CHAPTER 33

BUSINESS ETHICS, CORPORATE RESPONSIBILITY, AND STAKEHOLDER JUSTICE

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ABSTRACT

The central difficulty of business ethics is not the absence of moral vocabulary but the exercise of judgment where incentives, rights, evidence and institutional power conflict. This chapter develops a critical, cross-functional analysis of business ethics, corporate responsibility and stakeholder justice for enterprises operating under heterogeneous economic and regulatory conditions. Through a transparently selective synthesis of seminal normative philosophy, stakeholder scholarship, organizational-behaviour research, international responsible-business standards and official Rwandan secondary sources, it examines twelve domains: moral concepts; rival ethical traditions; stakeholder obligations; corporate purpose and governance; decision processes; corruption; employment and market justice; data and artificial intelligence; intergenerational responsibility; ethical culture; cross-jurisdictional duties; and emerging dilemmas. A substantial hypothetical Rwandan procurement-and-labour case tests an issue-to-accountability protocol using explicit assumptions, numerical trade-offs, rights constraints, independent challenge and remediation. Rwanda's 2024 enterprise survey, 2026 labour statistics, official anti-corruption and privacy instruments, and comparative international guidance provide institutional context without implying firm-level causal effects. Original educational instruments include a normative theory matrix, stakeholder-claim register, decision-flow diagram, misconduct indicator dictionary and analytical marking rubric. The chapter argues that defensible enterprise ethics requires neither uncritical shareholder primacy nor unspecified balancing of every preference. It requires justified priorities, non-negotiable protections, credible evidence, contestable decisions, proportionate remedies and organizational arrangements that make moral accountability operational. The synthesis is conceptual and pedagogical, not an empirically validated causal model.

Keywords: business ethics; normative reasoning; corporate social responsibility; stakeholder theory; distributive justice; business and human rights; anti-corruption; ethical culture; AI ethics; Rwanda.

LEARNING OUTCOMES AND CHAPTER ROADMAP

By completing this chapter, readers should be able to (LO1) distinguish moral, descriptive, legal and organizational claims and defend an explicit normative premise; (LO2) critically compare deontological, consequentialist, virtue, rights, care and justice-based reasoning; (LO3) identify and prioritize legitimate stakeholder claims without equating influence with moral entitlement; (LO4) examine corporate purpose,

governance and responsibility in light of competing scholarly and institutional arguments; (LO5) reconstruct a documented ethical decision, including alternatives, evidence limitations, dissent and remedy; (LO6) diagnose corruption, labour, customer, digital and environmental dilemmas using proportionate safeguards; (LO7) evaluate ethics-programme effectiveness without confusing reporting activity with ethical outcomes; and (LO8) defend a Rwanda-centred, cross-functional decision against international comparators and plausible objections.

Sections 33.1–33.2 establish the philosophical architecture, Sections 33.3–33.5 translate it into stakeholder, governance and decision practice, and Sections 33.6–33.9 examine major sites of preventable harm. Sections 33.10–33.12 investigate institutions, organizational culture and technological futures. Sections 33.13–33.18 offer Rwanda-based comparative analysis, a worked dilemma, integrated synthesis, scholarly research directions, advanced learning assessments and references. Chapter 33 consolidates ethical questions raised throughout the book, particularly in governance (Chapter 8), people management (Chapters 9–12), marketing (Chapters 13–16), sourcing (Chapter 18), finance and assurance (Chapters 22–26), information and AI (Chapters 28–29), sustainability (Chapter 31) and resilience (Chapter 32). Its ethical argument remains suitable for nonconfessional academic settings; explicit biblical interpretation is reserved for Chapter 34, while comprehensive functional integration is developed in Chapter 35.

33.0 INTRODUCTION: WHEN A LEGALLY DEFENSIBLE DECISION IS STILL WRONG

A Kigali food distributor has an opportunity to deliver a large institutional order. One bidder promises a substantially lower price but is closely connected to a procurement manager. A competing supplier offers more reliable safety documentation and higher wages but charges more. The sales director fears that missing the order will endanger working capital. Meanwhile, warehouse staff report unpaid overtime, and the enterprise's proposed inventory software can estimate employee productivity only by collecting unusually detailed individual work histories. Each function has an apparently defensible objective: procurement wants savings, sales wants continuity, finance wants liquidity, operations wants reliable supply, and information technology wants more data. Taken separately, these objectives can generate a decision that is profitable, procedurally documented and morally untenable. The enterprise must determine what it may not do, what it owes whom, what remains uncertain, and who can challenge the answer.

Ethical problems arise because an enterprise makes binding commitments with resources, consequences and power that are not distributed evenly. Neither competitive markets nor formal hierarchy automatically ensures that the parties affected can refuse an unfair bargain, detect hidden risks or secure remedies. Business ethics therefore concerns the reasons for judging choices, structures and consequences as permissible, obligatory, admirable or objectionable. Corporate responsibility concerns what organized enterprises and their agents must answer for, including harms that can arise through products, relationships and value chains. Stakeholder justice asks how legitimate rights, claims, opportunities, burdens and remedies should be recognized and distributed across persons, communities and generations (Donaldson & Preston, 1995; Freeman, 1984; Sen, 2009).

The chapter's governing argument has three elements. First, moral assessment cannot be replaced by legal compliance, public opinion or a financial scorecard. Second, competing ethical theories are productive precisely because they do not always rank alternatives identically; the task is to make conflicts reasoned, transparent and contestable rather than to disguise them with a single aggregate measure. Third, ethical capability is institutionally embedded: a principled manager without reliable data, protected reporting or authority to intervene may be unable to prevent harm. Accordingly, analysis proceeds from the level of moral justification to the design of organizational practices and back to the experience of affected people.

This inquiry treats profitability as relevant to legitimate enterprise survival but rejects the inference that survival automatically authorizes preventable rights violations.

Research orientation, sources and inferential limits

This is an integrative scholarly textbook chapter based on a purposive, not systematic, secondary-source synthesis. The source-selection logic privileges original works that articulate rival philosophical positions, peer-reviewed studies directly examining ethical judgment and organizational practice, primary legal and policy materials, and official statistical releases relevant to Rwandan enterprises. Institutional instruments were consulted in their published forms; the evidence cut-off is 3 November 2026. The analysis does not claim PRISMA coverage, independent fieldwork, a representative survey of Rwandan business ethics, or causal identification from the juxtaposition of national indicators. Research studies from large corporations, Western employee samples and particular industries are used as conditional evidence, not universal effect estimates. The invented enterprise case in Section 33.14 is explicitly an instructional thought experiment. Ethical conclusions are argued from stated moral premises; they are not presented as facts observed in administrative data.

Source selection was organized around four complementary questions: what makes a judgment morally defensible; which organizational mechanisms convert values into conduct; which institutional requirements govern consequential transactions; and which published observations can illuminate implementation in Rwanda. Philosophical texts were selected for their foundational propositions and their most influential objections, rather than for their agreement with the argument advanced here. Empirical studies were assessed for unit of analysis, measurement construct, comparison strategy, population, direction of inference and plausible rival explanations. Primary legal and institutional material was preferred for claims about obligations, whereas peer-reviewed research was preferred for behavioural explanations. This procedure is reproducible as a documented purposive synthesis, but it does not produce an exhaustive study inventory or an effect-size meta-analysis.

