European Business Review

Reflections on Business Ethics through 1992-2017

Greg Wood,

Article information:

To cite this document:
Greg Wood, "Reflections on Business Ethics through 1992-2017", European Business Review, https://doi.org/10.1108/EBR-07-2017-0144
Permanent link to this document:
https://doi.org/10.1108/EBR-07-2017-0144

Introduction

The emergence of Business Ethics in Australia was as a result of the Financial Crash and the debacle of the latter years of the 1980s that surrounded it. When the smoke had cleared and the damage was evident to all right across the Australian community, it became apparent that many of the senior figures of corporate Australia had been bereft of ethical principles in the ways that they had conducted their business affairs and many had violated the laws of the land. Milton-Smith (1995, p. 683) believed that before the crash in Australia:

> *"High profile entrepreneurs became folk heroes and, one suspects, the most influential business role models for the community. When the bubble finally burst and the crash came, it soon became clear how corrupt and leaderless the Australian system had become ... In the wake of corporate collapses, ... many questions have been raised about the integrity of business and government leaders."*

The former heroes of the Australian business world were now pariahs, with a number of them being incarcerated in gaols and or fleeing judgement to areas of the world that did not have an extradition arrangement with Australia.

This realisation that there was 'a malaise' at the heart of the Australian corporate business community sent many people in search of better ways to do business and it was in the area of Business Ethics that many sought refuge and guidance in order to hopefully assist to mitigate the future damage of another wave of this type of malfeasant behaviour that had brought our economy virtually to its knees.

The objective of this paper is therefore to provide reflections on Business Ethics in the 25 year window from 1992-2017 and to then seek to examine some of the concerns for the future of which we all need to be cognizant. To this end in the paper, a comparison of world events across the years 1992-2107 is made to gauge the evolution of events in a number of areas, as the process of time impacts on our world history moving forward. Then in the paper, the developments in Business Ethics in the developed world across the same time period are examined, finishing with an examination of a number of the current issues that may well have an impact on Business Ethics moving into the future.

The Changing World: 1992-2017

In 1992 the world population was 5.5 billion people whilst in 2017 it has grown to 7.5 billion people [a 36% increase in 25 years]. In that time the urban population around the world has moved from a figure of 44% to 55% which is a 25% increase in people living in cities. The Internet was fully commercialised in the USA by 1995 and we became better linked around the world. News was essentially 'true' depending upon one's point of view and biases. 'Fake' news and other disinformation were not on anyone's radar. We still sent memorandums to each other, and we spoke to each other as emails were still in our future, as was texting and we shared our private thoughts with only our family and friends. Now we can share our every thought and action with people all over the world who may click onto our Internet site to see the most mundane and banal moments of our life and of course they can give us reinforcement either positively and/or negatively on our posts.

We have a President of the USA tweeting Foreign Policy on the run and a news cycle that is no more than 24 hours. We are bombarded with information from a myriad of sources that for older people seems to be an avalanche to process. We older citizens invariably marvel at the physical and intellectual dexterity of our children and their children who can work simultaneously on multiple devices, whilst watching any one of a plethora of entertainment options across a range of providers.

Presidents George W Bush and Boris Yeltsin met in February of 1992 to declare that the Cold War was over, yet in 2017 it seems to be getting chillier between the United States of America and Russia. The Maastricht Treaty was signed in 1992 to inaugurate the founding of the European Union and 25 years later Great Britain has enacted Brexit and if Marine Le Pen had become the President of France she too would have tried to take France out of the European Union.

In June of 1992, the United Nations 'Framework Convention of Climate Change' was signed by 197 countries. This signing led to the Kyoto Protocols of 1997, the signatories of which were cognizant of their need to reduce greenhouse gas emissions. In December of 2015, the Paris Accord was ratified with the express purpose to continue to reduce the impacts of climate change moving forward. In June of 2017, President Trump removed the USA from the Accord, as he believed it to be detrimental to US interests.

In July of 1992, the Cabinet of Israel approved a freeze on new settlements in the occupied territories as an olive branch to try to facilitate the restarting of the Middle East Peace Process, yet today the freeze has melted to the point where Binyamin Netanyahu is building new settlements in Palestinian territory faster than 'Bob the Builder' could do.

In the People's Republic of China in September of 1992, Deng Xiaoping suggested that the market reforms that he thought would launch China on a trajectory to create a socialist market economy should be sped up. Today, the PRC is the second largest economy in the world behind the United States of America. In 2015, the PRC was Australia's top two-way trading partner with 23% of our in an out business, whilst the USA was second at a distant 10.5% [Scutt, 2016].

In November of 1992, there was a rally in Berlin of 350,000 people who gathered to make a positive statement against right wing violence that was targeting migrants. In 2017, the migration question in Germany is front and centre in the public's mind after the influx of so many refugees against the backdrop of terrorism at home in Germany. Angela Merkel, who was lauded for her compassionate stance on accepting refugees in recent times, is now under pressure to drastically reduce the numbers of migrants entering Germany.

Bill Clinton, a Democrat, was elected as the 42nd President of the United States of America in 1992, whilst in 2017 we witnessed the fulfilling of 'the prophecy' of the Simpsons with the inauguration of Donald Trump, a Republican, who had defeated Hillary Clinton in November of 2016.

The key drivers of discontent today in the developed world seem to be the perceived impacts by many of the globalisation of business on their lives and on the lives of their children; the explosive increase in technology and the increase in terrorism threats on home soil fuelled in developed countries by immigration often forced by upheaval in the migrant's country of origin. It is too simplistic an explanation to blame immigration alone, as many migrants across the developed world have found it hard to adjust to a new economic reality in their lives and to countervailing views in the countries in which they now live, as compared to the views that many have brought with them from different cultural experiences, yet they do not resort to extremism. Since the Viet Nam War, we have watched wars live on our screen in far off lands, but they have become more personal for those of us viewing recent events in the developed world when we see acts of war perpetrated in Manchester, London, Ottawa, New York, Paris, Ankara, Nice, Berlin, Brussels, Boston and for us in Australia, Sydney and Melbourne.

