations have evolved to an extent that Friedman's theory has become time-barred in many respects. It is fast becoming obsolete.

3.5 Freeman's stakeholder theory: Assumptions and Implications

A key question that needs to be addressed concerns the identity of the stakeholder. The answer largely depends on the nature and type of business. Miles (2012) admits that the nature of what constitutes a stakeholder itself is highly contested while Donaldson and Preston (1995) acknowledge the idea that corporations have stakeholders. Freeman (1984) views a stakeholder as any group or individual who can affect or be affected by an organisation's goals and actions. In the same vein Carroll and Buckholtz (2000:21) suggest that stakeholders mean those with whom the corporation interacts with and who have a stake or a vested interest in the business, such as employees, consumers and suppliers. All non-stockholders who knowingly commit themselves to the company through other means are stakeholders. According to Allen (1992) stakeholders have legitimate interests in corporate activity. Taylor (1981:206) argues that the stakeholder theory represents a network of relationships and duties the body corporate has to other stakeholders, which then take up a specific moral attitude that treats other stakeholders as appropriate objects for respect.

After faulting Friedman's stockholder theory Freeman (1984) coined the stakeholder theory with the sole aim to repudiate and address the shortcomings of the stockholder primacy model of Friedman. Lutz (2009: 318) claims that while Friedman considers the business owners' interests as paramount, Freeman regards all individual stakeholders' freedom and interests as the business's responsibility. The theory represents a broader socioeconomic model of corporate responsibility that suggests business should always consider the impact of its operations on other stakeholders. This stakeholder approach affirms that those who can affect or get affected by the organisation's activities hold some rights and privileges to participate in directing it. The argument is that every business decision benefits some and impose costs on others. In league with Freeman, Scott (2003:346) argues that corporations must be responsive to the interests of other social actors beside themselves especially in today's increasingly global economy. The stakeholder theory has received substantial attention as scholars continue to question the sustainability of the stockholder's primacy on profit as the supreme and only objective of business.

According to Freeman (2010) the Global Financial Crisis (2007-2008) has taught corporate organisations to manage stakeholders and create value without trade-offs. Freeman believes the corporate environment comprises of an ecosystem of related groups, all of whom warrant consideration, and that such an ecosystem is necessary for good corporate health in the long term. A healthy organisation never loses sight of everyone involved in its success. Freeman (1984) is of the view that great companies endure a lot when they strive to align to stakeholder interests. In keeping with Freeman's doctrine, stakeholders of a company have a voice that must contribute to corporate decisions. They may own no stock but have a moral claim to participate in decision making. The stakeholder approach brings that positive feedback loop that triggers greater returns in the long term. Stakeholder salience shapes a better and stronger organisation.

In view of the above, the stakeholder approach therefore mandates corporate organisations to go beyond their economic and regulatory concerns and ethically engage in rewarding moral endeavours within the communities where they exist primarily. The assumption is that a firm creates some mutually rewarding relationships with stakeholders and creates what Putnam (2000:19) calls 'social capital'. In order to achieve the above, the stakeholder approach demands corporate governance. The assumption being that corporate governance would curtail the influence stockholders exert on managers and allow them to attend to non-economic activities and engage in social activities. Such a solid professional relationship is punctuated by mechanisms and concomitant internal relations that would separate directors and stockholders thereby giving management considerable discretion on how to use and distribute corporate wealth to the benefit of both the corporation and society. The aim is to ultimately reduce horizontal conflicts between stockholders and other stakeholders.

Goodpaster (1993) suggests corporations should take stakeholder interests into account before formulating corporate strategy. Donaldson (1989) is of the view that the purpose of the corporation is derived from the social contract business has with society. Society gives business the license to operate. Even in football, sponsors have substantial influence on decisions that clubs make. There are also instances in business where customers refuse to deal with organisations they believe do not support their cause. For instance, customers may boycott dealing with companies promoting or selling tobacco-related products such as cigarettes largely blamed for poor health, cancer and other illnesses. So, stakeholder influence is evident in business today. The stakeholder theory was

intended to be the mirror image of Corporate Social Responsibility. Although the concept behind Freeman's stakeholder theory is plausible and intelligible, there are some gaps within the theoretical framework which are discussed below.

3.5.1 Gaps and shortcomings within the stakeholder theory

Although the intention of Freeman's doctrine of Corporate Social Responsibility is noble, the 'one-size fits all' theoretical framework is his main challenge. Freeman offers no decision-making criteria that would adequately guide corporate governance and therefore his ideas offer an unrealistic view of how organisations operate. This points to some structural deficiencies within the theoretical framework. Key (1999) is of the view that the stakeholder theory lacks specificity and therefore it cannot be operationalised. This blank-slate view of stakeholder theory portrays the organisation as a shell that can be written upon freely by anyone who can lay claim on the organisation. Its efficacy in the corporate world remains contested given the unprecedented moral erosion currently obtaining in business. Bakan (2004) suggests that there is a general lack of conceptual coherence of the theory itself and believes the theory seems far from providing a normative theory. Bakan argues that the profit-making nature of the corporation as a commercial vehicle is still disastrous to society. Critics argue that Freeman's stakeholder theory is just a ploy to give stakeholders a position of control and alleviate the incomplete nature of their contracts with the corporation.

In addition, Freeman may have suggested too many duties without clear methodology and procedure. Analysts point to the fact that it may be a tall order for the corporation to equitably meet the needs of all its large and diverse stakeholders. According to McAbee (2022) some stakeholders within the stakeholder matrix often hold more power and influence and therefore tension and discord are inevitable. As a result, corporations often resort to the necessitated bias of prioritising those with greater level of power and leverage. Some scholars argue that the way corporations treat their stakeholders depends on the institutions within which they operate according to Hall and Soskice (2001). Lack of methodology morphs itself into lack of clarity and because of this, managers can selfishly and justifiably stick to maintaining the legal relationships with stakeholders, an obstacle for them to meet the core social objectives that Freeman's stakeholder theory intends to achieve. Moreover, managers can still argue that legal instruments

already exist that can be used to protect stakeholders. Such instruments include the Insolvency Act that prioritises creditors when a company becomes insolvent, hence no need for further protection.

There are also challenges on how corporations could recognise and acknowledge stakeholders' interests and devise strategies while still maintaining vision and focus. The attempt by managers to adopt multi-fiduciary roles may cause confusion. Legitimately identifying stakeholders and determining their mutual rights and obligations is not clearly laid out in the theory. For instance, stakeholder groups may have multiple interests, multiple roles and differing influence capacity Winn (2001). Different stakeholders may not share common commercial interests and the theory has also ignored intra-stakeholder heterogeneity. Attending to several interests and roles may create confusion of purpose. A corporation that tries to be "all things to all men" is unmanageable and is often at a competitive disadvantage according to Argenti (1993:36-37).

In addition, there are various categories of stakes and different degrees of risk Clarkson (1994:7). Determining and measuring the 'stake' may also be problematic. The according of rights to stakeholders may set up expectations which if not fulfilled may lead to litigation. This may distract managers from achieving commercial success, frustrate corporate purpose and lead to the business' failure. The theory also does not elaborate on how stakeholders can be represented and how their interests can be protected. Critics points to the fact that Freeman's stakeholder approach seems manipulative in some way as it prescribes to corporations how social responsibility should be, thereby forcing managers to act in predetermined ways.

Ambler (2006) rightly claims that the stakeholder theory diverts attention from creating value to concentrating on who to share its fruits with and how. If the network of relationship between the corporation and the rest of stakeholders is largely financial it complicates things. The stockholders want to maximise their profits, the creditors want to maximise greater returns on their investments, the suppliers want their merchandise paid for in time, the government is waiting for revenue in form of taxes and the workers also want to maximise their income. No one within the stakeholder matrix is left to attend to the ethical aspect of their relationships.

The stakeholder theory seems to suggest that it is society rather than the corporation that determines what constitutes success. Ambler (2006) argues that the theory suggests that it is the social factors rather than market forces that determine the allocation of competing stakeholder interests. Bowie

(1991) suggests that a theory for determining appropriate reciprocal duties that exist among stakeholders must be crafted. It is unclear whether there is stakeholder responsibility thus mutual responsibility between stakeholders themselves. It might be also difficult to ascertain what legitimate claims stakeholders might have on the organisation. Every stakeholder may have its own subset of stakeholders with associated obligations and it is not clear whether they also become stakeholders of the hub company. Perhaps stakeholder rights may have to be earned in relation to their responsibilities towards the organisation. Winn (2001) also argues that the relationship between a corporation and its stakeholders is temporary, it changes over time with every stakeholder's role being 'situation and issue specific'.

There are also certain aspects which suggest that Corporate Social Responsibility is conditional. Campbell (2007) argues there are conditions under which organisations are more or less likely to engage in socially responsible manner. These include competition, regulation, general financial condition, institutional norms, and associative behavior among corporations themselves. For instance, an increase in financial performance may lead to an increase in corporate social spending and a weak financial performance may restrict social spending. In addition, Corporate Social Responsibility may also mean different things to different people, at different places and times. For instance, in the industrial revolution era, reducing the working day from 14 hours 10 hours may have been considered socially responsible but in the twenty-first century, anything more than 8 hours may be considered morally unacceptable. Therefore, determining socially responsible behaviour and the behavioural threshold below which corporation behaviour becomes socially irresponsible may not be a straightforward exercise.

The concept of corporate governance espoused in Freeman's stakeholder theory has given managerialism precedence over stockholders' influence according to Stout (2002). Managers have succeeded in usurping the power and to some extent the interests of the shareholders they purport to save. Managers are concentrating on self-directed interests under the guise of corporate governance. According to Goodpaster (1991) this has allowed business executives to often make self-interested decisions to benefit themselves, incompatible with special fiduciary obligations owed to shareholders. Carson (2004) argues that business scandals such as the Enron Crisis (2001) and WorldCom (2002) are largely as a result of Friedman's influence and that neither the stockholder nor the stakeholder theory is deterring unethical behaviour. WorldCom crisis involves

bankruptcy of the USA's largest long-distance telephone company following a massive spate of criminal accounting scandal of inflating earnings in order to maintain the stock price.

