



## Ethical business decision making in a global environment

*Mannheim University, 4 - 5 of December 2008*



This workshop brings together decision researchers and practitioners to discuss topics around ethical decision making in international business. The exchange of different perspectives should lead to interesting insights and aims at establishing an agenda for future research and collaboration.

We will focus specifically on the following two issues:

- 1. Business decision making and the Precautionary Principle**
- 2. Business decision making by groups with heterogeneous values**

### Organization

As the workshop is aimed at intensive exchange between the participants, there will be no parallel sessions. Participants can submit their presentations to one or both of the two main themes. For each theme there will be paper presentations and a group discussion.

If you would like to participate please register via email until **Friday, October 31**. If you would like to present a paper please submit an abstract (300 words). Interested PhD students may ask the organizers for travel grants.

### Institutions

Mannheim University, Sonderforschungsbereich 504

<http://www.sfb504.uni-mannheim.de>

Foundation for a New Ethical Business

<http://newethicalbusiness.org>

INSEAD, Social Innovation Center

<http://www.insead.edu/facultyresearch/centres/isic>

### Local organizers

Julian Rode – [jrode@sfb504.uni-mannheim.de](mailto:jrode@sfb504.uni-mannheim.de)

Christiane Schwierien - [christiane.schwieren@awi.uni-heidelberg.de](mailto:christiane.schwieren@awi.uni-heidelberg.de)

**Thursday, 4 December**

**Business decision making and the Precautionary Principle (PP)**

**Program**

9:00 – 9:30           Arrival and coffee

9:30 – 10:15        Welcome: Julian Rode, Christiane Schwierer  
*Intentions – Organization – Introducing participants*

*Testimonies from practice: What is the status of the PP in business decision making?*

10:15 – 11:00      Anthony Simon (Former Global Head of Marketing, Unilever)  
*TBA – Tentative title: Sustainable business and the PP: What are the challenges for ethical business decision makers?*

11:00 – 11:45      Günther Grimm (BASF – Risk Management Group)  
*TBA - Tentative title: How is the PP applied in practice? An example from the chemical industry*

11:45 – 12:30      David Gee (European Environment Agency)  
*TBA - Tentative title: What can we learn from the past? How do and how could business actors apply the PP?*

12:30 – 14:00      Lunch at “Novus”

*Connecting science and practice: How can academic research contribute?*

14:00 – 14:45      Judith Lienert (EAWAG)  
*Should we apply the PP to deal with pharmaceuticals in hospital wastewater?*

14:45 – 17:30      Moderated discussion and group work.  
Sybille van den Hove (Univ. Autónoma de Barcelona)  
*Topic: How can decision research support ethical business decision making?*

18:07                Train to Heidelberg - Christmas market

20:30                Dinner at “Sudpfanne”



## **Context**

Companies frequently engage in behavior which entails risk of serious or irreversible harm to public health or the environment, e.g., via pollution, destruction of natural habitat, genetic manipulation, or production involving dangerous substances. In many cases, scientific results are inconclusive, so that decisions have to be made under uncertainty or complete ignorance about the consequences or the likelihood with which harm will be caused.

The precautionary principle (PP) demands that caution shall be exercised and possibly harmful steps are avoided. While the spirit of this principle is quite accepted in public policy, its implications for concrete action (or non-action) are more controversial. Moreover, at the business level a competitive market economy provides strong incentives for fast innovation and risk taking.

## **Intention**

This workshop serves to understand the meaning of the precautionary principle and its importance for sustainable and ethical business decision-making. In particular we want to identify ways in which academic research can support decision makers. Ideally, an interdisciplinary research agenda could be formulated which connects academic decision research and business practice by inspiring both scientists and business actors.

Relevant questions include:

- How do companies employ vague, ambiguous, or ambivalent scientific information in their decision-making process?
- (How) is the precautionary principle operationalized and included in decision making?
- What is the role of economic incentives for decision making, e.g. via “polluter pays” rules, competition for monopoly positions (incl. patents), etc.?
- What are the relevant ethical questions in this context?
- What do business decision makers see as their main challenges and where do they see potential for support from decision making research?