Globalisation, accompanied at the same time by burgeoning technology, has become a multi-headed hydra with different perceptions of what should be the new reality in a world where our every key stroke can be recorded for posterity. The politics of Glasnost and Perestroika of the late 1980s are giving way in 2017 to the politics of Nostalgia and the yearning by many to return to the past: a past that may seem better, but in reality probably was not.

Business Ethics 1992-2017

In 1992, the philosophy of Business Ethics was seen by many across the developed world as a better way of doing business than what they had witnessed particularly in the halcyon days of the 1980s when the 'greed is good' mantra seemed to have been the prevailing philosophy (Roussouw, 1997). In the USA, this focus also had been kick-started by the Federal Sentencing Guidelines for Organizations approved into law in November of 1991 (Ferrell, Le Clair and Ferrell, 1998) that had linked the penalties for breaking the law to the way that the corporation had embraced or not embraced the artefacts of an ethical culture. Such artefacts as codes of ethics, education in business ethics, and support mechanisms for employees to report wrongdoing all got a boost as they could be used to mitigate corporate penalties. One hopes that corporations embracing these artefacts saw the ethical value inherent in having these processes in place and that they were not just perceived as defence mechanisms against the degree of punishment that could be handed out to the corporation for being caught for wrong doing.

In 1991 in Australia, the peak industry interest group, the Business Council of Australia, published a document entitled, 'Corporate Practices and Conduct'. The intent of publishing the document was to attempt to establish some guidelines in the area of corporate practice that would lead to better ethical behaviour by business in Australia. For this group to publish such a document was in essence a criticism of its own membership base of which many of them needed to do better than they had done in the 1980s (Business Council of Australia, 1991). Their collective reputations had been tarnished and many of them needed to engender a more positive brand image in the marketplace.

In the early years of the new millennium, multinational corporations were under scrutiny from such organizations as the ILO, the OECD, the EU and the UN who all put forward recommendations as to the minimum standards of behaviour that should be expected from these corporations (Lozana and Boni, 2002). With such a powerful group of organizations providing guiding principles for business and the ways that the largest corporations should act, then we could only but expect to have seen a diminution in corporate scandals, but sadly this hope seems to have been a forlorn one.

In their longitudinal study of the top 500 organizations in corporate Australia and their use of codes of ethics and the ethical artefacts used to support the inculcation of codes into these organizations from 1995 to 2010, Callaghan and Wood (2014, p 301) concluded that,

> *"The results over this fifteen year period seem to indicate a maturity in Australia of a collective corporate conscience that recognises the worth of business ethics for its own intrinsic value, rather than just seeing business ethics as an initiative to improve a company's monetary returns."*

On paper, there had appeared to be significant change in the perception of business in Australia that being ethical was important, and across North America, Europe and in the majority of companies worldwide, "Codes of conduct have become a nearly ubiquitous feature." (Erwin, 2011, p. 536), leading one to assume that Business Ethics is front and centre internationally.

In the last twenty five years, including in the last five years, large companies across the world have become infamous for their spectacular collapses and others have been severely fined by regulators for their miscreance, with in some cases senior managers getting custodial sentences for their parts in the collapses. The list is a who's who of corporate success, then the discovery of malfeasance leading to infamy. The reader will probably know of the circumstances of each one of these corporate demises and the impact that each one had on business in their home countries and in some cases the world: Barings Bank (1995), HIH Insurance (2001), WorldCom (2001), Enron (2001), Arthur Andersen (2002), Parmalat (2003), Lehman Brothers (2008), Libor Banks (2008), Satyam Computers (2009), Volkswagen (2015), Panama Papers (2015), Wells Fargo (2016), Samsung (2017) and Google (2017). The common denominator in these instances seems to be that a course of action was taken to maximise personal and/or corporate self-interest; that eventually got exposed; was often denied with a 'modicum' of deceit; that then eventually led to the devaluing of the brand and or personal reputation of executives, or at worst the demise of the organization and finally the fall from grace of the perpetrators. Whilst researchers are finding that attitudes to Business Ethics have become more positive over time and the artefacts of Business Ethics such as codes are more prevalent in the corporate world, sadly corporate malfeasance still abounds. We appear to have come a long way in the area of Business Ethics since 1992, but to do better in this area what do we need to consider into the future?

Business Ethics into the Future

Globalisation has changed the world forever, but has this change made it a better place from an ethical perspective? A definitive answer to this question is not possible, yet we as citizens of the world need to consider a range of issues of which we all need to be aware moving forward because forewarned can lead us to being forearmed. This section of the paper seeks to explore and comment upon a number of concerns that the author feels need to be addressed, if we are to ensure that there is a positive evolution in the practice of Business Ethics heading towards the middle of this century.

The Size of Corporations-

Cragg (2000) wrote that the economic size of some corporations just prior to the turn of the current millennium rivalled or surpassed many countries of the world. Of the top 100 financial entities in the world in 2001, 51 were companies not countries (Chang and Ha, 2001). In respect to the economic size of companies, by 2014, that figure had grown to 63 companies being in the top 100 financial entities (Freudenberg, 2015). The top 11 entities in terms of revenue were countries and in order of revenue they were: United States of America, Peoples Republic of China, Germany, Japan, France, Italy, United Kingdom, Brazil, Canada, Spain, and Australia. Australia at US$493billion was only US$7billion larger than Wal-Mart Stores. The Netherlands was marginally smaller than Royal Dutch Shell [US$6billion], whilst Volkswagen was US$1billion bigger than Belgium. BP was US$2billion larger in revenue generation than South Korea and Microsoft equalled South Africa (Freudenberg, 2015).