According to Frederiksen (2010:357-371) Corporate Social Responsibility policies are based on some kind of common-sense morality and the ethical foundations of corporations do not mirror the ethical foundations of managers. Egoism reduces morality to a concern with consequences according to Shaw (2008:53). **Fritzsche and Becker (1984) argue that most managers mainly act in a utilitarian context which is highly reflective of Friedman and Freeman's doctrines.**

Knights and O'Leary (2006) claim that most analysts have attributed unethical misconduct and scandals to the pre-eminence of a focus on increasing stockholder value and the failure by the stockholder model to inculcate ethical standards. Both theories lack the necessary ethical foundation to underpin corporate governance in business and possibly avert the common moral pitfalls that corporate organisations often find themselves in. Kumari (2019) believes Corporate Social Responsibility is an uneven combination of philanthropy, humanitarianism and business acumen despite its evolution. According to Solomon (1999:83) business needs to reflect on the interests of the society in which their operations are based. Debate on Corporate Social Responsibility remains a contentious issue in business literature with regard to the nature of business-society relations and the ideal relations remains intractable.

3.6 Chapter Summary

Corporate Social Responsibility has been discussed in the context of Friedman's stockholder theory and Freeman's stakeholder theory. The chapter has revealed that Corporate Social Responsibility should be a voluntary endeavour although overtime it has somehow become 'demanded' thereby compromising its moral objective. Arguably it has become hypothetical public relations function and a tool for 'image cleansing' or 'image laundering'. Friedman seems to concentrate on 'accountability' over 'responsibility'. Lack of autonomy in Friedman's approach means managers can only be accountable but not responsible. Friedman argues that only stockholders deserve social considerability while Freeman on the other hand argues the need to extend social considerability to other stakeholders. Freeman's 'one-size fits all' approach does not sufficiently elaborate on the method of execution or what moral maxims should be adopted. In addition, Freeman is accused of trying to 'socialise' the organization. Arguably both approaches have failed to inculcate ethical standards in business. They are both highly teleological. Kant's

ethics provides the solution to the limitations of both theories, as shall be demonstrated in the next chapter.

CHAPTER FOUR

KANT'S ETHICS INFORMING BUSINESS

4.1 Chapter Introduction

The aim of the chapter is to apply Kant's ethics as a philosophy of business with a view to demonstrate how his ethics solves the shortcomings of Friedman's stockholder and Freeman's stakeholder theories. The study demonstrates that Kant's ethics lays the ethical foundation or 'moral metric' that can militate against the frighteningly colossal scale of moral decadence currently obtaining in business. Kant's ethics has the moral clout to inform the morally conflicted business world by way of the Categorical Imperative. The goal is to demonstrate that Kant's ethics should guide Corporate Social Responsibility and transform it into a deeper Corporate Moral Responsibility to engender a moral dispensation and stature in organisations. The chapter demonstrates that good will, reason, autonomy, duty, principle-based conduct, as well as the concepts of self-legislation and universal acceptability are vital tenets that can trigger a moral reset in business. These generic tenets could provide the needed strategic ethical resilience without alienating the main profit objective of corporations and without weaponising the law. Kant's Categorical Imperative can provide a moral toolbox and a moral template that can support moral development in corporations in order to curtail the rate of moral turpitude in business. The study demonstrates that when corporate leadership and all those involved pursue morality, they elevate themselves above the demands of their desires and other inclinations.

4.2 Business ethics

Business as institution has an economic character and wields substantial influence on society through production and delivery of goods and services. Business ethics is concerned with all aspects of conduct of individuals and the organisation as they engage in business transactions. Business ethics can be defined as the rationality of evaluating moral standards as they apply to organisations and other socio-economic systems. It encompasses managerial ethics at micro level, organisational ethics at business level as well as economic ethics at the systemic, national level. Immorality in business reflects on the antisocial character of business and corporate moral degeneration.

Corporate organisations have long struggled to model ethical behaviour. Business is often found trapped between three fundamental forces namely market forces, the law and ethics. The ethical climate of business is critical as part of organisational culture that influences the shared set of values about correct behaviour as well as setting the tone for ethical decision making. Ethical choices are no longer simple and straightforward and today's unprecedented complex moral dilemmas make alternatives so conflicting as to cause ethical paralysis. The primary priority of business ethics is to identify those who are breaking the ethical norms to ensure economic players are ethically engaging themselves through integration of ethics with economics. Business ethics has the general aim of governing voluntary human activities since business itself is a voluntary endeavour. Business is a social practice. According to Solomon (1983), the ultimate end of business ethics is that when the demands of business are in conflict with the morality of society, business has to yield to morality. Ethical behaviour should be at the heart of everything people do.

4.2.1 Metaethical conception of business ethics: 'Moral or Amoral'

When an action is amoral it suggests that it is outside the sphere to which moral judgements apply. An action is oblivious to ethical considerations as long as they stay within the legal and regulatory remit. In other words, it is a notion that business cannot be concerned with the rightness or wrongness of its action, for example, the amoral expertise of a lawyer. Several myths support this thinking and these include the neo-Hobbesian view of 'It is every man for himself', the Darwinian view 'It is a jungle out there' Solomon (1992: 320), and other widely used mantras such as 'Cut-throat competition', 'Business ethics an Oxymoron', 'The business of business is business' among others. These mantras carry a negative moral attitude. This thinking views business and ethics as mortal enemies and views corporations as soulless and amoral monoliths. Friedman's stockholder theory seems to suggest that the term 'business ethics' is an oxymoron since business practice is largely amoral. Friedman is weaponising the law to protect shareholders by saying that as long as corporate activity is done according to the law then it is immune from moral scrutiny. As a result, Friedman has failed to distinguish between 'accountability' and 'responsibility'. On the other end, Freeman also fail to impress on the ethical prescriptions of his duties.

4.2.2 Normative conception of business ethics: 'Moral or Immoral'

When an action is immoral it means the agent is failing to do what is right in any given moral situation and the action itself is not conforming to acceptable standards of morality. Immoral business practices include overbilling customers, exploiting tax loopholes, exploiting workers,

prescribing unnecessary medical procedures, child labour, bad waste management and sexism. This study takes this normative conception that business actions should either be moral or immoral. Business should be subjected to moral evaluation and investigation for it to fit into the moral community given that business values are also becoming societal values. This study suggests that Kant's Categorical Imperative can lay the critical ethical foundation ahead of Friedman and Freeman doctrines on Corporate Social Responsibility. The critical tenets of good-will and duty are arguably lacking in business.

4.3 The Goal and Role of Business

This section attempts to appreciate the main goal of business in general and the role business can take under a Kant's ethical framework. According to Carroll (1996:5) the term 'business', refers to such activities in which individuals or organisations engage with the motive and desire to make money. The 'Friedman versus Freeman' debate or 'stockholder versus stakeholder' debate helps elucidate the nature and purpose of business in their own worlds. For instance, for Friedman (1970) the goal of business is to make money for the owners of the business through production of goods and services. Freeman (1984) suggests the goal of business must be to create value for all stakeholders and society in general. From a Kantian perspective the role of business is arguably to serve humanity. Kant is not against business making money but prefers an ethical business climate that honours humanity. Kant's ethics envisage business that is very much part of the moral community and contributing to the perpetuity of happiness. Kant would prefer business with a critical role in maintaining the moral fabric of society. Kant would espouse a scenario where the goal of profit should once again be directed at the higher human goals at the service of humanity.

4.4 Kant's ethics as solution to Friedman and Freeman's shortcomings

The aim of this section is to expose Friedman and Freeman's shortcomings that Kant intends to solve and to reiterate the fact that Kant's ethics prepares an ethical framework that can inform business. An application of Kant's ethics is aimed at targeting individuals with the responsibility to act and decide within corporations in order to model their behaviour so that their actions reflect some element of humanness.

4.4.1 Kant's ethics and Friedman's' stockholder theory's shortcomings

As already discussed in Section 3.4.1 Friedman (1970) is overly concerned with economic aspect of business leading Posner (2019) to suggest that the theory does not protect consumers' rights.

Friedman's approach also sublimates ethical and environmental concerns and this trend may be responsible for the climate crisis the world faces today since the stockholder approach gives too much primacy on exploitation and maximisation and ignores the consequences. Arguably Friedman's avarice and obsession to make profit may also be blamed for the short-termism approach (often volatile) by managers. The stockholder theory puts pressure on managers to appease their masters at whatever cost contrary to Freeman and Liedtka (1992) assertion that a corporation has a network of relationships from which 'caring' becomes significantly important. The Enron Crisis (2001) and the WorldCom Crisis (2002) are classic examples of managers falsifying accounts with a view to appease their masters through unorthodox means. Friedman's stockholder approach is thus viewed as being antisocial and highly associated with prejudice.

In Friedman's world, the corporation is largely viewed as something very much artificial which cannot be morally blamed. The stockholder theory suggest that business is amoral. As a result, human beings end up using fellow human beings as merely a means to an end. Sublimation of stakeholders' interests may mean merely using them a means to an end. To the contrary, Kant's ethics calls for human dignity and 'respect for persons'. Kant's deontological approach instills a greater sense of duty and good will. Good will defines a series of obligations called duties that are independent of one's inclinations. Kant's ethics also initiates self-retrospect by moral agents and actors, calls for self-legislation and self-constitution as well as the universalisation of maxims to ensure universal acceptability. Deontological ethics transcends moral jurisdictions.