Evidence is interpreted through an explicit hierarchy of claims. A statute may establish a legal duty within its scope without demonstrating compliance; a survey may estimate prevalence in its defined population without identifying cause; an experiment may identify an effect under its intervention conditions without guaranteeing transfer across settings; and a philosophical argument may justify a principle without estimating implementation cost. The case calculations are internally reproducible demonstrations of decision logic, not estimates for a real enterprise. This separation is essential because business-ethics scholarship frequently joins normative reasoning to organizational evidence. The inferential task is not to privilege one kind of evidence universally, but to avoid making any source answer a question for which its design is unsuitable (Goodpaster, 1991; Treviño, 1986).

33.1 DEFINING BUSINESS ETHICS AND NORMATIVE CLAIMS

33.1.1 The meaning and levels of ethical inquiry

The term *ethics* refers both to moral appraisal of action and to the systematic investigation of the reasons supporting that appraisal. It differs from etiquette, which concerns conventions of acceptable interaction, and from organizational policy, which may instruct conduct without explaining its justification. It also differs from *law*: law supplies authoritative jurisdictional rules and remedies, whereas moral reasons can criticize the content of a legal rule, condemn lawful conduct, or demand conduct beyond the legal minimum. Ethical business decisions can be appraised at three connected levels. At the individual level, one assesses the knowledge, intention, discretion and responsibility of an employee or leader. At the organizational level, one asks whether structures, incentives and information systems encourage misconduct or make correction

possible. At the institutional level, one evaluates market rules, bargaining asymmetries and the distribution of costs to parties who never consented to a transaction (Crane et al., 2019; Treviño, 1986).

Descriptive ethics investigates what people or organizations believe and do. It can report, for example, whether employees perceive retaliation against whistleblowers, but the frequency of such perceptions does not itself settle whether retaliation is morally acceptable. Normative ethics asks what ought to be done and why. Metaethics investigates the nature and justification of moral claims, including whether moral truths are objective, constructivist, culture-dependent or express attitudes. Applied ethics uses these disputes to analyze concrete questions such as price discrimination or the withholding of safety information. Empirical management studies can help estimate consequences and implementation feasibility, but facts alone cannot establish the value premise through which they are judged. Conversely, a persuasive moral principle cannot establish an empirical effect without evidence.

A further distinction concerns moral evaluation of an act and moral evaluation of an institution. A sales officer may tell the truth under an incentive system that persistently encourages colleagues to conceal information; conversely, a sound disclosure rule does not absolve a manager who knowingly misleads a customer. The first inquiry concerns the agent's intentions, reasons and options; the second asks what arrangements make responsible conduct feasible, visible and correctable. Both matter in contemporary enterprises, whose consequences are often generated through chains of routine decisions. Nor can the presence of a corporate purpose statement establish moral standing: one must identify the reasons for that purpose, the constraints upon its pursuit and the persons entitled to object when institutional practices depart from it.

33.1.2 Responsibility, agency, knowledge and avoidability

Attributing responsibility requires distinguishing causal contribution from blameworthiness and institutional duty. An employee may cause a reporting error while following a faulty system; a board may not directly make the error yet bear a responsibility to establish adequate oversight. Relevant criteria include whether an actor had foreseeable information, control over a decision, capacity to take precautions, a role-based duty, and a fair opportunity to object. Collective responsibility adds difficulty because decision authority, information and benefit may be distributed over teams, subsidiaries or supply chains. Responsibility should not evaporate merely because no one individual controls the entire chain; nor should a junior worker become a convenient scapegoat for an executive’s incentive design (Young, 2011).

The distinction between wrongdoing and misfortune matters. Some harms are not fully foreseeable or avoidable at reasonable cost; others are deliberately concealed; still others result from institutional neglect despite repeated warnings. An adequate ethics inquiry asks about the ex ante information available, not only the ex post outcome. It also separates an agent’s good intentions from the actual distribution of effects. Ethical accountability therefore requires documenting what was known, what remained uncertain, who could intervene, and how those harmed could obtain redress.

Collective wrongdoing raises the problem of the responsibility gap. Employees may each comply with narrow job descriptions even as the combined process causes a foreseeable injury. Bandura (1999) describes ways in which moral self-regulation can be disengaged through euphemistic language, displacement of responsibility and minimization of harm. These mechanisms suggest a practical safeguard: a consequential decision should have an accountable owner who can view the complete sequence, and specialist personnel should retain a protected route to question the larger purpose of their assigned task. Young's (2011) social-connection approach further distinguishes responsibility for transforming an unjust structure from assigning retrospective blame for a single event. This distinction matters when problems arise through repeated purchasing practices rather than one identifiable dishonest transaction.

33.1.3 The limits of ethical metrics

Compliance rates, training completions and the number of hotline calls are administratively observable, but none is a direct measure of moral goodness. Few reports may indicate ethical conduct, ignorance, fear, absence of access or suppression of concerns. Many reports may reflect misconduct, increased trust in protected disclosure, or a more inclusive complaint system. A disciplined evaluation triangulates adverse outcomes, worker experience, control evidence, complaint quality, remedial timeliness and external assurance before making an inference about ethical culture (Kaptein, 2008a, 2008b; Treviño et al., 1999).

An adequate measurement model distinguishes conduct, exposure, detection and remedy. If reported incidents equal underlying incidents multiplied by the probability of detection and the probability of reporting, a change in recorded incidents cannot be attributed uniquely to a change in conduct. That simple identity is not an estimable model without additional information, but it reveals why an apparent improvement may be spurious. Measures must therefore define their denominator, observation window, severity and case-handling rules. In a small enterprise, one substantiated high-harm incident may require more attention than dozens of minor policy exceptions; in a large enterprise, a zero-complaint department may warrant investigation rather than praise. The ethical aim is prevention and fair repair, not numerical innocence.

Ethics evaluation is also vulnerable to strategic disclosure. Managers may reclassify complaints, discourage reporting or shift risky work to contractors to improve apparent scores. Independent sample checks, employee-informed process tests and outcome measures can narrow these weaknesses, although none eliminates them. Kaptein's (2008a) stakeholder-based measure helps widen the field of observable misconduct beyond internal rule breaking, while Berg et al. (2022) demonstrate a related measurement problem in environmental, social and governance ratings: different scopes, measures and weights can produce materially divergent assessments of the same organizations. Neither survey scales nor external ratings should be treated as direct readings of moral virtue.

33.2 MAJOR ETHICAL PERSPECTIVES

33.2.1 Consequentialism: welfare, uncertainty and aggregation

Consequentialism judges actions by their results. Classical utilitarianism, associated with Bentham (1789/1996) and Mill (1863/2001), makes overall wellbeing an organizing criterion; in enterprise decisions, this can direct attention to workers, customers and third parties who are omitted from accounting profit. Its attraction is comparative clarity: managers must assess what each option is expected to do, not merely what it intends. Its difficulties concern measurement, distribution, probability and moral boundaries. A cost–benefit analysis may monetize injuries poorly, use an inappropriate time horizon or discount the welfare of people who lack market purchasing power. Aggregation can also permit large gains to many people to outweigh an intolerable injury to a few, unless protected rights constrain the calculation.