If one removes the top 11 countries from the list, then of the remaining 89 entities 63 are companies (71%) whose boards are not elected by the general population, yet they control large slabs of the wealth of the world. In their board rooms, decisions are made that impact upon millions around the world, but these millions of people are ostensibly powerless to influence them. The World Economic Forum [WEF] which brings together senior figures from government, business, labour organizations and academia is the meeting place of many of the most powerful people in the world and all under one roof. The WEF is funded by the largest businesses in the world who meet together annually at Davos in Switzerland to discuss the current and future dynamic of world business. In 2017, for the first time the Head of State of the People's Republic of China was invited.

In 2004, American Political Scientist, Samuel L. Huntingdon, was credited with coining the term "Davos Man". These Davos Men are people who have "little need for national loyalty, view national boundaries as obstacles that thankfully are vanishing, and see national governments as residues from the past whose only useful function is to facilitate the elite's global operations" [Garton Ash, 2005]. This view is disturbing because it may be closer to the mark than many people and organizations would like us to believe.

The top 10 non-government entities in 2014 were: Wal-Mart Stores, Sinopec, Royal Dutch Shell, Exxon Mobil, BP, State Grid, PetroChina, Volkswagen Group, Toyota Motors and Glencore International (Freudenberg, 2015). Seven of these ten companies exist within the Energy and Resources sector which by their business practices in using extractive technologies they are seen by many as being a part of one of the most controversial legal business sectors in the world. A cursory search on their company websites shows that nine out of the ten have codes of ethics and other ethical artefacts that seem, at first glance, to show how they value ethical behaviour and prescribe to the ethos of being ethical.

If one scans the international media over the past five years one is confronted with the following:

- Walmart [2016]: facing labour unrest from employees in China
  (Hernández, 2016)
- Sinopec [2017]: the former President is sentenced to gaol for taking bribes
  (Chen, 2017)
- Royal Dutch Shell [2014]: an alleged role in a US$1.1billion Nigerian corruption scandal
  (King, 2017)
- ExxonMobil [2017]: a fine of US$19.9million for pollution at a Texas refinery
  (Collier, 2017)

- BP [2015]: agrees to pay US$18.7billion to settle the Deep Sea Horizon oil spill (Robertson et. al, 2015)
- State Grid [2014]: allegations of executive corruption with US$1 billion going missing (Areddy, 2014)
- PetroChina [2015]: the former Chairman is sentenced to gaol for bribery (Spegele and Chin, 2015)
- Volkswagen Group [2015]: worldwide diesel emissions control scandal (Hotten, 2015)
- Toyota Motor Corporation [2014]: US$1.3billion fine for safety violations in the USA (Cowan, 2014)
- Glencore International [2016]: bribery allegations of US$100million in the Democratic Republic of Congo (Yeomans, 2017).

These events concerning the top 10 companies in the world do not fill one with great optimism about the ethical stance of these businesses, where the reality seems to be falling a long way short of the rhetoric. On a positive note though, all companies are now on notice that their peccadillos are getting harder and harder to hide, as the technology that has enabled the spread of globalisation can be brought to bear against all companies to ensure that their alleged transgressions come to light.

Self-Regulation-

Governments have had to enact legislation in order to model business behaviour that is acceptable within the society. Laws have had to be put in place that seek to ensure that the interests of shareholders, stakeholders and consumers are protected from practices that are contrary to what is expected as best practice (Hoffman et al., 2003).

Self-regulation has often been touted by business as being the preferred means of governance for organizations and when governments suggest legislative change organizations often oppose it. The claim by business that self-regulation through limited governmental legislative intervention is an option appears not to have brought the rewards to the society that one would have thought should have occurred (Piety, 2004). The reason for this position is as a result of the actions of business itself (Carson, 2003). The debate still rages today as business leaders often rail and lobby against governmental regulation as they see legislation as an encumbrance upon their ability to make decisions unfettered by legislative intrusion into their affairs. An exemplar of this defence and in some cases attack against suggested legal changes is encapsulated in the recent behaviour of David Murray, former head of the Commonwealth Bank of Australia [CBA]: Australia's largest bank.

Murray had served as the CEO of the CBA bank from 1992-2005. In the last few years, it has emerged that the CBA has been less than ethical in a number of its practices. It has been revealed that the CBA Insurance arm, Comminsure, was using outmoded medical definitions of conditions to deny legitimate claims for compensation by seriously ill consumers. A number of the CBA Financial advisers had been misleading clients in respect of their investments. High risk investments were pursued without the consent of clients. This practice was designed to ensure that maximum commissions were paid to CBA employees that were to the financial detriment of consumers. These two disasters only came to light due to the courage of CBA whistle-blowers, and it is suggested that the Financial Planning debacle may have commenced towards the end of Murray's watch (Verrender, 2014).

Murray, who in 2014 had headed the Australian Government's inquiry into the country's financial system, in a public forum about the intentions of the Australian Securities and Investment Commission [one of Australia's corporate watchdogs] of trying to influence corporate culture in Australia, had described its efforts as anti-competitive and in an amazing faux pas compared these proposed efforts to that of Adolf Hitler (Maley, Eyers and Whyte, 2016). Within a day the public commentary had reached a crescendo as people were incredulous that such a comparison could be made by such a senior business figure. Murray apologised. It is this type of commentary by business leaders that is a clear reason as to why we need regulation in our banking system and in other areas of business, as clearly Murray had misread the public mood about the depths to which the reputation of his former bank had fallen, because of a corporate culture that was perceived by many as flawed. To compare Government regulators, who are trying to improve the business culture in Australia, in a similar fashion as to what was done in the United States of America in 1991 through the Federal Sentencing Guidelines for Organizations, to the perpetrators of the Holocaust was a step too far!