Another problem is that Friedman prefers accountability over responsibility. Managers are expected to be accountable to stockholders and in this regard lack autonomy. Therefore, in this scenario managers cannot be held responsible for actions they do not autonomously choose. In Friedman's world, the organisational setting is very much preformed and preordained and therefore managers cannot make sovereign decisions in the best interest of humanity. Kant's *a priori* reasoning becomes necessary to break this cycle. A *a priori* reason builds that nerve to challenge the status quo, remodel and reset the mindset of those with the responsibility to make decisions. A *a priori* knowledge allows decisions to be questioned.

Friedman does not give primacy to duty for its own sake. Kant clearly delineate the direct and indirect duties that rational beings have to each other. For instance, Kant's ethics would encourage whistleblowing in organisations and perhaps some of the corporate scandals like the Enron Crisis

(2001) and the Financial Crisis (2007-2008) could have been averted. Kant's ethics can have a very strong influence on office holders rather than focusing on the artificial entity itself. To the contrary, Friedman stonewalls the corporation from public scrutiny.

Friedman's assertion that corporate activity is only mandated to be carried within the mandate and confines of the law also has challenges. The law at times obscures reality and is not absolute in itself. Empirical evidence seems to suggest that business often tries to skirt and circumvent the same law. MacIntyre (2007:66) is of the view that the corporation and the stakeholder relationships are largely legal and not moral. They are often punctuated by alienated labour, poor work quotient and excessive capitalism among other vices. On the other hand, Kant espouses a moral community in which rational beings have obligations to each other, respect for natural justice, self-legislating, treating stakeholders as ends in themselves and above all, the tenet of good-will.

4.4.2 Kant's ethics and Freeman's stakeholder theory's shortcomings

As already discussed in Section 3.5.1 the "one-size fits all" theoretical framework helps in solving the stakeholder paradox, thus balancing the interests of the stockholders and stakeholders. In this regard there is general lack of conceptual coherence, no clear criteria and methodology to execute a seemingly plethora of duties. This has the propensity to cause a confusion of purpose and strategic ambiguity. Being 'all things to all men' is unmanageable and often puts a corporation on a competitive disadvantage. The power dynamics in the stakeholder matrix remains unsolved and some scholars even argue that the stakeholder approach gives managers too much power hence the self-interest pursuits by some managers. McAbee (2022) also suggests that some stakeholders hold more influence often leading to bias, tension and discord. Determining and measuring the 'stake' may not be straightforward.

Kant provides clear methodology and procedure through the Categorical Imperative that can be used for testing the moral acceptability of the managers' actions. The Categorical Imperative contains intuitive tenets of good will, duty, autonomy, practical reasoning, self-examination and self-legislating among others that properly give guidance and direction. Kant's ethics can 'moralise' the corporation.

Freeman is also accused of 'socialising' the corporation. Analysts argue that the stakeholder theory unfortunately diverts attention from creating value to concentrating on who the corporation should

share its fruits with and how. According to Ambler (2006) the stakeholder theory suggests that it is the social factors that should determine the allocation of competing stakeholder interests. The theory also seems to suggest that it is the society that determines what constitutes corporate success. The situation is further complicated by the fact that the network of relationships between the corporation and the rest of stakeholders are largely financially and conflicting.

Kant's ethics does not thwart profit making adventures by corporations but is a reminder that business is indebted to society for existence. Kant's ethics engenders the mindset that a corporation is a human endeavour that should serve and honour humanity through satisfying higher human goals. Kant's ethics brings the mindset that corporations are very much part of the moral community rather than a separate 'animal', totally divorced from its creators and society. Kant's ethics can ensure that Corporate Social Responsibility remains a genuine moral endeavour and not cosmetic nor an image-cleansing exercise. Kant's intellectual peculiarity as expressed in the Categorical Imperative gives moral agents the moral prescriptions necessary in ethical decision making. The pivotal tenets of self-examination, self-legislation, self-constitution, use of a priori knowledge, good-will and duty and principle-based and autonomous rationality, all form a moral web that can fortify a corporation from decadence. Kant's ethics can trigger a moral rest in the corporate world.

4.5 Kant's ethics and the common moral pitfalls in business

Taking a snapshot of the corporate world, one would see that there are several moral pitfalls to which corporate organisations often succumb to. Vices include corruption, nepotism, overbilling customers, exploiting tax loopholes, exploiting workers, alleged exaggerated medical expenses in health facilities, child labour, bad waste management, sexism and anthropogenic activity. For instance, in Malawi, the proliferation of opaque and substandard beer brewed by some companies in Kanengo is becoming a public health concern as drinkers often succumb to ill health and death. There is a growing culture in the corporate world that people can conduct whatever business they want as long as they make money. The world has indeed become a conflicted moral world facing ethical challenges and dilemmas one would have never imagined, with significant moral ramifications.

Today in business, there is general moral disengagement in business as managers become susceptible to self-deception, thus the tendency of selective memory whereby these managers

attend to what they are looking for and, in the process, restructure reality in order to make their own actions justifiable and seem less harmful than they actually are. They restructure their inhumane conduct through moral justification and sanitising language with the intention to minimise their sense of guilt they feel from violating ethical standards. Below are some of the moral challenges to which Kant's ethics provide solutions and direction.

4.5.1 Moral hazard

A moral hazard is a moral situation in which one party (an individual or organisation) is engaging in excessive risk taking with the full knowledge and cognizance that there is full protection against this often-inevitable risk. As a result, there seems to be some impunity where one is protected from the consequences of his/her actions. In other words, an individual behaves against the moral aspirations of the corporation, public or society. Managers may deliberately do something with the full knowledge they cannot be morally or legally held responsible. For instance, Friedman (1970) justifies managers to operate under heavy instructions and targets, without real autonomy. In such a scenario, managers can make immoral actions knowing fully well they cannot be held responsible.

The Credit Crisis (2007-2008) can help illustrate the issue of moral hazard. The credit crisis or the financial scandal was a result of subprime (lending to less-deserving clients) and excessive risk due to avarice for profit maximisation that then triggered a "housing mortgage bubble" that collapsed the American real estate market. American intermediaries were paid for subprime credits by credit volume and the repayability of the loans was no matter to them. More and more loans were given to already overburdened borrowers. That was not sustainable as these customers expectedly defaulted. The result was a compound catastrophe and the Lehman brothers' downfall as a classic example. In 2008 Lehman faced bankruptcy due to liquidity and solvency challenges in its investment bank. In the United Kingdom some banks went bankrupt, others were sequestrated while others were taken over by the government through bailouts. Billions of pounds of taxpayer's money were used to bail the so-called 'too big to fail' banks. That was a moral hazard. It created a situation whereby these banks lacked the incentive to guard against financial risk due to the protection from government.

Kant's ethics calls for self-examination and the need to act from principle. In the above circumstance there is clear dereliction of duty, use of mortgage clients as a means to an end. There

is general absence of good-will and clearly such actions cannot be universalised. Managers in the above scenario were acting under pressure to succeed. They lacked autonomy and therefore could not be held morally responsible. Like Kant, O'Shea (2013) espouses a scenario where all moral agents are the ultimate sources of normative authority over themselves. Managers are bent on pleasing the stockholders. Kant's ethics can help stimulate self-retrospective and demand that everything be questioned.

4.5.2 Shady cryptocurrency business, Money-laundering and Terrorist financing

Globalisation has provided new opportunities as well as threats. Innovation in form of cryptocurrencies and tokenisation via blockchains has brought some ethical challenges. It is an area that has attracted great attention due to the number of cryptocurrency failures and high-profile cases of fraud in the industry. For instance, Bitcoin the world's oldest cryptocurrency is a peer-to-peer network under an unregulated and decentralised computerised Bitcoin exchange system. As a virtual and digital currency, it can also be converted into other currencies or vice versa but value fluctuates widely because it is not backed by any traditional asset like gold. It is an innovation and a vehicle for financial freedom but of late, many scandals have been associated with the use of cryptocurrencies. For instance, the fraud-ridden Cryptocurrency exchange FTX collapsed in November 2022 amid solvency concerns that led to a liquidity crisis according to the [Associated Press of November 14, 2022, New York](#). Its founder, Sam Bankman-Fred, was complicit in the hacking of millions worth of tokens that were swindled out of the company. This resulted in ripple effect across the cryptocurrency industry, with the price of Bitcoin falling and investors losing substantial amounts. This has eroded trust and confidence in the industry. It is argued that cryptocurrencies are also used in money-laundering activities.

Money laundering involves concealment of origins of money or finance acquired through illegitimate or clandestine means, for instance, through the [Hawala remittance system](#) whereby transfer of value occurs across borders through money brokers without actually or physical moving money. Its alleged these money dealers are affectionately known by the moniker 'We don't ask questions'. This shows the level of disregard of etiquette, procedure, accountability and integrity. Money laundering is usually achieved through a complex sequence of commercial transactions aimed at 'cleaning' the money so that it appears to have been derived from a legitimate source. At times some banks are complicit or intentionally turn a blind eye on the practice. Drug cartels often

used this practice in their business dealings. Money may also end up in the hands of terrorists. The United Kingdom's biggest bank HSBC in 2012 paid a \$1.9 billion fine in a money-laundering case of drug money flowing from Mexico, according to the Financial Times of United Kingdom. As a result, this adds to reputational risk in the financial industry.

In the above instances both Friedman and Freeman may not provide direction because of the heavily entrenched teleological values they espouse. Friedman views business only as a vehicle to make profits while Freeman is more concerned about the sharing of those profits. One can argue that this is time stockholders and managers examine their aspirations and align them with 'duty'. Business should serve humanity and not vice versa. Human beings have direct duties to each other as they all seek to find happiness. Business should self-legislate best practices in order to regain confidence and trust. So, Kant's Categorical Imperative provides counsel and an expanded moral fortitude necessary to build some strategic ethical resilience.