Friday, 5 December

## Business decision making by groups with heterogeneous values

### Program

- 9:30 – 09:45 Introduction to the topic: Christiane Schwierien
- 9:45 – 10:30 Viola Bölscher (Iber-Consult Barcelona)  
*A practitioner's perspective on moral decisions of heterogeneous agents.*
- 10:30 – 11:45 David Rönnegard (INSEAD)  
*The Fallacy of Corporate Moral Agency*
- 11:45 – 12:30 Christiane Schwierien (Universität Heidelberg)  
*Contributing for myself, but free-riding for my group!*
- 12:30 – 14:00 Lunch at "Zapatto"
- 14:00 – 14:45 Tomasz Zaleskiewicz (Warszaw School of Social Psychology)  
*How people cope with trade-offs between economic and moral consequences?*
- 14:45 – 15:30 Marc Le Menestrel (Universitat Pompeu Fabra & INSEAD)  
*A Rational Approach to Ethical Judgments in Business Decisions*
- 15:30 – 15:45 Coffee break
- 15:45 – 17:45 Moderated discussion: How can academic research contribute to solving problems of the practice?
- 18:00 Farewell cocktail at the conference site

## **Context**

Ethical decision making starts at the individual level, but comprises group decisions and organizational decisions, taken by people from around the world. Depending on age, experience, culture, and context, “ethically correct” or “morally right” decisions can be defined very differently. Priorities with respect to potentially applicable ethical values might differ. This generates specific problems but also opportunities in a global business world.

People from different cultures working together might have difficulties in establishing a code of ethical conduct for a specific project or business. Examples are discussions on energy consumption, payment and social standards in production sites in developing countries.

Firms operating within a western culture may be tempted to reduce standards of workplace or environmental ethics when operating in countries where these standards are lower. On the other hand, demanding “western” standards of environmental or social protection might be viewed as – unethically – keeping people in developing countries away from the living standards western countries had for a long time. Possibilities arise when businesses introduce higher standards in countries where standards are generally lower, or when conflicts about values lead to open discussions and a better informed public.

## **Intention**

Addressing the issue from diverse perspectives raises a number of specific questions with a potential for interesting research, e.g.,

From a business practice perspective:

- (How) is it possible to sustain one’s own ethical values while doing business with others who don’t share them?
- How could one develop decision rules that help in ethical trade-offs?

From an interdisciplinary social science perspective:

- How does heterogeneity in moral norms influence ethical decision making in business settings?
- What is the interplay between emotion and cognition in ethical decision making and how is this influenced by heterogeneity?
- What cognitive and emotional processes are active when we behave against our ethical values, e.g., when we demand cheap goods but think that child labor is unethical?

From an ethical perspective:

- Is moral “paternalism”, “imposing” western ethical standards on other countries, permissible or is it in itself “unethical” behavior?
- Is there something like a “universal” morality, or do we have to accept that different groups have different moralities? Are there limits to diversity?



## **Traveling to Mannheim**

### **By plane:**

Frankfurt Airport is the nearest Airport with frequent trains to Mannheim. Trains leave from the long-distance railway station at the AIRail Terminal, right next to Terminal 1. We recommend that you take the fast train ICE which takes only 30 min (1 stop). The price for the train is 23 Euro, you can buy tickets at the ticket counters, the machines (somewhat complicated procedure!), or also in the train from the train staff.

Frankfurt-Hahn Airport is 105 km away from Frankfurt Airport. There are buses from Hahn to Mannheim. Alternatively you can rent a car in Hahn (follow the B50 where you take the A61 (south), then follow signs to Mannheim (124 km, 1:30h).

Stuttgart (1:20 by train)

### **By train:**

The train station "Mannheim Hauptbahnhof" is within walking distance of the conference site and the hotel (see map on the next page). For connections see the timetable of the Deutsche Bahn at ([www.reiseauskunft.bahn.de](http://www.reiseauskunft.bahn.de)).