Rule consequentialism evaluates generalizable practices, such as maintaining truthful product labels, rather than every isolated act. The distinction matters because exception-making can destroy trust and create incentives for wider deception even when a particular lie appears profitable. Quantitative consequence analysis is useful only when its evaluative metric, distributional weights, probabilities, missing outcomes and uncertainty ranges are explicit. Expected financial value is not equivalent to expected moral value.

The most difficult consequentialist questions are distributive rather than computational. Suppose a price increase preserves a service but excludes the poorest customers. Summing gains to the enterprise and

remaining customers may conceal the loss of access experienced by a smaller group. Distribution-sensitive welfare analysis can assign greater concern to the severely disadvantaged, yet the weights require open moral justification rather than appearing as technical coefficients. Discounting future damage is similarly contestable: a financial discount rate compensates investors for intertemporal opportunity costs, whereas the moral value of health or ecological security for future persons cannot be inferred from the firm's weighted average cost of capital. Consequently, expected value belongs inside an ethical deliberation, not above it.

33.2.2 Duty, dignity and the restriction on using persons as instruments

Kantian deontology evaluates action through principles capable of rational justification and through respect for persons as ends rather than mere instruments (Kant, 1785/1998). In business, duties of honesty, noncoercion and respect for agency can exclude deceptive transactions that would produce higher total profit. Rights-based approaches translate certain moral protections into claims that other actors must respect or support. Important distinctions are between negative duties not to interfere, positive duties to protect against serious harm, and institutional obligations to provide accessible remedy. Rights, however, can conflict: privacy may oppose transparency, while freedom of contract may conflict with minimum safeguards for vulnerable workers. The task is not to assert that every preference is an inviolable right, but to identify authoritative entitlements, moral foundations and the circumstances in which limitation might be justified.

Deontology faces its own limits. Rules expressed without attention to consequences can become unhelpfully absolute; institutional roles generate legitimate competing duties, and abstract universalism can ignore structural inequalities that impair meaningful choice. A defensible interpretation asks whether a maxim could be justified to similarly situated persons, whether a decision treats someone as merely disposable, and whether exceptions are governed by publicly intelligible reasons rather than private advantage.

Respect for persons also requires more than avoiding literal lies. A digital loan contract may disclose an expensive penalty in technically accurate language while placing it where a reasonable borrower is unlikely to notice. The ethical issue is whether the transaction supports informed agency, not whether a disclosure field was completed. For the same reason, formal agreement to intense worker surveillance is weak evidence of meaningful consent where refusal would threaten essential income. A rights-sensitive review tests intelligibility, proportionality and practical recourse. It must nevertheless distinguish absolute prohibitions from qualified rights that admit carefully justified limitations. Treating every inconvenience as a rights breach empties the language of its protective force.

33.2.3 Virtue ethics: character, practice and institutional context

Virtue ethics, derived from Aristotle’s account of practical wisdom, evaluates the dispositions that sustain good judgment, including honesty, courage, fairness and temperance (Aristotle, trans. 2009). Its distinctive insight is that morally serious action requires perceptiveness: a competent manager must notice a vulnerable customer or a coercive work arrangement before any formal decision rule is applied. Ethical character develops through repeated practice, role models and habits. Yet virtue language can conceal structural problems when managers praise courage while maintaining retaliation, or celebrate loyalty while tolerating concealment. Virtue is a necessary complement to, not a substitute for, independent oversight, evidence and remedies.

Aristotelian practical wisdom, or phronesis, is not simply the possession of admirable traits. It is the cultivated ability to perceive morally salient features of a situation, deliberate about ends and means, and

act at an appropriate time. In a procurement setting, courage is not reckless accusation, and loyalty is not concealment of a relative's financial interest. The virtues need interpretation in relation to roles and common goods: a manager may show prudence by deferring a profitable order until product safety is established, yet the same manager can invoke prudence opportunistically to avoid a difficult investigation. A credible virtue account therefore evaluates patterns of judgment and willingness to accept external correction, not declarations of personal integrity.

Virtue-based explanations also confront an institutional objection. If acting honestly repeatedly entails lost bonuses, isolation or dismissal, a theory focused exclusively on character risks making individual heroism compensate for defective organization design. Empirical ethical-leadership research is valuable precisely because role modelling interacts with incentives, authority and coworker expectations (Brown et al., 2005; Mayer et al., 2009). The managerial implication is dual: select and develop trustworthy officeholders while designing procedures through which ordinary employees can act well without extraordinary personal sacrifice.

33.2.4 Care, relational obligations and vulnerability

Care ethics examines dependence, attention, responsive relationships and the moral relevance of particular vulnerability (Gilligan, 1982; Tronto, 1993). Whereas equal-treatment rules ask whether two people are treated alike, care-oriented reasoning asks whether formally identical treatment ignores different capacities and exposure to harm. It is especially useful for disabled customers, precarious workers, affected families and communities whose voices are hard to reach. Its limitation is a potential drift toward partiality or paternalism if relational closeness overrides justified equal rights. Robust care is therefore not sentimental preference; it is informed, non-dominating attention tested against procedural fairness and the agency of the people concerned.

Care ethics becomes especially pertinent when harm arises from inattention rather than overt hostility. An organization might offer a standard web form for grievances while failing to recognize that a worker with low literacy, a customer without reliable connectivity or an employee with a disability cannot use it. A procedurally uniform rule then produces substantively unequal access. Care reasoning directs attention to dependency, the quality of listening and the capacity of a response to preserve agency. It does not require managers to favor friends or relatives; on the contrary, relationships of care must be scrutinized for unequal power and the risk of silencing the very persons they are intended to protect (Tronto, 1993).

The ethics of care differs from a managerial programme of benevolence because it asks whose account of the problem is authoritative. A senior manager can claim to know what is best for workers while excluding them from decisions about schedules or safety. Responsive care requires a credible opportunity to disagree, including the ability to reject a proposed remedy that creates new burdens. Care consequently complements rights-based protections: rights establish claims that need not depend on managerial affection, while care tests whether the institutional mechanism actually meets the circumstances of affected persons.

33.2.5 Justice: institutions, capabilities and real freedom

Rawls (1971/1999) frames justice through fair institutional principles, equal basic liberties and the treatment of socioeconomic inequalities. Sen (2009) objects to an exclusive focus on ideal institutions and invites comparison of actual remediable injustice; a capabilities perspective asks what people are effectively able to do and become, not merely which resources they formally receive. In business, justice entails more than paying the same nominal wage to everyone: relevant questions include access to safe work, meaningful grievance, reasonable accommodation, opportunity for advancement and exposure to environmental risk. Distributive justice concerns allocation of benefits and burdens; procedural justice concerns fair decision

methods; recognitional justice concerns whether identities and experiences are respected; and restorative or corrective justice concerns remedy after injury. These dimensions may reinforce one another, but they cannot be collapsed into a single equality ratio.