4.5.3 Unethical creative accounting/ Off-balance sheet financing

This involves unscrupulous exploitation of loopholes in financial accounting regulation through misrepresentation of financial information. Organisations give incorrect and misleading information about the financial performance of their organisations for instance by inflating their assets or profits. Alternatively, they may understate their liabilities. The Enron Crisis (2001) and WorldCom Crisis (2002) are classic examples of creative accounting. Enron management hid substantial debt from its balance sheet. WorldCom used chequered accounting techniques to hide its financial position. These accounting frauds were characterised by inadequate disclosure and the inflating of profits. Stiglitz (2003) suggests that the Enron crisis and other corporate financial scandals can all be attributed to financial deregulation. Friedman and Freeman doctrines have failed to instill the right moral mind-set in business. Kant's concept on the importance of duty would prevent this and would support whistleblowing. People in these organisations i.e. Enron and WorldCom should have felt compelled to alert the authorities.

As far as the Financial Crisis (2007-2008) is concerned financial institutions in America devised a way of offloading some of their debt from their balance sheet in order to create space to extend more loans. They created a Special Purpose Vehicle (SPV) where they would offload the debt under a process called securitisation, so that they would free up the capital locked in the debt asset. The vehicle would then collect debt on behalf of these banks. Unfortunately, this vehicle failed to

collect debt hence the debt had to be brought back to the original financial institution. This caused the financial crumble. This was a classic case of off-balance sheet financing whereby financial institutions exclude an asset or a liability from the company's balance sheet in order to keep debt-to-equity and leverage ratios low. The same thing happens when companies buy assets on lease and the lease obligations are just footnoted rather than recorded in the balance sheet as liabilities. This hinders investors from making informed decisions. Using Kant's ethical framework, these malpractices cannot be universalised.

4.5.4 Corporate Corruption, State Capture and Corporate Capture

Corruption is primarily a product of unethical leadership which may engender a toxic culture of nepotism, discrimination, unprocedural awarding of contracts to peers or use of political connections and other opaque business dealings. This involves bending the rules for personal gain. It is damaging both to business and society. A classic example would be the [Zuneth Sattar corruption allegations](#) where he is alleged to have bribed senior government officials to get lucrative contracts as reported in Malawi's mainstream media. Insider trading is another form of internal corruption that involves the illegal trading of stock to one's advantage by having internal access to confidential information critical in making investment decisions. Corruption hinders economic development and moral progress. It can also cause social instability and can negatively affect the very core of society's moral fabric.

State capture is a form of systematic corruption whereby companies can manipulate and direct government policies to serve their own interests, usually not in the public interest. This is normally made possible through their connections with the ruling elite. A classic example is the alleged Gupta family state capture through their business's close ties with former South Africa President, Jacob Zuma. In this case, a minor constituency may exercise de facto power, heavily influencing decision-making process. It is alleged that the family were awarded state contracts, bribed politicians and even influenced ministerial appointments according to [Aljazeera Investigative Unit report of 14, April, 2023](#).

Corporate capture materialises when managers seek to fulfil their selfish egos at the expense of company values and customs. Due to the diminishing power of stockholders in some corporate organisations, managerialism is gaining momentum and managers are wielding power and are

wittingly embarking on self-centered escapades primarily to benefit themselves. Stockholders and stakeholders may protest but often in vain.

4.5.5 Clandestine Offshore finance, industrial espionage and arbitrage

Offshore business activity in Switzerland, the hub for offshore finance activities is currently under public scrutiny according to the [Reuters news of 10 April, 2016](#). Offshore finance business allows investors to keep investments in various forms in foreign jurisdictions with the aim of enjoying higher rates of returns, lower tax returns and less regulation. The problem is that such jurisdictions are often used to hide undeclared income, leading to tax evasion. Switzerland has a long chequered history of having offshore banks to hide money. There are also links between offshore finance business with money laundering and terrorist financing due to some lack of transparency

Industrial espionage is the act of fraudulently obtaining industrial secrets and confidential information without permission. A corporate organisation clandestinely gets competitor information through unorthodox means. For instance, the world's largest consumer goods giant, Procter and Gamble spied on rivals Unilever's hair care operations according to [The Guardian of 7 September, 2001](#). This covert act was in violation of their own code of ethics and was therefore viewed as unethical.

In finance, arbitrage is the practice of taking advantage of price between markets and capitalising on information asymmetry and the resultant imbalance. Although it is legal and often lauded for market efficiency, it can also be a source of ethical quandary. Today's often ethically-sensitive customers view the practice as working against the moral ethos of beneficence, non-maleficence, trust, transparency and bodes ill for a morally rewarding business relationship. For instance, a customer may complain of not getting important information concerning competitive rates and may view arbitrage as mere deception. It may well be a vice as far as customers are concerned. Kant's ethics may view arbitrage as lying and would advocate for an environment of truth-telling and fairness, the duty for proper disclosure and the need to operate with good will.

4.5.6 Subprime Lending and manipulative commerce

Subprime lending involves lending to even less-deserving clients with a view to make more business and more profits. In this case, lending is not predicated on sound and prudential credit guidelines but on assumed financial rewards. Therefore, the whole process lacks ethical intuition

and necessitation. This vice contributed to the 2007-2008 financial scandal in the United States. Mortgages were extended to less-deserving clients who were eventually overburdened and failed to repay. In Malawi, some small micro-finance institutions are providing some loans locally known as ‘Katapila’ to the poor sections of society who often struggle to repay due to the exorbitant interest rates. Borrowers are normally forced to pay after short period of time, which is impractical for the borrower to have made meaningful investment to cover for both the capital plus interest. Failure to repay often result in borrowers losing their hard-earned assets, used as collateral. So, one can argue Katapila mainly serve the purpose of lenders at the expense of the borrowers.

Manipulative commerce manifests itself through unscrupulous advertising strategies, hard selling, misinformation and psychological coercion. It might also be in the form of exaggerated competence, false guarantees and false testimonials. According to the [Wall Street Journal of January, 2020](#) there were increasing incidences of ‘sales punching’ in U.S. Securities. ‘Sales punching’ involves manipulating sales figures with a view of luring demand. This is a classic example of manipulative commerce in the retail industry. There is also the proliferation of herbal medicine business in Malawi, characterised by exaggerated healing and cure information. Kant would object to the use fellow humans as merely a means to an end. Humanity needs to be respected.

4.5.7 Hostile takeovers and Vulture funds

Hostile takeovers involve acquiring one corporation by another usually using some ‘force’ or financial muscle with the aim to enter into a niche market. Elon Musk, a business magnate, initiated a \$44 billion hostile takeover of the American social media company, Twitter. The deal was marred by controversies that even led to legal wrangling according to [CNBC \(2023\)](#). Although everything is largely legal it is not largely approved of in some jurisdictions as it often results in reduced employee morale and sometimes animosity with the acquiring company. For instance, once Twitter was acquired there was a spell of layoffs. It is alleged that about 6000 employees lost their jobs. Hostile takeovers often lead to negative moral consequences. Hostile takeovers have also contributed to the rise of oligarchies with significant political and economic power to influence decisions. Economic oligarchies bode ill for prefect markets due to the takeover’s monopolistic tendencies.

Vulture funds target poorly performing and undervalued entities and ‘prey’ on debtors in financial distress, leaving the debtors in a worse state in most cases. Both the hostile takeovers and vulture funds raise ethical questions. Arguably these vices are the evidence that business has morally detached itself from society and has assumed a predatory nature in which moral norms are ignored. White (2015) argues that even some business practices like dissolution and intergenerational resource allocation should be done with respect and concern. In other words, White is clamoring for consideration for the benefit of all mankind and in honour of humanity, even for generations to come.

4.5.8 Anthropogenic activity and environmental degradation

Anthropogenic activity involves human activities that damage or disturb the environment or nature in general. Corporate organisations may pollute the environment by dumping toxic substances from industrial wastage which can adversely affect aquatic life as well as humans. The BP Deepwater Oil Spill (2010) in the Gulf of Mexico is a classic ethical instance of an industrial disaster that resulted in the largest marine mammal mortality and cost the company around \$65 billion. It is also believed that the amount of coal and energy to mine a single bitcoin is at great cost to the environment. Corporate organisations have a duty to protect the environment since environmental sustainability ensures that people enjoy a remarkable quality of life.

4.6 Theoretical implications of Kant’s ethics in business

This section seeks to discuss the theoretical implications of Kant’s ethics on business in terms of how the ethics can be applied in corporate organisations to ensure sound ethical decision making. The objective is to demonstrate that Kant’s ethics can create a culture and stature capable of militating against moral degradation in business. Although business should be allowed to pursue its own ends, it should so within the orbit of the moral law. Business needs to reclaim the lost confidence and trust, and the sections below are an illustration of how Kant’s ethics can be applied.

4.6.1 Treating stakeholders as ends in themselves

There is general lack of ethical foundation in both Friedman’s Stockholder and Freeman’s Stakeholder theories that could actually compel corporate organisations to view stakeholders as ends in themselves. Instead, corporate governance has unfortunately left room for managerial opportunism. The obsession and avarice to make profits has led managers to use other stakeholders as means to an end since their own efficiency is determined by how much profit they make.

MacIntyre (2007) suggests that managers are manipulators since their major interest is efficiency. The interests of other stakeholders are often sublimated. As argued by Shaw (2008:57), the encroaching technology and globalisation tend to dehumanize people under the guise of efficiency.

Kant gives primacy on human individuals where organisational decision making belongs. Human beings work to provide goods and services for other human beings. Kant's ethics expresses the intrinsic value of the human spirit and arguably injects a humanistic element into moral decision making. All stakeholders' interests are intertwined and an organisation has specific moral obligations to its stakeholders.

In light of the above, a corporation must treat its stakeholders as ends and not as merely means to a corporate purpose. Bowie (1999) suggests that no human being should be used as merely a means in a voluntary economic exchange. Stakeholders deserve moral considerability. In a Kantian world, a stakeholder should be free from coercion and deception. Kant's ethics help can create an enabling ethical climate within an organisation that develops human rational and moral capacities. Open book management is desirable as it helps employees to identify with an organisation. This is because in the open book system, management promotes accountability and encourages employees to live their corporate lives with dignity to enjoy harmonious work life experiences. A corporate as a moral agent should provide security, decent liveable pay and meaning of work. The quality of work life experience reflects the degree to which members are able to satisfy their personal needs through their experiences in the organisation according to Suttle (1976).