The Australian Federal Government has brought into law that a 0.06 per cent levy on the banks with clients' deposits of A$100 billion or more will be charged (Hawthorne, 2017). From July 1st 2017, this levy affected the top 5 banks in Australia with the expectation that the levy will raise A$6.2billion over the next four years (Roddan, 2017). To accompany the levy will be a number of other measures to ensure that the banks and their senior executives are operating in a manner that is not prejudicial to the interests of consumers.

Banks will be held to greater accountability for not being forthright about executive mistakes as there will be mandatory reporting requirements and there will be a requirement for greater transparency in respect to bank competition with the Australian Competition and Consumer Commission monitoring bank activities. Bank senior executives will be subject to greater oversight and face more severe personal penalties for proven misconduct including the prospect of losing bonuses to be paid to them (Hawthorne, 2017).

All senior bank executives will now need to be registered with the Australian Prudential Regulation Authority with the Authority "to be given new funding and powers to remove and disqualify executives, make direct adjustments to banks' remuneration policies and enforce new obligations on bank conduct with penalties of up to $200 million, after revelations during the Coleman parliamentary inquiry that no one at CBA was sacked after alleged mistreatment of customers." (Durkin, 2017). This regulation has been introduced because there is the perception across the community and in government that our banks cannot self-regulate.

*The Environment***-**

The environment is a silent partner in the world of business. It has to rely on the voices of others to speak up in its defence. Since the seminal work, 'Silent Spring', by Rachel Carson (1962) the world has been on notice that we need to consider the environment when we make business decisions.

In 1995, Westra (1995, p. 661) stated about Environmentalism that it "…is now one of the few causes that moves and unites almost everyone in the world." These comments were made over 20 years ago, when the interest in the environment was burgeoning, now environmental concerns are entrenched in people's minds and the impacts of business decisions are evaluated by many through the environmental lens.

The need to preserve the environment of a country from which we source a product is a major issue of concern, as environmental disasters impact on us all and invariably in the developing world on those persons least able to afford and or absorb the damage [Collier, 2000; Olsen, 2001; Asgary and Mitschow, 2002].

BHP Billiton [now BHP], at one time the largest wholly owned Australian corporation as BHP, has had a chequered past in respect to environmental safety. Their mine on the Ok Tedi River in Papua New Guinea [PNG] in the 1980s was plagued with ongoing controversy. An earthquake in 1984 severely damaged the as yet completed tailings dam. BHP contended that the dam was too expensive to rebuild and with the consent of the PNG Government continued to discharge the tailings into the Fly River for the next decade with the resultant damage to the environment. In 2002, BHP Billiton extricated itself from the situation (Fox, 2013; Garrett, 2013). Fast forward thirteen years to Brazil and BHP Billiton's 50% stake in Samarco has led to it again being involved in an enormous environmental disaster in the form of the collapse of a tailings dam: déjà vu? (Ryan, 2017). These practices listed above would never have been tolerated in BHP's home country of Australia and executives who had overseen these calamites would have found themselves involved in a public scandal as to their behaviour and would have faced criminal charges for that behaviour.

The most cynical of all instances appears to be that of Exxon and global warming. Exxon was a strident 'naysayer' in respect of the concept of global warming, but it seems that as early as the late 1970s they were advised internally by Exxon senior scientist, James Black, that global warming was a present danger and would get worse in the ensuing 30 years to the point that by the late 1980s hard decisions would need to be made [McKibben, 2015]. Exxon embarked then on funding Climate Change Counter-Movement [CCCM] organizations, but in 2007 it ceased publicly funding them, yet it is suggested that Exxon Mobil then used untraceable donation paths to still continue funding CCCM organizations [Brulle 2014]. On their company website, Exxon-Mobil denies these allegations about trying to thwart climate change science and points to a more balanced view of their approach to climate change. The truth will lie invariably somewhere in between these two positions.

*Corporate Social Responsibility***-**

In 1938, Barnard, "addressed the need to analyse the economic, legal, moral, social and physical elements of the environment when making decisions." (Joyner and Payne, 2002, p. 301). The work of Simon built upon Barnard's work and in 1945 he stated that executives of businesses at that time were examining their community responsibilities that went above and beyond their legal obligations (Joyner and Payne, 2002). Carroll (1979) contended that business was not just about making money as Friedman (1962) had suggested, but was about more than that. In his seminal work, Carroll (1979) listed four responsibilities of business which were: economic, legal, ethical and discretionary. It is from 'corporate social responsiveness', as Carroll called it, that our understanding has morphed in to Corporate Social Responsibility, as we know it today.

Preuss, Barkemeyer and Glavas (2016, p. 349) used the words of Lee to highlight that,

> "Businesses worldwide have expressed a remarkable interest in CSR and its formalized infrastructure, which ranges from codes of conduct through CSR standards to sustainability reporting along the guidelines of the Global Reporting Initiative (Lee, 2008)."

Cause Related Marketing [CRM] is recognised as a CSR initiative. CRM occurs when corporations seek out partnerships with organizations, such as charities, with the aim to make the life situations for those people for whom that charity caters better (Carringer, 1994; Ptacek and Salazar, 1997).

The definition that seems to be most oft quoted in respect to CRM is that of Varadarajan and Menon (1988, p. 60) in which they state that CRM is, "the process of formulating and implementing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives."

CRM is predicated upon people purchasing the corporation's product or products and for some of the proceeds from the sale of that product then being directed to the cause that the corporation publicly supports (Davidson, 1997). It would appear, at first glance, that everyone should benefit: consumers feel that they are making a significant contribution; companies feel that they are giving a significant contribution and charities appear to be getting a significant contribution. It appears to be a win-win-win relationship. Yet, if one looks at the increase in sales as against the donation made to the charitable partner them in some cases it appears that the spoils are not equitably divided and the company is the major benefactor of what may just be just a clever marketing program in the guise of social responsibility (Svensson and Wood, 2011). Ptacek and Salazar (1997, p. 9) stated that the goal of CRM, "… is to increase incremental sales and corporate image while contributing to the non-profit. Make no mistake about it, CRM is about sales, not philanthropy."