Justice also raises a question about the baseline against which a distribution is judged. Equal hourly rates may appear fair when workers' tasks differ markedly in hazard, responsibility and available accommodations; equal access to an online promotion may be nominal where one group lacks connectivity; and a neutral credit model can reproduce historic disadvantage if its inputs encode unequal opportunity. Rawls's emphasis on publicly justifiable institutions directs attention to the rules that structure competition, whereas Sen (2009) asks whether identifiable deprivation can be reduced without waiting for agreement on a perfectly just social order. A responsible enterprise should therefore evaluate both the legitimacy of the rules and actual opportunities for those subject to them.

Compensatory and restorative questions need equal attention. A harmed worker may require wages and medical support, but also protection from retaliation and correction of the unsafe process; a customer may need a refund and reliable information to avoid repeat injury. A remedy that serves only reputational recovery is incomplete. Nor is distributive justice synonymous with maximizing the count of beneficiaries: severe harm concentrated on a few can deserve priority even when a less burdensome alternative benefits more people in aggregate. These judgments require specified principles, context and reasoned treatment of objections rather than an undifferentiated appeal to fairness.

33.2.6 Pluralism without incoherent eclecticism

No serious theory should be reduced to a one-line managerial slogan. Consequences can expose neglected harms, duties can set boundaries, virtues can improve judgment, care can identify relational vulnerability, and justice can examine institutional distribution. Yet merely quoting all theories is not a decision method. A defensible sequence first identifies constraints that should not be traded away without stringent justification, then compares remaining options using evidence and distributive reasoning, and finally documents principled disagreement. Table 33.1 distinguishes the arguments, risks and diagnostic questions of the principal approaches.

Practical pluralism needs a decision rule without pretending that all moral theories reduce to one formula. A defensible architecture can begin with a threshold inquiry into prohibitions, serious rights risks and procedural integrity. The enterprise then evaluates permissible alternatives through consequences, proportionality, distribution, vulnerability and capability to implement. Where no option is free of harm, the reasons for choosing the lesser burden must be explicit and a remedial duty may remain after authorization. This ordering does not settle the philosophical debate between absolute and defeasible duties; it is a stated institutional policy that can be criticized. A decision record is stronger when it identifies the argument that would overturn its conclusion.

Table 33.1. Normative approaches to recurrent enterprise dilemmas

Perspective	Primary moral question	Analytical contribution	Typical failure if applied mechanically
Consequentialist	Which feasible action has the best defensible consequences?	Exposes hidden harms and opportunity costs	Reduces rights and distribution to an aggregate score
Duty and rights	What must not be done to persons, whatever the commercial gain?	Protects dignity, truth and agency	Treats competing duties as if no contextual judgment is needed

Perspective	Primary moral question	Analytical contribution	Typical failure if applied mechanically
Virtue	What would a practically wise and trustworthy agent do?	Relates judgment to character and habits	Personalizes systemic failures and excuses weak controls
Care	Whose vulnerability and dependency need attentive response?	Makes unequal power and lived experience visible	Permits partiality or paternalism without checks
Justice and capabilities	Are rules, burdens, opportunities and remedies fair?	Evaluates distributions and institutional exclusion	Treats one equality measure as sufficient justice

Note. Authorial comparison based on Aristotle (trans. 2009), Kant (1785/1998), Mill (1863/2001), Gilligan (1982), Rawls (1971/1999), Sen (2009) and Tronto (1993). The table is a heuristic, not an assertion that these philosophies are mutually exclusive.

33.3 STAKEHOLDER RIGHTS AND OBLIGATIONS

33.3.1 From influence to legitimate claim

Freeman's (1984) stakeholder perspective challenged managerial accounts that gave exclusive analytical priority to shareholders. Donaldson and Preston (1995) distinguished descriptive, instrumental and normative versions: an organization may in fact depend on many groups; attention to them may improve performance; and persons affected by enterprise action may possess moral claims regardless of business advantage. Confusing these propositions produces a recurrent error: a statistically positive association between stakeholder practices and profit is treated as proof that stakeholder rights exist, or conversely a short-term financial cost is treated as proof that a right is dispensable. The normative case must be argued independently of financial correlation.

Mitchell et al. (1997) proposed power, legitimacy and urgency as attributes that explain managers' perceptions of stakeholder salience. The model is descriptively illuminating but can become morally hazardous if the powerless are overlooked. Children in a polluted community, insecure casual workers and future generations may lack power while possessing strong claims. An ethical prioritization therefore distinguishes *managerial attention* from *moral entitlement*. A stakeholder's bargaining leverage is a predictive variable; it is not a measure of human worth.

Goodpaster (1991) identifies a tension between a purely strategic stakeholder synthesis, which attends to groups only as means to corporate success, and a multi-fiduciary synthesis that can obscure the distinctive legal position of directors and owners. Neither extreme establishes a complete moral theory. Owners' legitimate residual claims and corporate continuity matter, but other persons' rights do not have to be translated into future shareholder gain to count. A manager should consequently ask separately who can affect implementation, who may be harmed, which claims have legal force, and what independent moral reasons support the treatment proposed. Conflating these questions is both analytically unsound and potentially unjust.

33.3.2 Claims, duties and competing forms of value

Shareholders may possess legitimate claims to transparent stewardship, rights defined by applicable company law and residual returns under the organization's constitution. Employees have claims concerning safety, dignity, fair process, agreed remuneration and, where applicable, recognized collective rights. Consumers are entitled to truthful information, adequate product safety and fair recourse. Suppliers are owed honest specifications, noncorrupt access and performance of contractual commitments; communities

may have claims against pollution and exclusion even when they never transact with the enterprise. Public institutions require compliance with valid rules and honest fiscal declarations, while future generations raise obligations associated with irreversible environmental depletion. These claims vary in source and strength and are not interchangeable with mere preferences (OECD, 2023; United Nations Human Rights Office of the High Commissioner [OHCHR], 2011).

A useful stakeholder-claim register records the group, right or interest, source of obligation, possible harm, vulnerability, evidence confidence, voice mechanism, owner and remedy. The register should distinguish a legally enforceable claim, an independently defensible moral claim and a commercially desirable relationship. It must also record rival interpretations. For example, a buyer's preference for the lowest price does not necessarily defeat a worker's entitlement to lawful payment, and a shareholder's desire for faster returns does not automatically authorize undisclosed data processing.

Stakeholder claims cannot be adjudicated merely by inviting representatives into the same meeting. Some groups lack legal identity, technical knowledge or freedom from retaliation; future persons cannot appear at all. Representation therefore needs a theory of legitimacy. Affected workers may require elected or protected voice, consumers intelligible disclosure and accessible complaints, and communities credible impact information that does not depend solely on the project developer. Claims also differ temporally: suppliers need fair contracting before award, customers need safety during use, and injured persons need remedy after harm. A register is useful only if it preserves these distinctions and names someone capable of acting on each claim.