Creditors or investors should also be given correct information about the financial performance of the company. Unethical creative accounting as in the case of the Enron Crisis (2001) and WorldCom (2002) violates the 'respect of persons' principle. The Ford Pinto (1974) is also an instance where human dignity was compromised. Ford Pinto cars' fuel tankers had faults that could lead to fire and put lives at risk. Normal practice would have been for Ford Pinto to recall the cars but they did not. The reason was that it would cost more if they conduct a recall. This is a classic example of moral disengagement and ethical fading, a phenomenon where people's perception of reality becomes altered and ethical aspect in decision making is obliterated. They valued money over human life. The Marikana massacre (2012) that killed 34 miners by the South African police represents some moral moment of a historical injustice. It also highlighted the remaining vestiges

of alienated cheap labour. Kant's ethics can ensure humanness in business, according dignity and worth to employees, suppliers, creditors among other stakeholders.

4.6.2 Deontic sense of responsibility (Direct and Indirect duties)

As stated in the previous chapter, Friedman does not focus on duty, whereas Freeman proposes too many duties without delineating specific obligations a corporation has to its stakeholders. On the contrary, Kant's ethics calls for perfect duty. Managers' decisions must be motivated with exact purity of motive necessary for perfect duty, free from contamination by motives of self-interest. The perfect duty mentality also calls for greater exercise of moral control by managers. This translates into doing the right thing for its own sake, guided by the right intention and conviction and upon acting from a principle.

Kant's ethics can arguably be described as an 'ethics of conviction'. This is because of Kant's emphasis on perfect duties, also known as strict duties, and imperfect or wider duties. Kant's ethics can model organisational altruism and resource allocation among stakeholders. For instance, the notion of perfect duty can be the meta-strategy of making binding contracts and promises. It can also resolve Prisoners' Dilemma through binding agreements among players with regard to each other. Prisoner's dilemma is a paradox decision scenario in which individuals acting in their own self-interests do not produce a favourable optimal outcome. Deontology can provide a useful framework for understanding how to strike a balance between cooperation and competition. Perfect duty equates to the 'negative duties' organisations should subscribe to. The negative duties may include avoiding vices such as discrimination, moral hazard, money laundering, promise breaking, alienated labour, slavery and exploitation.

According to White (2015) Kant's Categorical Imperative can be integrated into the standard economic decision-making framework. Kant's ethics has the ability to constrain organisational self-interested desires. White (2015) argues that Kant's ethics accounts for moral imperfection and weakness of will. For instance, the Enron Crisis (2001) and the Financial Crisis (2007-2008) show gross transgression of duty and instances where actions of managers were not morally motivated with exact purity of motive. Whistleblowing can be a dutiful act in a Kantian world. Kant's ethics of duty can fight bystander apathy and ducking of responsibility by those within these organisations. Stakeholders have a direct duty to raise the red flag and hold management to account.

Kant also speaks of imperfect duties which is a reference to duty of beneficence without need for self-sacrificing behaviour. According to White (2015) corporations undertake these positive duties without requirement of ascetic sacrifice, balancing their interests with those of others. These wider duties allow organisations to act with greater flexibility and latitude. To expose this element of flexibility and latitude Kant himself said;

I cannot do good to anyone in accordance with my concept of happiness (except to young children and the insane), thinking to benefit him by forcing a gift on him; rather, I can benefit him only in accordance with his concept of happiness. (*Metaphysics of Morals* 6:454)

In view of the above, managers have the duty to respect the wishes of other stakeholders. Imperfect duties may include philanthropy, reasonable remuneration to workers, talent development, paying dividends when they are due and promise keeping in contracts. According to Wood (1996) beneficent actions that are directed by duty express our volitional respect for the humanity in one another. McNutt (2010) argues Kant makes a clear distinction between “duties of right” and “duties of virtue”. Duties of right govern individuals to attain a basic level of justice in social environment of interdependence according to Smith (2012). Duties of virtue govern humanity’s rational internal freedom to identify ends through rational planning and they apply to maxims that people set for themselves. Corporate philanthropy and charity are positive volitional duties that organisations feel obligated to do for the less privileged communities without getting a reward in return.

4.6.2.1 Duty and Whistleblowing

Whistleblowing is the term which is used when someone internal or external to an organisation provides information and evidence of either individual or corporate wrongdoing. One feels s/he has the duty to disclose or report. Arguably, most of the scandals currently obtaining in business are as a result of the absence of whistleblowers. Many employees prefer to watch from a distance and never report or alert authorities on possible illicit conduct of their superiors. There is generally the problem of bystander apathy in business whereby people do not want to be involved. This is an abrogation of duty. Kant would favor a scenario whereby individuals report any ‘fishy’ goings-on within their organisations. Whistleblowing is not only moral but also democratic and therefore can be used in democratic jurisdictions. In authoritarian societies, for instance China, the practice is not encouraged on the basis that whistleblowing violates loyalty, social conformity and harmony. Whistleblowing may be a taboo in Friedman’s moral world.

4.6.3 Agency of good will among stakeholders

Friedman emphasises the law in order to achieve corporate ends and in so doing he overlooks the esteemed tenet of good will. Good will is at the fastigium of Kant's ethics as he regards it as the highest human good. Good will cannot be defined in legal terms and it is a cardinal and generic virtue. Kant believed good will is always of great value even if it fails to achieve its intentions. Even if companies fail to meet some of their moral intentions, the organisation is considered to be acting in good faith as long as society believes the constraints are justifiable and excusable. Good will by managers ensures ethical outcomes are achievable. According to Watthanabut (2017) Kant regarded good will as a single moral principle which freely chooses to use other virtues for moral ends. The concept of good-will expresses the interconnectedness between the corporation's varying stakeholders and the need to collaborate. To encapsulate the Kantian concept of good-will, the study draws insight from some reflections by Pope Francis (2020);

Nothing in nature lives for itself. The rivers do not drink their own water; the trees do not eat their own fruit; the sun does not shine on itself and flowers do not spread their fragrance for themselves. Living for others is a rule of nature. We are all born to help each other. No matter how difficult it is life is good when you are happy but much better when others are happy because of you.

The above statement from the Pope summarises good will and what is expected of a moral world. Roddick (2000) argues that business should not always be about money but also be responsible for the public good. In an organisational set-up there is need to marry corporate purpose with good will. An organisation that acts out of good will definitely represents the best social aspirations of stakeholders thus other-regarding. An organisation of good will cannot overbill its customers or exploit and alienate its workers among others. Good will could ensure equitable resource allocation in the free market economy. The concept of good will should be incorporated into the corporate codes of ethics.

4.6.4 Self-legislating, institutionalisation and universalisability of business ethics.

In Friedman's economic world it is the law only that governs. In Freeman's economic world there are networks of relationships within the stakeholder matrix. The nexus of contracts also represents the always legal relationships between the corporation and its stakeholders. In a Kantian world, managers, operatives, stockholders among other stakeholders, should participate in rules that govern them. Organisations can self-legislate and institutionalise those maxims that they 'will' to

be universalised. Those maxims should hold for every member in the organisation in all circumstances and without contradiction. This helps guard against sometimes conflicting pulls of moral conscience and self-interest. Kant's Categorical Imperative provides a systematic moral method and standard of reference.

In his acceptance speech at a Democrats national convention, President Obama in 2012 asked business especially the financial institutions to 'play by the same rules from Wall Street to Washington DC' and that 'principles must lead'. He was responding to the aftermath of the Financial Crisis of 2007-2008. Obama was concerned about how customers could be tricked into signing for a mortgage which they could not afford and in the end lost their life savings, jobs and were racked into more debt. One can infer that Obama was talking about the need for universal rules or principles. He also intimated that 'rolling back regulation' was not an option. In other words, Obama was stressing the point that weaponising the law in order to force ethical outcomes in the industry was not the solution or answer. He was calling for self-retrospect, self-constitution and self-governance. Kant's ethics represents all these virtues.

To a Kantian, breaking the rules is wrong and therefore cannot be universalised. Shaw (2008) argues that a law that allowed promise breaking would contradict the very nature of a promise and a law that would accommodate lying would contradict the very nature of serious communication. If one borrows money from a colleague with a promise to repay but knowing fully well that he will not be able to repay, this tests the moral precept of universal acceptability. The morality of the marketplace should be predicated on maxims that that can be replicated and universalised. Societies carry generic values and the test of universalisability is critical. It is alleged that ill-gotten funds from Cashgate in Malawi (2013-2014) were donated to build churches and mosques. This begs the question as to whether such actions can be universalised or whether this is the right way of giving back to society. Kant's ethics would provoke the source of funding to be questioned. The means the donors used to acquire those funds were morally defective.

Kant's ethical values can formulate morally embedded corporate mission statements and moral codes necessary for reconstructing a strong organisational culture especially in this platform era of cloud morality. Kant's Categorical Imperative can provide a fecund framework in institutionalisation of ethics in corporate organisations. Kant's ethics is capable of building corporate systems around common values that are more resilient and equitable in all spheres such

as economic, social, regulatory and political spheres. Kant's ethics should be reflected in the code of ethics in organisation and those in positions of influence should vow to abide by them. Hayes (2021) argues the code of ethics outline the core values of the business that help professionals conduct business honestly and with integrity. In other words, the code should set out the organisation's ethical guidelines and how ethical principles should inform best practices.