In the last twenty years, we have seen CSR morph into Strategic Corporate Philanthropy (Ricks and Williams, 2005). Gautier and Pache (2015, p. 354) make the point that,

> "…strategic philanthropy is not altruistic (Burlingame and Frishkoff 1996), in that it not only benefits the community but also ''the firm's strategic position and, ultimately, its bottom line.'' (Saiia et al. 2003, p. 170)."

In the same article when examining the history of the term 'Corporate Philanthropy', (Gautier and Pache 2015, p. 346) highlight, amongst others, the thoughts of Schwartz(1968) who stated that,

> "Corporate philanthropy…A one way flow of resources from a donor to a donee, a flow voluntarily generated by the donor though based upon no expectation that a return flow, or economic quid pro quo, will reward the act (480)."

The key point in this definition by Schwartz is the recognition that there is "no expectation that a return flow or economic quid pro quo, will reward the act." (Gautier and Pache 2015, p. 346), yet today that is the very expectation and organizational driver of Strategic Corporate Philanthropy! So why label it 'Philanthropy' when quite clearly it is not? It is 'Strategic Corporate Promotion' under the guise of philanthropy. What's in a name?

Labour Practices-

Globalisation has enabled corporations to exhibit inconsistent standards in their labour practices depending in which jurisdiction that they are operating (McMurtry, 2002). Cragg (2000, p. 209) made the comment that corporations "are now free to seek out those environments in which the laws in place provide the most favourable conditions for maximizing profits."

The exploitation of workers in terms of the hours that they are compelled to work; the levels of pay that they receive; the age of some of the workers that would be illegal in other jurisdictions and the physical environments in which many workers are toiling has raised the ire of many (Rosthorn, 2000; McMurtry, 2002; Rondinelli, 2003).

A shining light in the fight against child exploitation and slavery has been the 2014 joint Nobel Peace Prize winner, Kailash Satyarthi. Satyarthi's life focus has been to rescue children from all types of forced servitude, often at great risk to his own safety and that of his fellow rescuers (Burke, 2014). He came to world attention when in 1998 he initiated the Global March Against Child Labour. Satyarthi's march led to the implementation of ILO Convention 182 on the 'Worst Forms of Child Labour' and the movement still thrives today. Satyarthi's Nobel Prize is testament to all of us that we can all make a difference and that what has been an accepted practice for so long can be changed by determination, struggle and a prevailing humanity amongst many to right obvious wrongs against others.

Yet, our corporations often miss the salient point of doing the right thing because it is the right thing to do, as they constantly chase that elusive profit that can often be most easily made in areas of the world labelled by McMurtry (2002, p. 204) as "lowest-cost zones". The need to investigate one's supply chains before one invests is now of paramount importance to any corporation knowing that stakeholders will be monitoring their movements closely. Senior executives of corporations often miss, or perhaps even overlook, three obvious questions that they need to ask themselves when considering a location based on cost in which to invest:

1. Why is it cheaper to produce in this locale? and
2. Is this jurisdiction where we want to invest? and
3. Do we wish to be known for this type of investment behaviour?

One wonders whether the question: Can we improve the social conditions here? is considered.

We as consumers know full well that our cheaper priced products, particularly in the footwear and clothing industries, originate from low cost zones, yet it is of little apparent concern to many who disengage from the need to know the realities as to from where their products come and under what conditions they were made. We cannot just blame the companies for their supply chain practices, as we as consumers are complicit with corporations in perpetuating the issues, if we choose to ignore them or to rationalise them away in our own minds.

*Tax Avoidance***-**

Governments establish taxation regimes that in essence are designed to ensure that businesses and citizens contribute equitably to the maintenance of the society of which they are a part (Solomon and Martin, 2004). The inherent problem with taxation regimes is that organizations and individuals try to minimize their taxation to be paid in the jurisdiction in which they find themselves (Svensson and Wood, 2008). Tax avoidance has spawned a whole industry that derives its income from assisting others to legally minimize their taxation responsibilities and who feel fulfilled when they are successful. In many western economies, governments have had to enact goods and services taxes in order to attempt to try and capture some of these lost taxes, but of course the power of the human mind will find creative ways around mitigating fulfilling its taxation responsibilities. Some will move jurisdiction and domicile themselves in a place where they can minimize their tax, whilst others will enact cutting edge practices such as transfer pricing, known as 'Base erosion and profit shifting', in order to shift their obligations off shore to a more favourable tax regime.

In Australia in the 2013-2014 tax year, 1,224 of the top 1,500 companies [81.6%] paid 4% or less tax (Doran, 2015). In an inquiry in the Australian Senate in April of 2015, both Google and Microsoft admitted that their Australian operations had only provided minimal revenue for each company with Singapore being used as the revenue repository for products and services sold in Australia. Microsoft Corporation's corporate vice president for their worldwide tax, Bill Sample, told the inquiry that the company had booked, "about $2bn to Singapore in revenue from products and services sold in Australia and around $100m in revenue in Australia." (Taylor, 2015).