33.3.3 Human rights due diligence as a process rather than a badge

The UN Guiding Principles on Business and Human Rights articulate a protect–respect–remedy framework: states have duties to protect rights; enterprises have a responsibility to respect human rights; and affected people should have access to effective remedy (OHCHR, 2011). The OECD's (2018, 2023) risk-based guidance translates responsible conduct into a cycle of embedding commitments, identifying and assessing adverse impacts, preventing or mitigating them, tracking results, communicating responsibly and providing or cooperating in remedy. This framework does not make every recommendation automatically binding national law, and due diligence does not guarantee a harm-free enterprise. Its seriousness depends on whether evidence from affected people can alter procurement, investment, staffing, marketing and product decisions.

A particularly important distinction in human-rights due diligence is between causing an adverse impact, contributing to it and being directly linked to it through a business relationship. These relationships matter to appropriate responses, including cessation, prevention, leverage and remedy; they do not establish that a distant buyer possesses unlimited coercive authority over every supplier. The UN Guiding Principles place the severity of harm, including its scale, scope and remediability, at the centre of prioritization where simultaneous response is impossible (OHCHR, 2011). A credible due-diligence process therefore tracks what the enterprise knows, what it can influence, where it may have worsened the situation and whether affected persons themselves judge the remedy accessible.

For smaller Rwandan exporters, due diligence should be proportionate to exposure rather than reduced to a lengthy questionnaire. A buyer can verify age and wage documentation within lawful limits, test the suitability of occupational safeguards, agree credible corrective dates and speak to workers through safe channels. If the buyer then imposes prices or delivery schedules that make compliance infeasible, its purchasing behaviour must enter the assessment. International buyers also have to avoid demanding sensitive personal data unnecessarily as a condition of market entry. The purpose is the prevention and repair of harm, not the outward resemblance of a compliance programme used by a multinational.

Table 33.2. Stakeholder-claim register for a cross-functional ethics review

Stakeholder	Illustrative claim and source	Vulnerability or evidentiary concern	Required accountability response
Workers	Safe conditions, due wages, fair process; employment norms	Fear of retaliation; subcontracting opacity	Worker-accessible reporting, payroll audit, remedy
Customers	Safety, truthful claims, lawful data processing	Information asymmetry, digital exclusion	Product verification, transparent consent and redress
Suppliers	Fair access, impartial evaluation, prompt contractual payment	Dependence on one buyer; undocumented terms	Conflict declarations, auditable tender and payment record
Owners and lenders	Faithful stewardship and reliable disclosure	Selective reporting, short-term incentives	Independent challenge, accurate reporting, solvency tests
Communities and future persons	Protection against harmful externalities	Weak voice, delayed impacts, uncertain exposure	Impact assessment, precaution, consultation and monitoring

Note. Illustrative authorial instrument informed by Freeman (1984), Donaldson and Preston (1995), OHCHR (2011) and OECD (2018, 2023). Claims require case-specific legal verification.

33.4 CORPORATE RESPONSIBILITIES AND GOVERNANCE

33.4.1 Shareholder primacy, corporate purpose and plural obligations

Milton Friedman's (1970) influential argument emphasizes the accountability of corporate agents to owners within the applicable rules of competitive exchange. Its strength lies in highlighting democratic authorization, the dangers of executives spending other people's money on unmandated social purposes and the difficulty of distinguishing private preferences from organizational duty. Its weaknesses emerge when the rules are incomplete, harms are externalized, markets are unequal or owners themselves hold conflicting time horizons and objectives. Even on a shareholder-centered account, deception, fraud and systematic risk concealment undermine legitimate market competition. A corporation may not be made morally trustworthy simply by attaching the word *purpose* to its strategy.

Carroll's (1991) four-part representation of economic, legal, ethical and philanthropic responsibilities became a widely used teaching architecture. Schwartz and Carroll (2003) later proposed an overlapping economic, legal and ethical model, partly avoiding the impression that responsibilities are separable layers. Both formulations are heuristic: a philanthropic donation cannot compensate for unsafe work, while ethical treatment of customers may also be economically prudent. Empirical corporate social responsibility (CSR) scholarship finds heterogeneous mechanisms, organizational levels and contextual moderators, not a universally guaranteed financial premium from any activity called CSR (Aguinis & Glavas, 2012). Financial performance and responsibility need to be evaluated with separate indicators and justified in their own terms.

The strongest objection to unlimited stakeholder balancing is a problem of managerial accountability: if managers claim authority to serve all interests without any explicit priority, neither owners nor affected persons can reliably determine whether decisions were justified. Jensen (2001) proposed long-run firm value as a single objective intended to discipline trade-offs. Yet the proposal cannot itself settle whether benefits secured through exploitation or unconsented harm should count as acceptable value. A rights-constrained enterprise can acknowledge the instrumental importance of financial viability while refusing to treat financial optimization as a complete moral criterion. The dispute is therefore partly about corporate purpose and partly about boundaries on otherwise legitimate pursuit of that purpose.

Evidence concerning financial effects must be interpreted at the correct level. Flammer (2015) uses close shareholder votes on CSR proposals as a quasi-experimental setting and reports favourable outcomes for the studied marginal proposals; the findings do not show that any initiative labeled responsible will raise performance in every firm. Equally, the absence of a measured premium does not extinguish a duty to avoid harm. An ethics chapter should resist both instrumental overclaiming and the opposite assumption that financial discipline is inherently immoral. Enterprise survival finances wages, product quality and remedial capacity; it becomes ethically objectionable when presented as a categorical exemption from fair dealing.

33.4.2 Governance, legitimacy and practical answerability

Governance specifies who authorizes decisions, whose interests must be considered, which information reaches oversight bodies and how failures are corrected. Chapter 8 addressed boards, oversight and fiduciary arrangements; the present section asks how those mechanisms should handle moral claims. Trustees and directors should not substitute generic stakeholder rhetoric for role-specific duties under the enterprise's legal form and jurisdiction. An ethical review should identify the governing statute and constitutive documents, the people entitled to challenge a decision, the nature of the risk, and the route to independent assurance. Responsibility without identifiable decision rights becomes a statement of aspiration rather than an accountability system.

Legitimacy is not equivalent to popularity or a high ESG rating. An organization may receive public praise while imposing hidden labour costs; another may face criticism for refusing a corrupt deal. Institutional theory helps explain why firms adopt policies to maintain social acceptance, but formal adoption can become ceremonial unless actual practices change (Brammer et al., 2012). The best question is not whether a firm has an ethics statement, but whether a person facing harm can activate a procedure that changes consequential decisions.

Fiduciary language is sometimes used as though it conclusively answers moral disputes, but its legal meaning depends on jurisdiction, corporate form and the relevant duty. An accountable board should record how directors considered material risks, conflicts, financial commitments and legitimate interests while remaining within their actual powers. In a closely held enterprise, formal board committees may be unnecessary; independent review of a conflicted transaction can nevertheless serve the same underlying need for impartial challenge. In a cooperative, member participation may strengthen ownership voice while creating a separate obligation not to disregard employees, customers or nonmember communities. Governance design should respond to these differences rather than transplant the architecture of a listed corporation indiscriminately.