4.6.5 Principle-based rationality, Self-examination and Self- constitution

If every manager, shareholder and stakeholder want to know whether their actions are morally just, they have to ask themselves according to which principle are they acting, and whether they want everyone to act according to that same principle. Kant's ethics calls for self-examination as well as self-constitution. Managers should have rational reasons to act by undertaking well-grounded moral choices between competing alternatives. According to Shaw (2008:17) morality serves to restrain self-interested desires. Guided by Kant's ethics, managers can make decisions by way of a *priori* knowledge. Most contemporary ethical dilemmas and challenges require rudimentary reasoning as some of dilemmas were never imagined. For instance, the vagaries of technology and globalisation pose new ethical threats and challenges never experienced before. Therefore, rationality as the supreme end of the Categorical Imperative should assist corporations in responding to the ethical challenges that they face.

Kayelekera Uranium Mining Project in Malawi for instance, has certain ethical aspects that were suppressed in terms of the rationality behind this open cast mining project. Of course, from Friedman and Freeman's teleological point of view, the project was viewed as lucrative and a great breakthrough and they ignored the radioactive dust that can damage respiratory tract and the kidney, and could also cause cancer among other examples depicting the impact of extractive industries on communities. Economic concerns for the majority took precedence over the minority health concerns. Arguably the government's rationality behind the project was ethically wrong. Minorities were discriminated against in direct violation of Kant's principle of 'respect for persons'. Although the project was tipped to create employment and infrastructure development, that never materialised. Every rational action of a manager must trigger not only a principle but also an action that can be categorically pursued. According to Rachels (1986) morality should guide one's conduct by reason, provide best reasons for their actions and at the same time give an

equal weight to the interests of each individual affected. Moral actions must not come from authority, religious commands or tradition but from reason according to Misselbrook (2013).

4.6.6 Autonomy and egalitarianism in organisations

The top-down approach of Friedman's doctrine clearly shows lack of personal autonomy in organisations. Stockholders exert their desires on management and as a result, managers conduct themselves in certain predetermined ways. Shaw (2008:21) asserts that it is no secret that corporate organisations exert substantial influence and pressure on individual corporate members to conform to organisation norms and goals. In this regard, corporate by nature can impose profound influence upon its members to an extent they can behave in a way they would not do if they were out of the organisation. As a result, Shaw (2008:23) observes that employees frequently fight hard to maintain individual integrity and autonomy. They are often caught in a showdown with organisational priorities and corporations do little to safeguard individual integrity and moral autonomy.

Kant's ethics can allow for both top-down and bottom-up approach whereby everyone self-legislates and self-regulates and members identify with rules that govern them. Members can test themselves against the rule 'Do unto them as you want them to do unto you'. This allows for checks and balances in order to avoid excesses by management. Kant's ethics engenders lawful individual freedoms and liberties including personal autonomy within organisations. Autonomy and individual basic rights within organisations are highly desirable. Universal equal rights are natural rights from human nature that are non-transferable moral entitlements. Paton (1978) concurs with Kant that moral responsibility is dependent on autonomy. Peters and Waterman (1982) are against corporate systems that tear down individual's self-image. An organisation may also encourage independence of its employees through an adequate salary. In prohibitive systems, workers are not allowed to endorse rules that govern them let alone freely choose their purposes entirely through exercise of reason.

In football, there are instances where autonomy of players is compromised, instances where players are involuntarily pushed and exchanged between clubs without their express and voluntary will. In such cases, the player's choice is overridden and the player is forced out of the club. It may be legally acceptable but if one looks at it from a Kantian perspective it defies human dignity and respect for the player. In an environment of good will, respect of persons, fairness and respect of

their autonomy, football clubs should be a conscientious moral agent impartially concerned with the interests of everyone affected.

4.6.7 Corporate organisations as part of the moral community

Business should be a subject in the moral community and should therefore not act outside that community. Bowie (1999) argues that firms are moral communities with moral ends and that they are ‘sites’ of moral actions as they can either promote or hinder satisfaction of human needs. There should be realisation that profit as enunciated by Friedman is not an end in itself. The economy is never an end but a means to achieve higher level objectives. Smith (2012) argues that interconnectedness and interdependence of human lives warrants us to support the well-being of others as we cannot remain indifferent to the lives of others, their goals, aspirations, pain and happiness. The firm must be part of a moral community where the interest of stakeholders must be religiously considered. Whatever affects other stakeholders must be of moral concern to corporations. Stakeholder engagement is pivotal as it allows everyone to participate in policy formulation since some of these policies may have a profound effect on their livelihoods and welfare. The interest of one stakeholder should not automatically take priority and every stakeholder should be considered to be in a moral relationship with others. Stakeholders are part of the journey and destiny of any organisation. Therefore, the organisation is the means to achieve common goals and ends.

A moral world free of money-laundering, terrorist financing and corruption is the ideal world for business. Corruption disrupts this ideal as it sows disparities in income with the poor getting poorer and the rich getting richer. Fair competition, legitimate business and moral conduct represent ethical business practice in this Kingdom of Ends. Kant’s ethics can be indeed the supreme principle of morality to suppress vices of desire or inclination.

4.6.8 Conceptual shift from ‘social’ to ‘moral’ responsibility

The other objective of this study is to entrench the conceptual shift from Corporate Social Responsibility to Corporate Moral Responsibility. There is need for corporate organisations to move from the perception of social responsibility to a deeply entrenched moral dispensation. Corporate Social Responsibility has tended to only be understood under the pretext of philanthropy or ‘Giving back to society’ and therefore lacked the moral thrust to mitigate the current ethical challenges in business. Arguably Freeman’s stakeholder theory is perceived as having socialised

the corporation. Therefore, Kant's ethics should 'moralise' the corporation so that it capable of confronting the ethical challenges causing moral decadence in business. For instance, it is part of social responsibility for companies to obey the law but religiously following the law requires a more entrenched moral disposition. Corporate organisations often skirt the law when they feel the penalty is low. For instance, a company may allow toxic industrial waste to escape into the town's aquifer because the penalty is paltry. Corporations may also want to save money by reducing cost of disposal through disposing waste and toxins in barrels that barely meet legally required strengths. This happens because they lack a more ingrained moral disposition.

In other circumstances the law itself may be ambiguous. For instance, share buybacks in America are an example whereby the law is not absolute. The practice of share buybacks involves a company announcing that it is buying back its own shares from the market. The market perception is that once they buy back the shares, this will cause a reduction on the market and consequently a raise in the share price. Investors may scramble for the remaining shares at a higher price. In most cases the re-acquisitions are never done and at law these firms do not need to report whether they actually do the re-acquisition. Kracher and Johnson (1997: 1677-1685) argue that the 1987 stock market crash in America exposed the companies which were announcing re-purchase of the shares, actually had no intention of repurchasing them. The 'social disposition' no longer enough and therefore a radical moral dispensation is needed in order to fight the moral decadence and reputational risk bedevilling the corporate world. Kant's ethics can affect moral disposition and stature in organisations.

4.7 Theoretical limitations of using Kant's ethics in business

Altman (2007) has some reservation about application of Kant's ethics on organisations, arguing that business lacks human competences of inclination, capacity to reason and therefore cannot be physically punished as human do. According to Altman (2007) Kant's ethics is based on individual moral responsibility by human beings and not a fictional legal entity that just exists in the contemplation of the law. Altman, like Friedman, argues that corporate practice can only be guided or restrained by law. Therefore, Kant's ethics cannot be applied to corporate organisations but only to human beings.

Responding to Altman's concerns, I argue that a corporation is a human endeavour and cannot be divorced from its creators. Corporations are created by humans and run by humans. Decision

making and choices are by managers, shareholders and stakeholders who are also humans. One therefore cannot separate humans and the organisation since every corporate activity is a human endeavour.

Phillips (1992) argues that corporations are real entities and are morally responsible for the bulk of their actions. The corporation acts through individuals who are its organs. In addition, Shaw (2008) believes that corporations are increasingly being accorded the status of human beings including all the rights and responsibilities implied by that status. Padfield (2015) also argues that corporations can represent people and thus have available to them all the rights of people. Goodpaster (1978) states that corporations have interests that are capable of being represented while Garrett (1989) even suggests that a corporate organisation has additional duties distinct and not reducible to those of its members.

French (1984) through his Corporation Internal Decision (CID) argues that an organisation is a moral agent. He argues that the CID structure absorbs and transforms individual intentions, perceptions and motivations into a corporate decision. French argues that corporate policies and procedures are formulated by human individuals to make corporate practice intentional as well as rational. All these arguments point towards some “corporate sentience”. Both the metaphysical and semantic conceptions of an organisation support the notion of Corporate Moral Responsibility. Altman’s assertion is therefore refuted through the aforementioned arguments. refuted.

Kant’s anthropocentrism and feminism are also highlighted as limitations to his philosophical thinking. The enlightenment philosopher Kant may have been the father and champion of individual freedom, absolute morals and human dignity, but Kant arguably may have been a sexist in some sense. For instance, when Kant meant people, he meant men according to Boomsma (2019). In his book *Observations on the Feeling of the Beautiful and Sublime*, Kant (1764) says;

Women avoid evil not because it is unjust but because it is ugly. They do something only because they love to, and the art lies in making sure that they love only what is good. I hardly believe that the fair sex is capable of principles. Women are naturally fearful, weak and passive. Since men are naturally more courageous and stronger, it’s only reasonable for them to be in charge. Women are good at running a household and seducing men.

The above statement may reflect badly on Kant's perception of women in society despite the fact that he also has other literature that speaks well of women. Mikkola (2011) argues Kant had a dim view of women suggesting them as morally deficient. This challenges the image of Kant as a supposedly ethical rationalist who should always be in keeping with his moral law that forbids discrimination. This kind of assumption by Kant may have implications on women's position in society and in the world of business. For instance, it may suggest that women cannot hold influential positions in organisations and society. To some it may be viewed as also violating the 'respect for persons' principle by viewing women as lesser human beings. To some extent Kant indeed exhibits male chauvinist tendencies that contain "male patterns" of ethical thought.

