

BUSINESS, SOCIETY & ETHICS

Stakeholder Theory

As you read the material for our next class, keep the questions below in mind. To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages. Keep in mind that there are two basic kinds of information that you need to look for in the reading:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, *it is information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible conclusion about an issue, rather than another.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently about these issues at our next class meeting.

Reading

- Freeman, R. E. (2009). Managing for Stakeholders. In T. L. Beauchamp, N. E. Bowie, & D. G. Arnold (Eds.), *Ethical Theory and Business* (8th ed., pp. 56–68). Upper Saddle River, NJ: Prentice Hall.

Questions

1. According to Freeman, what does it mean to accept responsibility for our own actions? Why does he believe that businesses cannot avoid accepting this responsibility?
2. What does it mean to have a stake in a business? Who are the various parties that typically have such a stake? What relationships do these parties have with the business and what responsibilities and obligations does that generate on the part of the business?
3. What does Freeman seem to suggest is the purpose of business? Why does he believe this has the most “pragmatic” support?