33.4.3 CSR, philanthropy, sustainability and rights are not synonyms

Corporate philanthropy entails voluntary resource transfers to public or charitable purposes. CSR is a broader concept concerning organizational impacts and obligations; sustainability examines the durable social and ecological conditions of enterprise activity; and human-rights responsibility foregrounds serious harms and non-negotiable protections. Strategic alignment may make an initiative feasible, but the instrumental logic can misfire when management funds highly visible donations while neglecting core operations. Rigorous governance begins with harms arising from the enterprise's own activity, products and business relationships before celebrating optional good works (OECD, 2023; OHCHR, 2011). External assurance, stakeholder participation and transparent correction are stronger tests of responsibility than expenditure on publicity.

The rise of environmental, social and governance indicators has not solved the problem of evaluating responsibility. Berg et al. (2022) report substantive divergence among ESG ratings because assessors differ

in indicator scope, measurement and weighting. This is not an argument against measurement; it is an argument for construct validity and disclosure of evaluative purpose. A rating concerned primarily with financially material exposure may differ legitimately from a rights-impact assessment concerned with serious harm to people who have little purchasing power. Managers should not claim that a favourable investment score certifies just treatment of workers, or that an environmental disclosure can compensate for deceptive contracting.

The possibility of greenwashing sharpens the distinction. Delmas and Burbano (2011) identify institutional, organizational and individual drivers of misleading environmental communication. A company may make real but narrow improvements and advertise them in a way that implies an unsupported overall transformation. Ethically adequate communication states the baseline, boundaries, time horizon, countervailing impacts and remaining limitations. Philanthropy can be commendable when transparently funded and appropriately governed, but its moral value must be assessed independently from the enterprise's obligations not to cause or conceal avoidable injury through its ordinary operations.

33.5 ETHICAL DECISION-MAKING FRAMEWORKS

33.5.1 Why moral recognition precedes moral choice

Rest (1986) proposed a four-component understanding of moral behaviour involving sensitivity, judgment, motivation and character or implementation. Jones (1991) highlighted *moral intensity*, arguing that the perceived characteristics of an issue can influence recognition and action. Treviño's (1986) interactionist account further identifies the effects of individual development and situational conditions. These theories explain why a qualified manager may fail ethically even when the relevant principle is known: an invisible victim may be omitted, authority may discourage dissent, incentives may reward concealment, or an employee may lack resources to intervene. None should be treated as a deterministic predictive law; the empirical measures and populations vary across research traditions.

Moral recognition is susceptible to framing. A worker's uncompensated overtime can be described as extraordinary commitment; manipulation of a tender as relationship management; a deceptive interface as conversion optimization. Tenbrunsel and Messick (2004) explain ethical fading as the displacement of moral features by business-oriented language and self-serving rationalization. These mechanisms make an independent statement of the ethical issue particularly important. Before evaluating price or performance, the decision-maker should restate whose legitimate interests may be compromised and what the organization would object to if the same practice were directed against its own employees or customers.

33.5.2 The issue-to-accountability protocol

A practical protocol should produce a decision record that can be reviewed by those who did not participate in the original choice. Stage 1 defines the decision and states who has legitimate authority. Stage 2 maps directly and indirectly affected parties and gives particular attention to vulnerability. Stage 3 documents facts, evidentiary provenance, unknowns and time constraints. Stage 4 identifies legal duties, contractual promises and rights-based exclusions. Stage 5 constructs feasible alternatives, including postponement, redesign and remedial action. Stage 6 compares residual alternatives using expected consequences, distributive justice, care, reversibility and institutional feasibility. Stage 7 seeks independent challenge, records disagreement and discloses conflicts. Stage 8 authorizes and communicates a reasoned choice. Stage 9 monitors effects and provides revision or remedy. The logic is deliberately iterative: a new safety finding should return the decision to evidence assessment rather than merely update a dashboard.

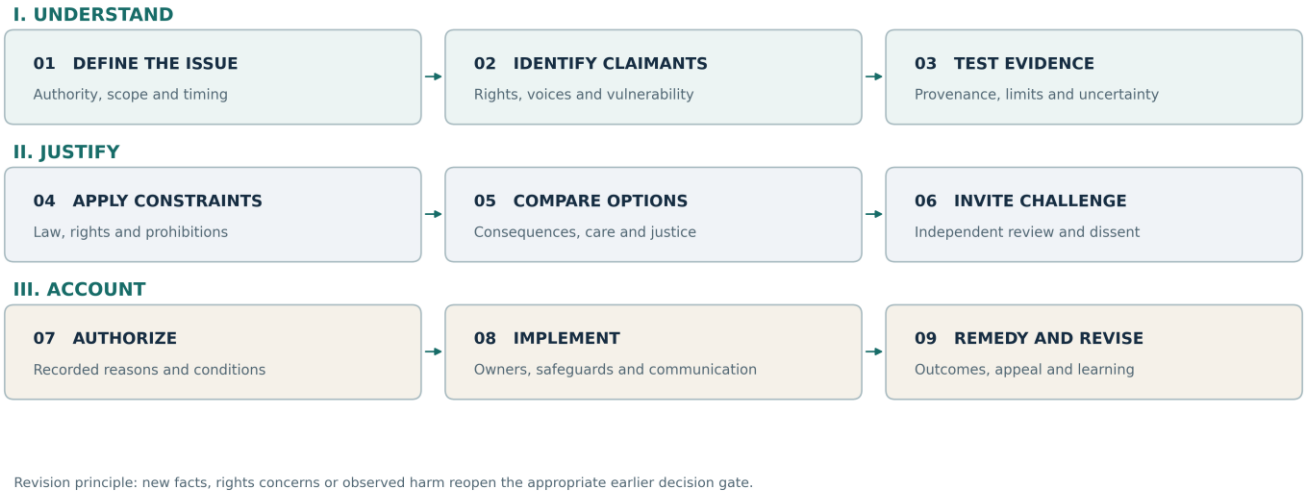


Figure 33.1. Issue-to-accountability process for consequential enterprise decisions. Source: Authorial synthesis, informed by Rest (1986), Jones (1991), OHCHR (2011) and OECD (2018).

The figure separates non-negotiable constraints from comparative assessment and places independent contestation before authorization. It is not a substitute for statutory legal advice or a numerical risk model. Decision makers may disagree after applying the same protocol; the professional obligation is to reveal the reasons, consequences, dissent and appropriate review triggers rather than manufacture an appearance of unanimity.

33.5.3 Decision quality and incomplete evidence

An ethical decision record is more defensible when it states the counterfactual: what would happen if the organization continued the current practice rather than selecting the proposed alternative? It should identify who carries the risk of being wrong. Expected-value calculations can prioritize low-probability severe harms, but probabilities derived solely from managerial intuition should be labelled judgmental. Sensitivity analysis reveals where a decision changes as uncertain assumptions vary; it cannot transform a moral claim into an empirical fact. In high-stakes conditions, the precautionary principle may justify temporary limits on harmful activity while further evidence is acquired, subject to proportionality, transparent review and avoidance of indefinite paralysis.