In April of 2017, the Federal Court of Australia found against Chevron and ordered it to pay over A$300million, plus the costs of the Australian Tax Office [ATO] to prosecute the case for avoiding tax based on its claimed deductions for an intra-company loan with a Chevron entity in Delaware, USA (Long, 2017). In Australia from July 1st 2017, the Australian Federal Government enacted a diverted profits tax regime, specifically designed to thwart multinational corporations from diverting profits made in Australia to other jurisdictions [Multinational Anti-Avoidance Law and Diverted Profits Tax] where taxes are more favourable to them, such as Singapore and Ireland. If one is to operate in a jurisdiction and earn income in that jurisdiction, then surely one should shoulder one's tax responsibilities in that jurisdiction, however this concept is not seen as being universally required by all. These types of practices lead to cynicism concerning the motives of business and annoyance at business by many citizens who feel that they cannot shirk their tax responsibilities to their society, so why should business try to shirk their responsibilities? Such practices by corporations are disingenuous.

Conclusion

Thirty years ago, Sir Adrian Cadbury (1987, p. 73) summed up the fact that we as citizens of democracies have a role to play in setting the standards by which businesses are allowed to operate when he wrote,

> *"Business has to take account of its responsibilities to society in coming to its decisions, but society has to accept its responsibilities for setting the standards against which those decisions are made."*

How then did society punish Volkswagen for their deceit over the diesel emissions control scandal of 2015? By the end of 2016, we had made them the world's top selling brand surpassing Toyota [Tovey, 2017]: what can one say?

We need to move towards a Business Ethics version of 'caveat venditor', where business universally takes responsibility for its products and services and accepts responsibility for its actions rather than in many cases plays a 'catch me if you can' game. This change is the paradigm shift that we need and must demand of our business leaders if we are to move forward into a marketplace where Business Ethics is just not afforded lip service, but is an accepted moré of doing business and is just second nature to all when making a business decision. Executives should "act ethically not out of the fear of being caught when doing wrong. Rather, they should embrace ethical behaviour in business because of the freedom, self-confirmation, and success that it brings" (Thomas et al., 2004, p.64).

The question of have we made progress in the last 25 years is like 'beauty', in that it is in the eye of the beholder. We appear in our scholarly research to have discovered that progress has been made in Business Ethics, but how much has actually been made on the ground in businesses? In reality, in the world of commerce we are still seeing the same alleged behaviours by corporations from developed economies that have dogged business for so long: greed, corruption, self-interest and the disinterest in the impact of our actions upon others. Have we moved forward and how far have we moved? What do you think?

Reference List

Areddy, J.T (2014), "China Alleges $1 Billion in Misappropriated Spending on Electricity Grid System", *Wall Street Journal*, June 16, available at: https://www.wsj.com/articles/china-alleges-1-billion-in-misappropriated-spending-on-electricity-grid-system-14029219 (accessed June 6 2017).

Asgary, N. and Mitschow, M.C. (2002), "Toward a Model for International Business Ethics", *Journal of Business Ethics*, Vol. 36 No. 3, pp. 239–246.

Brulle, R. J. (2014), "Institutionalizing delay: foundation funding and the creation of U.S. climate change counter-movement organizations", *Climatic Change*, Vol. 122, No. 4, pp. 681–694.

Burke, J. (2014), "Who is Nobel peace prize winner Kailash Satyarthi?", *The Guardian*, 11 October, available at: https://www.theguardian.com/world/2014/oct/10/nobel-peace-prize-winner-kailash-satyarthi (accessed June 21 2017).

Business Council of Australia, (1991), Corporate Practices and Conduct, Information Australia, Melbourne.

Cadbury, A. (1987), "Ethical managers make their own rules", *Harvard Business Review*, September October, pp. 69–73.

Callaghan, M. and Wood, G. (2014), "The Engagement with Business Ethics: An Australian Journey 1995-2010", *European Business Review*, Vol. 26 No. 4, pp. 286-304.

Carringer, P.T. (1994), "Not Just a Worthy Cause: Cause related Marketing Delivers the Goods and the Good", *American Advertising*, Vol. 10 No. 1, pp. 16–19.

Carroll, A. B. (1979), "A Three-Dimensional Conceptual Model of Corporate Performance", *Academy of Management Review*, Vol. 4 No. 4, pp. 497–505.

Carson, R. (1962), *Silent Spring*, Houghton Mifflin Company, USA.

Carson, T. L. (2003), "Self-Interest and Business Ethics: Some Lessons of the Recent Corporate Scandals", *Journal of Business Ethics* Vol. 43 No. 4, pp. 389-394.

Chang, S. J. and Ha, D. (2001), "Corporate Governance in the Twenty-first Century: New Managerial Concepts for Supranational Corporations", *American Business Review*, Vol. 19 No. 2, pp. 32–44.

Chen, A. (2017), "China jails former Sinopec president for 15-1/2 years over graft", *Reuters -Business News*, 24 January, available at: http://www.reuters.com/article/us-china-corruption-sinopec-idUSKBN1580AA (accessed 6 June, 2017).

Cohan, J. A. (2002), ''I Didn't Know'' and ''I Was Only Doing My Job'': Has Corporate Governance Careered Out of Control? A Case Study of Enron's Information Myopia", *Journal of Business Ethics*, Vol. 40 No. 3, pp. 275-299.

Collier, J. (2000), "Editorial: Globalization and Ethical Global Business", *Business Ethics: A European Review*, Vol. 9 No. 2, pp. 71-75.

Collier, K. (2017), “ExxonMobil ordered to pay $20 million for air pollution at Houston plants”, *The Texas Tribune*, 27 April, available at: https://www.texastribune.org/2017/04/27/exxonmobil-ordered-pay-20-million-excess-air-pollution/ (accessed 4 June 2017).

Cowan, J. (2014), “Toyota to pay $1.3 billion for deadly defect cover-up”, *ABC News*, 20 March, available at:http://www.abc.net.au/news/2014-03-20/toyota-pays-1-3-billion-for-defect-cover-up-statements/5332894 (accessed 4 June 2017).

Cragg, W. (2000), “Human Rights and Business Ethics: Fashioning a New Social Contract”, *Journal of Business Ethics*, Vol. 27 No. 1-2, pp. 205-214.