Kant's moral philosophy seems to be largely anthropocentric. Every moral endeavour is directed at human beings thereby suggesting humans as the only moral agents or patients with intrinsic value. In a Kantian world, animals are portrayed as having no intrinsic value. This kind of philosophical thinking bodes ill for moral agency in organisations as some of its moral patients, are non-humans. An example would be the environment as well as animal rights.

However, according to Godfrey-Smith (2021) Kant's ethical framework can still be extended to animals. Nonetheless some scholars argue that Kant's perception of human intelligence and knowledge is overrated. Kant seems to minimise the limits of human perceptual and cognitive prowess. Kant thus exaggerates the level of human intellectual intuition by overstating the knowledge of agents in the world.

4.8 Theoretical strengths of using Kant's ethics in business

This section seeks to justify the use of Kant's ethics in informing business. In other words, the research seeks to justify why Kant's ethics can be the base and generic foundation of corporate moral responsibility. According to Kranak (2019) many thinkers agree with Kant's emphasis on ethics being fundamentally rational. Though overly demanding, his greater attachment to reason and his ethical formulations also carry great intuitive appeal.

4.8.1 Consistency, predictability and universalisability

Kant's ethics could be the last piece of the puzzle between the doctrines of Friedman and Freeman on Corporate Social Responsibility. Kant's ethics should be credited for containing elements of clarity, consistency and predictability, invaluable tenets to a flourishing ethical climate within an

organisation. His ethics are candid and straightforward, defined in absolute terms necessary to make resolute ethical decisions especially in this contemporary morally conflicted business world. It is this dissertation's view that Kant's moral philosophy is candid and that he does not shy away from pinning down his cardinal principles. The nexus between the excellences of good will, self-legislating, 'respect for persons' and duty, creates a systematic and impartial commands that can be replicated within organisations. All the moral precepts contained in the Categorical Imperative reinforce and relate to each other without discord and can form an invaluable moral circuit that individuals and organisations can easily follow. Kant's ethical theory can fight moral imperfection and weakness of will according to White (2015).

If Kant's philosophy is adopted in corporate organisations' code of ethics it may help organise people, structures and operations within the organisation in a way that underpins morality. Employees can then be given specific duties when they join the organisation and be expected to consistently behave as those around them, and in accordance to their specific duties. The principle of universal acceptability in corporate organisation means having uniform corporate ethical practices acceptable to other stakeholders and society in general. The main challenge in business is that most economic approaches that organisations pursue are rooted in basic framework of profit maximisation which is predominantly a Friedman and Millian approach.

In Kant's ethics moral judgements logically flow from their premise, based on reason and from well-considered moral principles. For instance, Kant's golden rule 'Act as you would want all other people to act towards you' is quite straightforward. For instance, if one looks at gun manufacturing, control and the proliferation of violence in the United States there are ethical concerns to be raised pertaining to the role gun manufacturing is contributing to this public insecurity and deaths. According to Parson and Vargas (2020) it is estimated that gun violence in America takes lives of 40,000 every year. So, corporate organisations should not only focus on the economic reward they pursue but should also consider the impact of their business on society.

4.8.2 Kant's cosmopolitan ethics and corporate strategic ethical resilience

Kant was cosmopolitan in many ways and his greatest concern being humanity and the need for human communities to live in peace. Capitalism as presented in Friedman's shareholder theory and Freeman's stakeholder theory is also cosmopolitan and can actually also contribute to world peace but due to excessive capitalism the result is mass poverty and therefore social instability.

The notion of self-legislating ensues when everyone participates in decisions that govern them. This then translates to self-regulation. Members of the moral community should take a hand in making the laws as well as living by them according to Slowther (2004).

Human beings have common values they share regardless of nationality, race or geography and therefore by self-legislating these values can be harmonised and recognised across moral jurisdictions without them being too relative to a particular culture or system. Maxims in organisations must express the reasons that influence a particular corporate decision. The tenet of universalisability of ethics in the Categorical Imperative suits contemporary businesses punctuated by multinationals dotted around the globe with franchises all over. In addition, today's workers are better educated than in the past, and need to be given the opportunity to set the principles that govern them. This allows the workers to identify with the company's ethical objectives thereby creating a harmonious organisation. White (2016) argues that if Kant's ethics is applied in corporate decision making it can help managers to effectively deal with the dilemmas, complexities and constrained ethical choices within an environment with limited preferences.

Kant's ethics can form a resilient a cloud platform that can morally shape a strong corporate ethical culture. Most of the ethical dilemmas of the business world and in society can be solved, allowing managers to pick the right moral choices. For instance, trophy hunting is becoming a moral issue. The killing of the lion called Cecil (in the Hwange National Park, Zimbabwe) instigated a public outcry as society view this practice brought by globalisation as an immoral act. Is it ethically upright for the elite from Europe to come and kill a lion in Africa for money while locals can be arrested for killing the same? Kant's morality can provide moral solutions in such moral situations with much ease than Friedman and Freeman. Kant's moral precept of indirect duty schools us that the authorities of the park had the duty to protect Cecil, merely because of his relationship to both the local and tourism community. In addition, there are value categories of duties that characterise actions as good or bad and they emanate from primary deontic categories. The primary deontic categories provide absolute base rationality in corporations to militate against corporate immorality. This can form the much-needed strategic ethical resilience in business essential for socio-economic coordination.

Kant's ethics has the ability to constrain these organisational self-interested desires and inspires agent to insist on perfect duty. Potential managers can be screened and their moral compass

assessed using a Kantian profiling template at interview stage. Just like their physician counterparts who sign up to the Hippocratic Oath, corporate managers can also vow to keep their conduct ethical so that they truly represent the organisations they preside over.

Most business scandals happening in the corporate world are due to blatant dereliction of duty. Therefore, there must be some code of ethical practice (with Kant's ideology) to guide and encourage managers and other corporate members to apply their sense of duty. According to Robinson (2019) the Categorical Imperative, the central philosophy in Kant's ethics is indeed a method of deriving practical moral axioms and duties relevant for managerial leadership and organisational efficiency. A Kantian economic interpretation of perfect duty advises on the scope of the duty corporations owe to their stakeholders.

Kant's ethics provides an indubitable ethical platform and can give moral direction in corporate governance by laying valuable ethical foundation on which moral choices can be predicated. Kant managed to put all the moral variables into a well thought out framework that can be a valiant moral template in dealing with the difficult moral quagmires in the contemporary corporate world. The tenet of good will is an invaluable component in our lives and in business too as it is essential in precipitating duty. If a merchant is honest so with the aim to earn a good reputation, this act of honesty is not genuinely moral because it is not morally motivated. The act is contaminated because the main driving motive was largely teleological. Kant's ethics therefore offers checks and balances and allows every decision to be questioned.

4.8.3 Kant's ethics as the basis for corporate egalitarianism

Kant's ethics can be the ethical foundation for fairness, equality, equity and justice on corporate organisations. The Marikana massacre of 2012 that killed 34 miners by the South African police represents an ethical problem and historical injustice. It also highlights the remaining vestiges of colonial cheap labour. Kant's ethics can be a useful tool in shaping business and society in general. It can be a basis for human rights campaign, fighting injustices at the workplace for instance alienated labour, child labour and exploitation. In the social sphere Kant's ethics can provide fecund foundation as well as objective standards on which positive law can be predicated on. If the same concept is applied in business it can help fortress organisations from moral calamities.

Kant's insistence on the notion of respect for persons accords dignity and worth to employees, suppliers, and creditors. It also gives greater autonomy among stakeholders. That is the reason why the ethos in medicine are mostly Kantian as there should be autonomy for both the patient and the physician. Donaldson (2017) suggests that Kant's "respect for persons" mantra can be a vital and helpful as it respects patient autonomy and dignity. In addition, it builds an ethical foundation of respect between a physician and a patient. Medical practice is thus a prime example of duty-based ethics and guidelines, a duty to behave only in certain ways.

4.8.4 Weapon against the vagaries of technology and globalisation

Kumari (2019) acknowledges the need to address ethical issues arising from the fast-paced technological advancement and the disruption it is causing. Technology is affecting product designs and therefore design ethics becomes an issue. Both 'good' and 'dangerous' technology have profound influence on people's behavioural patterns. Cyber bullying, smartphone addiction, cloning, human tracking systems, genetically-edited babies, pornography, and surrogacy challenge traditional societal values. Artificial intelligence is the next normal that might signal disappearing human agency. All this will affect the way the future generations will perceive the moral world around them. Perhaps that is why MacIntyre (2007) argues that agency has already changed, science has taken over and virtues do not matter anymore. According MacIntyre, the world came to an end and is now reviving itself by creating a new ethic altogether.

Technological advancement and globalisation can actually reshape society, effect fundamental change in our values, norms and behaviour. Digital morality and artificial intelligence may result in shift of values. Even the Covid-19 pandemic bears testimony to how an imposing single global phenomenon can alter people's norms. Mulgan (2015) suggests artificial intelligence will create a 'broken' digital generation 'new moral individuals', with different expectations.

Kant's ethics can help give insights when confronted with these challenging moral situations and ethically sensitive dilemmas. Kant's deontic category of duties are morally deep rooted according to Kranak (2019) and therefore carry the moral stimulus that provokes everything to be questioned. Humanity and human values are at the core of Kant's ethics. The self-legislating concept confines moral individuals to act from a principle rather than mere reliance on one's character or utility gained. Kant's Categorical Imperative has the capacity to stonewall corporate organisations and society alike from the vagaries of technology and globalisation.

4.7.5 Tenable basis for a professional and institutionalised command ethic

Organisations have corporate codes of ethics that guide those carrying out responsibilities on its behalf. Some code of ethics based on Kant's ethics can form a valiant basis for a command ethic. Deontology induces the spirit of hard work, commitment and dedication to duty. This could result in a reliable system of rules that clearly delineate everyone's obligations and inculcate a strong organisational ethical culture. Currently in business there is evidence of gross moral disengagement, weakness of will, bystander apathy and ducking of responsibility and these vices threaten the very moral fabric within organisations. Shaw (2008:17) argues that morality curtails our self-interested desires.