Documentation should also specify the epistemic status of each premise. An audited wage record, an unverified accusation, a technical model score and an executive forecast are not interchangeable inputs. A decision file should identify source, date, independence, relevant population and permissible inference, and should distinguish facts established to a reasonable standard from material unknowns. If safety documentation is incomplete, absence of confirmed injury is not evidence of absence of risk. A good review can authorize further investigation while withholding authorization for irreversible action. The right to seek clarification must be paired with a deadline and a named person empowered to decide whether the uncertainty has been resolved.

Disagreement is a further quality control. An independent reviewer might endorse an option because it satisfies minimum rights obligations yet contest the estimated cash advantage; a worker representative might agree with the objective but object to the consultation process. Recording these differences makes later learning possible. In an organization with scarce administrative capacity, the decision record need not be elaborate. A short statement of alternatives, evidence, excluded options, reasons, dissent, authorization and remedy is more valuable than a long code that nobody can use when a consequential choice arises.

33.6 CORRUPTION, BRIBERY AND CONFLICTS OF INTEREST

33.6.1 Moral mechanisms of corruption

Corruption is not exhausted by an exchange of cash. It concerns abuse of entrusted authority for improper advantage, including illicit inducements, hidden self-dealing, manipulation of evaluation criteria, misappropriation and deliberate obstruction of oversight. Bribery can alter an official's or private agent's choice; favoritism may operate through personal networks even without money; conflicts of interest arise when a secondary interest threatens, or reasonably appears to threaten, impartial judgment. An actual conflict is not necessarily proof that a corrupt decision occurred, but a concealed conflict removes the conditions for trustworthy assessment. A procurement officer who evaluates a family-owned bidder has an ethically material interest even if that bidder might ultimately be the best-qualified supplier.

The underlying losses extend beyond the amount transferred. Misallocated contracts can increase prices and reduce quality; honest competitors may withdraw; employees may learn that advancement depends on loyalty rather than competence; public confidence can weaken. A purely principal–agent account explains some incentives, but it may fail where corruption has become normalized through networks of reciprocal obligation. Prevention thus requires attention to organizational incentives, social relationships, market concentration, credible monitoring and protected avenues for refusal. Ethical interpretation should not presume that customary gift-giving is always bribery; purpose, value, timing, reciprocity, decision power, transparency and relevant law must be examined together.

Corruption should also be analysed as a collective-action problem. If firms expect competitors to offer illicit inducements, individually honest conduct may appear commercially costly even when all firms would benefit from fair competition. Yet recognizing this mechanism does not justify participation; it points to credible enforcement, transparent tender design, collective professional standards and safe refusal as complements to internal controls. Social expectations surrounding family obligation or reciprocity must be analysed with the same care. The ethical concern is not personal connection as such, but whether entrusted judgment has been distorted, concealed or made impossible to challenge.

33.6.2 Rwandan institutional framework and legal caution

Rwanda's Law No. 54/2018 of 13 August 2018 establishes a legal framework for fighting corruption. The Office of the Ombudsman identifies this law, alongside Law No. 44bis/2017 relating to the protection of whistleblowers, among relevant instruments in its prevention and investigation mandate (Office of the Ombudsman, n.d.; Republic of Rwanda, 2018). The existence of these instruments is not evidence that every workplace reporting channel functions adequately, nor does this chapter attempt an exhaustive restatement of their provisions. Organizations must verify current statutory text, applicable sector rules, subsequent amendments and legal remedies before relying on a specific compliance procedure. Public-sector procurement duties and private-enterprise internal rules must also be distinguished rather than treated as identical.

Transparency International's 2025 Corruption Perceptions Index assigns Rwanda a score of 58 out of 100 and rank 41 among 182 countries (Transparency International, 2026). This is a perception-based country index focused on public-sector corruption, not a measurement of bribes paid by Rwandan firms or proof that a particular institution is ethical. Comparisons can inform hypotheses about governance environments but cannot substitute for procurement-file audits, independently documented allegations or observed business transactions. A sound enterprise decision uses the index as context, not as an individual's guilt probability.

The 2025 Corruption Perceptions Index is best read as a macro-institutional signal: Rwanda's reported score of 58 and position of 41 among 182 countries describe an index of perceived public-sector corruption, not an experimental measure of anticorruption policy or a prevalence estimate for private-sector bribery (Transparency International, 2026). Country comparisons risk ecological inference when used to predict an individual supplier's conduct. An enterprise requires transaction-level evidence, such as documented bid specifications, declared interests, price deviations, delivery verification and patterns of exception approvals. A manager should not transfer national reputational inferences onto a particular worker, community or enterprise.

33.6.3 Prevention, detection, response and protection

An effective conflict-of-interest system begins before bids are opened: requirements must be justified by business need; specifications must not be tailored to a favored supplier; evaluation panels should declare relationships; decision rights should be separated where feasible; and changes to criteria or scoring must be logged. Procurement staff should have access to safe consultation when pressure arises. Senior managers are not exempt from disclosure because they have superior commercial knowledge. Risk-based controls include independent approval of related-party awards, monitoring for split purchases and repeat sole-source transactions, verification of beneficial ownership where law and capability permit, and post-award checks against delivered quality.

When allegations arise, the organization should preserve records, protect potential witnesses, avoid premature findings and ensure an impartial investigation proportionate to the allegation. Confidentiality should protect legitimate interests without becoming a promise of absolute secrecy that the law or a fair investigation cannot sustain. Whistleblower protection should address retaliation through changes in duties, contracts, performance ratings or workplace exclusion, not merely overt dismissal. Substantiated misconduct calls for remedies and systemic correction; unsubstantiated allegations require fair closure and no automatic retaliation against good-faith reporters. The OECD’s (2023) responsible-business recommendations provide a broader governance reference but do not replace Rwandan criminal or employment law.

Investigation quality depends as much on procedural justice as on detection. Allegations must be separated from findings; investigators should identify their authority and conflicts; data access should be proportionate; and subjects should receive a fair opportunity to respond consistent with witness protection and applicable law. An inquiry can fail ethically by exposing a reporter, prejudging an accused person or destroying relevant records. The remediation stage must then address both the affected transaction and the underlying control weakness. Training all staff without changing a conflicted approval route will rarely address the mechanism that permitted the incident.

33.6.4 Ethical corruption controls as a managerial economy

Control has costs. A small enterprise may lack enough staff to separate requisition, receipt, payment and reconciliation perfectly. It can nevertheless use compensating safeguards: dual authorization above a proportionate threshold, sequential documentation, independent review of bank statements, periodic supplier rotation where commercially feasible, and declaration of relationships. The relevant optimization is not zero administrative cost or maximal bureaucracy; it is the protection of contestable commercial decisions while preventing unnecessary burden on legitimate suppliers. The same controls should apply fairly rather than become a selective instrument against disfavored bidders.

Risk-weighted design can be explained through expected preventable loss, but its inputs require caution. A business might compare the annual cost of an independent monthly reconciliation with a range of

plausible loss frequencies and severities, recording that those frequencies are judgments unless derived from appropriate data. The result should not be used to set a financially acceptable quota for bribery or rights violations. Some duties are non-negotiable even when the narrow expected monetary loss is small. For limited-resource firms, the central question is which inexpensive safeguards create genuine independent challenge: owner review of bank statements, direct supplier confirmation or occasional scrutiny by an external accountant can be more credible than elaborate but unenforced policy manuals.