Davidson, J. (1997), “Cancer Sells”, *Working Woman*, Vol. 22 No. 5, pp. 36-39.

Doran, M. (2015), “Almost 600 major corporations did not pay tax in 2013-14 financial year, Australian Taxation Office says”, *ABC News*, 17 December, accessed at: http://www.abc.net.au/news/2015-12-17/almost-600-companies-did-not-pay-tax-in-2013-14/7036324 (accessed 25 March 2017).

Durkin, P. (2017), “Budget 2017: Bankers face licensing, strict bonus rules”, *Australian Financial Review*, 9 May, available at: http://www.afr.com/news/policy/budget/budget-2017-bankers-face-licensing-strict-bonus-rules-20170509-1nxuja (accessed 15 June 2017).

Erwin, P.M. (2011), “Corporate Codes of Conduct: The Effects of Code Content and Quality on Ethical Performance”, *Journal of Business Ethics,* Vol. 99 No. 4, pp. 535-548.

Ferrell, O. C., Thorne LeClair, D. and Ferrell, L. (1998), “The Federal Sentencing Guidelines for Organizations: A Framework for Ethical Compliance”, *Journal of Business Ethics*, Vol. 17 No. 4, pp. 353-363

Fox, L. (2013), “PNG government takes control of Ok Tedi mine, repeals laws protecting BHP from legal action over pollution”, *ABC News*, 20 September, available at: http://www.abc.net.au/news/2013-09-19/png-government-takes-control-of-png-ok-tedi-mine/4967004 (accessed 18 April 2017).

Freudenberg, N. (2015), “The 100 Largest Governments and Corporations by Revenue”, available at: http://www.corporationsandhealth.org/2015/08/27/the-100-largest-governments-and-corporations-by-revenue/ (accessed 21 April 2017).

Friedman, M. (1962), *Capitalism and Freedom,* University of Chicago Press, Chicago.

Garrett, J. (2013), “PNG's Ok Tedi: from disaster to dividends”, *ABC News*, 7 January, available at: http://www.abc.net.au/news/2013-01-07/an-radio-doco3a-ok-tedi/4455092 (accessed 18 April, 2017).

Garton Ash, T. (2005), “Davos man's death wish”, *The Guardian*, 3 February, available at: https://www.theguardian.com/world/2005/feb/03/globalisation.comment (accessed 1 June 2017).

Gautier, A. and Pache, A. (2015), “Research on Corporate Philanthropy: A Review and Assessment”, *Journal of Bus Ethics*, Vol. 126 No. 3, pp. 343-369.

Hawthorne, M. (2017), "Federal Budget 2017: Big four banks hit with new levy, potentially costing billions", *Sydney Morning Herald*, 9 May, available at: http://www.smh.com.au/business/federal-budget/federal-budget-2017-big-four-banks-hit-with-new-levy-potentially-costing-billions-20170508-gw0a45.html (accessed 3 June 2017).

, J.C. (2016) "Across China, Walmart Faces Labor Unrest as Authorities Stand Aside", *The New York Times*, 16 November, available at: https://www.nytimes.com/2016/11/17/world/asia/across-china-walmart-faces-labor-unrest-as-authorities-stand-aside.html (accessed 4 June, 2017).

Hoffman, K. D., Czinkota, P., Dickson, P., Dunne, P., Griffin, A., Hutt, M., Krishnan , B., Lindgren, J., Lusch, R., Ronkainen, I., Rosenbloom, B., Seth, J., Shimp, T., Sigauw, J., Simpson, P., Speh, T., and Urbany, J. (2003), *Marketing Best Practice*, 2nd edition, Thomson, Ohio.

Hotten, R. (2015), "Volkswagen: The scandal explained", *BBC News*, 10 December, available at: http://www.bbc.com/news/business-34324772 (accessed 21 June 2017).

Joyner, B. E. and Payne, D. (2002), "Evolution and Implementation: A Study of Values, Business Ethics and Corporate Social Responsibility", *Journal of Business Ethics*, Vol. 41 No 4, pp. 297–311.

King, B (2017), "Shell admits dealing with money launderer", *BBC News*, 11 April, available at: http://www.bbc.com/news/business-39561822 (accessed 5 May 2017).

Long, S. (2017), "US oil giant Chevron faces $300 million tax bill after ATO court victory", *ABC News*, 21 April, available at: http://www.abc.net.au/news/2017-04-21/chevron-faces-massive-tax-bill-after-ato-court-victory/8460874 (accessed 5 May 2017).

Lovell, A. (2002), "Ethics as a Dependent Variable in Individual and Organizational Decision Making", *Journal of Business Ethics*, Vol. 37 No. 2, pp. 145-163.

Lozana, J. F. and Boni, A. (2002), "The Impact of the Multinational in the Development: An Ethical Challenge", *Journal of Business Ethics*, Vol. 39 No. 1-2, pp. 169-178.

Maley, K., Eyers, J. and Whyte J, (2016), "David Murray lashes regulators on culture crackdown", *Australian Financial Review*, 5 April, available at: http://www.afr.com/business/banking-and-finance/david-murray-lashes-regulators-on-culture-crackdown-20160405-gnz2vr (accessed June 12 2017).

Bill McKibben, B. (2015), "What Exxon Knew About Climate Change", *The New Yorker*, 18 September, available at: http://www.newyorker.com/news/daily-comment/what-exxon-knew-about-climate-change (accessed 24 April 2017).

McMurtry, J. (2002), "Why the Protestors Are Against Corporate Globalization", *Journal of Business Ethics*, Vol. 40 No. 3, pp. 201-205.

Milton-Smith, J. (1995), "Ethics as Excellence: A Strategic Management Perspective", *Journal of Business Ethics*, Vol. 14 No. 8, pp. 683-693.