## **Accommodation**

Most participants stay at the "Hotel am Bismarck" which is located in walking distance of the train station. After leaving the Mannheim main station in direction of the city center (not Lindenhof), turn right. In front of the Post Office turn left and follow "Tattersallstrasse." After one block, you will find "Hotel am Bismarck" at Bismarckplatz 9-11.





Participants

	Last name	First name	Affiliation	email
1	Aktar	Ipek	Universitat Pompeu Fabra	<a href="mailto:ipek.aktar@upf.edu">ipek.aktar@upf.edu</a>
2	Bölscher	Viola	Iber Consult (Barcelona)	<a href="mailto:v.boelscher@iber-consult.com">v.boelscher@iber-consult.com</a>
3	Czenna	Sabine	SFB 504 - Mannheim University	<a href="mailto:sczenna@sfb504.uni-mannheim.de">sczenna@sfb504.uni-mannheim.de</a>
4	Gabriel	Rainer	ETH Zürich	<a href="mailto:gabrier4@etu.unige.ch">gabrier4@etu.unige.ch</a>
5	Gee	David	European Environment Agency	<a href="mailto:David.Gee@eea.europa.eu">David.Gee@eea.europa.eu</a>
6	Grimm	Günther	BASF	<a href="mailto:guenther.grimm@basf.com">guenther.grimm@basf.com</a>
7	Janßen	Jana	SFB 504 - Mannheim University	<a href="mailto:jana.janssen@uni-mannheim.de">jana.janssen@uni-mannheim.de</a>
8	Jolibert	Catherine	Universitat Autònoma de Barcelona	<a href="mailto:Catherine.Jolibert@uab.cat">Catherine.Jolibert@uab.cat</a>
9	Karelaia	Natalia	INSEAD	<a href="mailto:natkarel@gmail.com">natkarel@gmail.com</a>
10	Kraft	Florian	Mannheim University	<a href="mailto:florian.kraft@bwl.uni-mannheim.de">florian.kraft@bwl.uni-mannheim.de</a>
11	Le Menestrel	Marc	Universitat Pompeu Fabra	<a href="mailto:marc.lemenestrel@upf.edu">marc.lemenestrel@upf.edu</a>
12	Lienert	Judith	EAWAG	<a href="mailto:judit.lienert@eawag.ch">judit.lienert@eawag.ch</a>
13	Rennings	Klaus	ZEW Mannheim	<a href="mailto:Rennings@zew.de">Rennings@zew.de</a>
14	Rode	Julian	SFB 504 - Mannheim University	<a href="mailto:jrode@sfb504.uni-mannheim.de">jrode@sfb504.uni-mannheim.de</a>
15	Rönnegard	David	INSEAD	<a href="mailto:david.ronnegard@insead.edu">david.ronnegard@insead.edu</a>
16	Schwieren	Christiane	SFB 504 - University of Heidelberg	<a href="mailto:christiane.schwieren@awi.uni-heidelberg.de">christiane.schwieren@awi.uni-heidelberg.de</a>
17	Simon	Anthony		<a href="mailto:simon.anthony@skynet.be">simon.anthony@skynet.be</a>
18	Tyszka	Tadeusz	Warsaw University	<a href="mailto:ttyszka@wspiz.edu.pl">ttyszka@wspiz.edu.pl</a>
19	Van den Hove	Sybille	Universitat Autònoma de Barcelona	<a href="mailto:s.vandenhove@terra.es">s.vandenhove@terra.es</a>
20	Yao	Yao	Mannheim University	<a href="mailto:yyao@rumms.uni-mannheim.de">yyao@rumms.uni-mannheim.de</a>
21	Zaleskiewicz	Tomasz	Warsaw University	<a href="mailto:tzaleskiewicz@swps.edu">tzaleskiewicz@swps.edu</a>