Kant's ethics is bordered around three fundamental tenets of humanity; the concept of self, the concept of morality and the concept of rationality. Their application in organisation can inspire them to effectively monitor the behaviour without coercion and create an enabling environment for those in authority to engender an ethical and professional work ethic. One of the great attributes of Kant's ethics is that it favors everything to be questioned before an ethical choice is undertaken and this can allow organisations to develop a moral infrastructure and strategic resilience to tackle modern day ethical challenges business faces. Kant's ethical theory has the greater level of detail and critical mass to ensure ethical practice.

4.8 Chapter Summary

The chapter has demonstrated how Kant's ethics can be a solution to shortcomings of Friedman's Stockholder and Freeman's Stakeholder theories. The term 'Business ethics' was defined, including why it is critical for business to conduct themselves in ethically acceptable ways. The common ethical dilemmas and moral pitfalls which corporations often succumb to have been highlighted as well as how Kant's ethics can help solve those challenges. The chapter has demonstrated that Kant's Categorical Imperative is a supreme principle of morality and is capable of solving most ethical challenges in the business world.

The theoretical weaknesses of Kant's ethics as well as its strengths have been discussed with a view to give a balanced debate. The chapter has also discussed technological and global disruptions to the moral order. The chapter discussed the negative influence of technology and globalisation and how they are altering human and societal values and how Kant's ethics can proffer solutions. More importantly, the study has demonstrated that Kant's ethics represents the moral law that can

be used as a moral toolbox for standard of reference, self-examination and self-constitution for managers when making corporate decisions. Above all, the chapter has proved that Kant's ethics can lay an impregnable ethical foundation for corporate organisations that would allow every action or decision to be questioned.

CHAPTER FIVE

CONCLUSION

5.1 Summation of the key points of the dissertation

The study aimed to demonstrate that Kant's ethics proffers a valiant deontological approach to business sufficient to militate against the moral decadence currently obtaining in business. The study has demonstrated that Kant's ethics offers solutions to the shortcomings of Friedman's stockholder theory and Freeman's stakeholder theory. In other words, Kant's ethics can be a solution to curbing moral erosion in business, which both Friedman and Freeman doctrines have failed to achieve. Friedman's stockholder theory and Freeman's stakeholder theory have gained prominence in business ethics and arguably they are the main theories informing Corporate Social Responsibility in business. They are also referred to as theories of corporate governance. So, this study was motivated by the need to address the moral decadence in business and the realisation that this decadence is eroding the confidence and trust which the society and other stakeholders have on business. The moral crisis threatens to break the core moral fabric of society. There is realisation that there is a growing disparity between what the society expects business to behave and what currently is the situation according to Mancosa (2006).

The social contract between business and society appears to be on a tenuous edge with business being blamed for the extreme economic disparities between the rich and poor. Arguably the unethical business practice in the form of unrestrained capitalism and the astronomical avarice to make huge profits is quickly degenerating into an 'economic emergency' a scenario by which many feel left outside the economic system. The excesses of capitalism are glaringly visible and are a clear reflection of the moral decadence. The humanness, integrity, confidence and trust of business practice have been put under question. The unethical conduct in business has courted the public ire and has eroded public faith. As a result, the relations between business and society are quite polarised.

The study suggests that the moral erosion in business is largely due to the ineffectiveness of the main leading theories of Corporate Social Responsibility such as those by Freeman and Friedman mentioned earlier. The study has confirmed that such theories lack the necessary ethical

foundations to guide business, hence the need for an alternative. Kant's ethics can compel business to act in ways that honour humanity. Inasmuch as business is primarily created to seek profit or value, it should achieve this goal in a way that respects humanity. In other words, business should serve humanity.

Various formulations of Kant's Categorical Imperative have been discussed. These include the Formula of Humanity as an end in itself, which stresses that human beings must never use themselves or other fellow human beings as merely a means. As human beings we need to act in a way that respect humanity in ourselves and in others. This 'respect for persons' concept reminds us that human beings should be valued on their intrinsic value and not merely on their instrumental value.

In order to achieve a balanced argument, a critique of Kant's ethics has also been presented. For instance, Hegel argues Kant's ethics is too formalistic, without content and lacks materiality and therefore cannot guide moral choices and decisions. McCarty (1989) also accuses Kant's ethics of supererogation i.e. moral agents performing more than is required, doing good actions but not morally obligatory. Kant's critics also faults him on idealism and absolutism. They argue that Kant's moral law has no exceptions and therefore unrealistic.

In defense of Kant's ethics, the study has demonstrated that Kant's ethics should be credited for being straightforward and candid. Kant is not shy or afraid of pinning down his philosophy no matter the amount of criticism. In addition, the nature of Kant's ethics brings about a greater sense of predictability and consistency. Kant's ethics contains key moral tenets that can be used to entrench ethical values in both business and society.

Kant's ethics has also shown that it can be used as a weapon for human rights campaign, equality and justice. To this effect, I have highlighted that Kant's ideology was used in modelling the British constitution. This is testimony to the fact that Kant's philosophy contains democratic tenets that can also be used for the entrenchment of constitutional democracy. That speaks volume about how credible Kant's ethics is to the wider world.

The study has also exposed that there is a changing scope and nature of Corporate Social Responsibility and that Friedman and Freeman's theories of Corporate Social Responsibility are fast becoming limited. The ethical challenges in today's business world are enormous and were

never imagined. For instance, Friedman's doctrine represents the post-industrial revolution era where the main focus was on production and in that period Corporate Social Responsibility possibly had a different meaning altogether. Globalisation and technology are disrupting our moral world. For instance, financial innovation such as tokenisation and cryptocurrency business are bringing in some ethical challenges. On the other hand, customers too are becoming more knowledgeable and more demanding of ethical products and services.

The study has demonstrated how Kant's ethics can inform business as well as proffer solutions to the shortcomings of Friedman's stockholder theory and Freeman's stakeholder theory. A general snapshot of the corporate world is presented. Common vices in business have been cited, for instance, money laundering, creative accounting/off balance sheet accounting, fraudulent cryptocurrency/tokenisation dealings, corporate corruption, state capture, hostile takeovers among others.

Kant is also faulted on being a male chauvinist and sexist in some ways. For instance, Boomsma (2019) suggests that when Kant use the term 'people' he meant men. Arguably Kant portrays women as being weak, fearful, less courageous and lesser human beings and this may have a negative impact on the role women can take in corporate organisations. It may imply women cannot occupy senior positions within the organisations they serve. Some critics also believe that Kant's moral philosophy seems to be largely anthropocentric thereby less regarding to non-humans for instance animals and the environment. In an organisational context, Kant's ethics may ignore anthropogenic activity and animal rights although Godfrey-Smith (2021) believes Kant's ethical framework can still be extended to other animals. Other scholars argue that Kant exaggerates human intellectual capacity. They argue Kant overrates the human cognitive excellence.

Despite the limitations, the study still argues that Kant's ethics is the most tenable to inform business. The vital tenets of self-examination, self-constitution, self-legislation, a priori reasoning, good will, deontology, universalisability and autonomy of 'will' make Kant's Categorical Imperative impregnable. All these moral variables form a well netted moral web with a moral circuit that filters human actions and raise the red flag when a moral event is in question. Kant's ethics allows moral agents to elevates ourselves above the demands of nature and other material circumstances. Kant's ethics ensures morality is equally valid for all rational beings and that it must be a property of freedom.

In addition, the study has argued that Kant's ethics can be a weapon against the vagaries of technology and globalisation. This fast-paced technological advancement has profound influence on people's behavioral patterns. Technology and globalisation are reshaping society. Digital morality and artificial intelligence may result in shift of our moral norms and behaviour. So, Kumari (2019) acknowledges the need to address ethical issues arising from the fast-paced technology. MacIntyre (2007) argues that science has taken over. Artificial intelligence is having some moral impact on society. So, Kant's ethics can help give insights when confronted with challenging moral situations and ethically sensitive dilemmas. Kant's Categorical Imperative can be a basis for a professional and institutionalised command ethic. It can be a deterrent of moral disengagement, weakness of will, bystander apathy and ducking of responsibility in corporate organisations. Deontology inspires hard work, commitment and dedication to duty. Kant's deontological approach to ethics is capable of effecting a moral rest in business.

5.2 Suggestions for further study

The study suggest further scholarship could be on the possibility of blending of Kant's ethics with some aspects of Ubuntu ethics on the tenets of 'relational agency', identity, mannerism, reciprocity and patriotism. Ubuntu philosophy revolves around the essence of being human and that one cannot exist in isolation. Aphorisms like, 'It is not about you; it is not about me, it is about us' or "If you want to go fast go alone if you want to go far, go together' have an ethical bearing. There are certain situations where cooperation is desirable to competition. Ubuntu ethics espouses shared values, shared agency, shared ends as well as shared vulnerability.

Further study may investigate how relations social relations and identity play a cardinal role in Ubuntu philosophy and how then that can support the 'Know Your Customer' (KYC) concept. Although the concept may sound nepotistic, it is critical given the number of scandals in business, with individuals or companies dealing with companies with a chequered background for instance, the case of the Affordable Input Program (AIP) in Malawi. This fertilizer subsidy program has experienced so many challenges due to some bogus fertilizer companies abroad to an extend the programme has created some sense of 'customer foreboding' on the part of Malawian government. The program has also shown that some Malawians are unpatriotic, connive with foreign companies to dupe the Malawi government of millions of taxpayers' money. The study may also investigate whether the tenet of 'respect for elders' in Ubuntu ethics can be incorporated along Kant's ethics.

Respect for elders is also crucial in Ubuntu philosophy. In certain places elders are minimised basing on hierarchy. In addition, herd morality in The African context should also be investigated and find out how it can be incorporated into mainstream ethics.

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