Olsen, J. E. (2001), "Environmental Problems and Ethical Jurisdiction: The Case Concerning Texaco in Ecuador", *Business Ethics: A European Review*, Vol. 10 No. 1, pp. 71-77.

Piety, M. G. (2004), “The Long Term: Capitalism and Culture in the New Millennium”, *Journal of Business Ethics*, Vol. 51 No. 2, pp. 103-118.

Preuss, L., Barkemeyer, R. and Glavas, A. (2016), “Corporate Social Responsibility in Developing Country Multinationals: Identifying Company and Country-Level Influences”, *Business Ethics Quarterly*, Vol. 26 No. 3, pp. 347-378.

Ptacek, J. J. and Salazar, G. (1997), “Enlightened Self-interest: Selling Business on the Benefits of Cause Related Marketing”, *Nonprofit World*, Vol. 15 No. 4, pp. 9-13.

Ricks, J.M. Jr and Williams, J.A. (2005), “Strategic corporate philanthropy: addressing frontline talent needs through an educational giving program”, *Journal of Business Ethics*, Vol. 60 No. 2, pp.147-157.

Robertson, C., Schwartz, J. and Pérez-Peña, R. (2015), “BP to Pay $18.7 Billion for Deepwater Horizon Oil Spill”, *The New York Times*, 2 July, available at: https://www.nytimes.com/2015/07/03/us/bp-to-pay-gulf-coast-states-18-7-billion-for-deepwater-horizon-oil-spill.html (accessed, 24 June 2017).

Roddan, M. (2017), “Senate committee backs $6.2bn major bank levy bill, recommends minor changes”, *The Australian*, 19 June, available at: http://www.theaustralian.com.au/business/financial-services/senate-committee-backs-62bn-major-bank-levy-bill-recommends-minor-changes/news-story/4c15399ac852219050ade6b2c9a8ab3e (accessed, 24 June 2017).

Rondinelli, D. A. (2003), “Transnational Corporations: International Citizens or New Sovereigns?”, *Business Strategy Review*, Vol. 14 No. 4, pp. 13-21.

Rosthorn, J. (2000), “Business Ethics Auditing - More Than a Stakeholder’s Toy”, *Journal of Business Ethics*, Vol. 27 No. 1-2, pp. 9-19.

Rossouw, G.J. (1997), “Business Ethics in South Africa”, *Journal of Business Ethics*, Vol. 16 No. 14, pp. 1539-1547.

Ryan, P. (2017), “BHP Billiton and Vale failing Samarco dam disaster victims: UN adviser”, *ABC News*, 20 January, available at: http://www.abc.net.au/news/2017-01-20/human-cost-of-samarco-dam-disaster-un/8197366 (accessed 18 April 2017).

Scutt, D. (2016), “These were Australia's top trading partners in 2015”, *Business Insider*, 27 May, available at: https://www.businessinsider.com.au/table-these-were-australias-top-trading-partners-in-2015-2016-5 (accessed, 25 May 2017).

Solomon, R. C. and Martin, C. (2004), *Above the Bottom Line: An Introduction to Business Ethics*, 3rd edition, Harcourt Brace, Fort Worth.

Spegele, B. and Chin, J. (2015), “China Sentences Two in Corruption Fight”, *Wall Street Journal*, 12 October, available at: https://www.wsj.com/articles/former-chinese-oil-executive-jiang-jiemin-sentenced-to-16-years-in-prison-1444642497 (accessed, 26 May, 2017).

Svensson, G. and Wood, G. (2008), “A model of business ethics”, *Journal of Business Ethics*, Vol. 77 No. 3, pp. 303-322.

Svensson, G. and Wood, G. (2011), “A model of cause-related marketing for profit-driven and non-profit organizations”, *European Business Review*, Vol. 23 No. 2, pp. 203-214.

Taylor, L. (2015), “Google, Apple and Microsoft defend tax set-up that shifts revenue offshore”, *The Guardian*, 8 April, available at: https://www.theguardian.com/australia-news/2015/apr/08/google-apple-and-microsoft-defend-tax-set-up-that-shifts-revenue-offshore (accessed 10 June 2017).

Thomas, T., Schermerhorn, J. R. and Dienhart, J. W. (2004), “Strategic Leadership of Ethical Behaviour in Business”, *Academy of Management Executive*, Vol. 18 No. 2, pp. 56-66.

Tovey, A. (2017) “VW overtakes Toyota as top car company despite 'dieselgate' troubles”, *The Telegraph*, 30 January, available at: http://www.telegraph.co.uk/business/2017/01/30/vw-overtakes-toyota-worlds-best-selling-car-maker/ (accessed 12 June 2017).

Varadarajan, P.R. and Menon, A. (1988), “Cause-related marketing: a co-alignment of marketing strategy and corporate philanthropy”, *Journal of Marketing*, Vol. 52 No.3, pp.58-74.

Verrender, I. (2014), “CBA's scandal response falls well short of restitution”, *ABC News*, 3 July, available at: http://www.abc.net.au/news/2014-07-03/verrender-cba-scandal-response-falls-well-short-of-restitution/5569184 (accessed 21 May 2017).

Westra, L. (1995), “The Corporation and the Environment”, *Business Ethics Quarterly*, Vol. 5 No. 4, pp. 661-673.

Wiley, C. (1995), “The ABC’s of Business Ethics: Definitions, Philosophies and Implementation”, *Industrial Management*, Vol. 37 No. 1, pp. 22-28.

Yeomans, J. (2017), “Glencore paid $100m to Dan Gertler in Congo deals”, *The Telegraph*, 3 March, available at: http://www.telegraph.co.uk/business/2017/03/03/glencore-paid-100m-dan-gertler-congo-deals/ (accessed 6 June 2017).