33.7 FAIRNESS IN EMPLOYMENT AND MARKETS

33.7.1 Employment justice beyond contract formalities

Employment is an exchange of labour for remuneration, but the contract does not establish equal bargaining power or equal information. Workers may accept unsafe assignments because alternative income is scarce; fixed-term workers may be reluctant to report violations; women and workers with disabilities may face barriers unrelated to competence. Ethical employment therefore assesses substantive opportunity and workplace consequences as well as formal signatures. The International Labour Organization's (ILO, 1998/2022) declaration identifies five categories of fundamental principles and rights at work: freedom of association and collective bargaining, elimination of forced labour, abolition of child labour, elimination of discrimination, and a safe and healthy working environment. Their application within a specific jurisdiction must be read alongside ratification and national implementing obligations.

Equal treatment is a useful starting point, but comparable work may require attention to occupational risk, accessibility, caregiver responsibilities, contract status and opportunities for progression. Pay equity should examine total reward, not only nominal base wages; hiring fairness should audit selection criteria, accessible recruitment routes and relevant job requirements. Disciplinary procedures should permit notice, explanation, evidence and proportionate consequences. The ethics of workforce analytics becomes especially acute when performance targets implicitly reward managers for pushing unpaid work into evenings or shifting occupational risk onto subcontractors. These issues connect to, but do not reproduce, the legal and organizational analysis of Chapters 9–12.

Justice in employment also concerns the design of the opportunity to work. A seemingly neutral promotion criterion may privilege employees who can accept unpredictable late hours because they have fewer caregiving responsibilities; a productivity target may disregard time spent on essential safety procedures; and temporary contracts can weaken the practical security needed to raise concerns. Ethical analysis requires attention to the counterfactual: would the employer make the same demand if employees had comparable bargaining power and an effective means of refusal? That question cannot replace detailed law, but it exposes why contractual assent does not exhaust moral legitimacy.

33.7.2 The local context: formal and informal enterprises

The National Institute of Statistics of Rwanda (NISR, 2025) reports that 86.8% of the enterprises captured in its 2024 Integrated Business Enterprise Survey were informal, a description governed by the survey's formal-sector definition. The same official report estimates 278,060 business enterprises in 2024, excluding the agricultural and public-administration activities outside the survey scope (NISR, 2025). These are contextual estimates about economic units, not observations of ethical conduct. A firm may be unregistered without acting deceptively, and a formal firm may exhibit serious rights violations. Nevertheless, informality changes the instruments available for training, documented grievance, social protection, collective representation and independent enforcement. Advice that begins with an expensive enterprise-wide ethics platform may be poorly suited to a two-person trader or a small cooperative.

Rwanda's August 2026 labour-force statistics report an unemployment rate of 15.6%, with a higher measured rate among women (18.3%) than men (13.3%) (NISR, 2026). These survey indicators do not establish discrimination by employers or the cause of an individual employment decision. They do, however, underscore the importance of examining whether workers can decline unsafe arrangements without severe livelihood consequences. For small enterprises, a written wage record, accessible grievance contact, respectful scheduling and consistent disciplinary rules may be more consequential than elaborate policy terminology.

The enterprise survey's 86.8% informal share describes businesses meeting its operational definition, not a population of morally deficient enterprises. This distinction guards against two distortions. Formal registration does not guarantee fair treatment, while informality does not establish an intention to evade obligations. Nonetheless, differences in accounting records, access to finance and employment documentation affect which protections can be demonstrated. A feasible ethics strategy for a microenterprise may begin with legible receipts, transparent prices, verifiable wage payments and accessible complaint handling. Formalization and institutional support can then be evaluated in terms of the protections they actually improve, including whether compliance costs would otherwise exclude vulnerable livelihoods (NISR, 2025).

33.7.3 Consumer justice, pricing and honest information

A buyer's willingness to pay is not a complete demonstration of informed consent. Consumers may misunderstand product risks, face essential-service dependence or be influenced by deceptive scarcity claims. Marketing ethics requires claims proportionate to evidence, clear contractual conditions, avoidance of hidden charges and particular protection for children or other vulnerable groups. Price differences can reflect genuine delivery costs, risk or cross-subsidy; they can also exploit informational asymmetry or unlawful discrimination. A defensible pricing analysis explains the basis of differentiation, tests affordability and exclusion where morally relevant, and verifies legal constraints without assuming that every price difference is unjust.

Customer complaints are diagnostic evidence, not mere reputational threats. An enterprise that benefits from an accidental recurring payment should not rely exclusively on whether consumers notice and object. Fair recovery includes usable cancellation procedures, transparent billing, reasonable response times and correction of systemic errors. When a product poses serious safety risks, a timely recall may be morally required even where an immediate financial analysis favours delay. Chapters 13–16 develop the marketing and commercial mechanics; this chapter evaluates the moral conditions under which those activities are legitimate.

Consumer justice includes the allocation of error and inconvenience. Firms often know the contractual terms, automated billing rules and known product limitations far better than customers do. A policy that refunds only those able to persist through a complicated complaint process can profit from consumers' limited time and knowledge. Fair redress requires a route that is proportionate to the harm and accessible to users with different languages, devices and abilities. Where the firm identifies a systematic overcharge, the case for proactive correction is stronger than a reactive policy limited to consumers who complain. These principles apply equally to financial products, online subscriptions, packaged goods and education services, although the governing legal rules differ.

33.7.4 Supplier justice and responsible purchasing

Powerful buyers can impose excessive payment terms, transfer forecast errors to small suppliers, or threaten delisting when workers report unsafe conditions. A responsible purchasing policy must compare

not only unit prices but also whether the buyer's demands make legitimate labour, environmental and product safeguards feasible. Supplier codes are ineffective if the buyer simultaneously rewards delivery schedules that cannot be met without harmful overtime. Repeated auditing without commercial support may encourage concealment rather than improvement. Proportionate corrective action may require revised volumes, realistic lead times, fair payment and verified remediation rather than immediate disengagement in every case (OECD, 2018, 2023).

Fair supplier treatment cannot be appraised independently of the buyer's own contracting incentives. Locke (2013) shows why monitoring and codes alone are insufficient to secure labour conditions across global production networks; lead-firm pricing and purchasing practices can undermine suppliers' capacity to comply. Short et al. (2016), analysing an extensive archive of factory audits, identify variation in reported violations associated with features of audit teams and payment arrangements. The substantive inference is that an audit certificate is not a transparent window into actual workplace conditions. Responsible sourcing combines credible independent information with commercially feasible orders, stable expectations and the willingness to alter buyer conduct where it contributes to harm.

Disengagement is sometimes necessary, particularly where a supplier refuses to address grave abuse or where continued purchasing would intensify foreseeable injury. Nevertheless, abrupt exit may deprive workers of income while leaving their grievances unresolved. The ethically relevant analysis asks whether the buyer caused or contributed to the harm, what leverage remains available, what a time-bound improvement plan could achieve, how workers can be heard safely and how the consequences of exit would be distributed. This reasoning does not make continued contracting obligatory in all circumstances; it makes the conditions of continued engagement, suspension and withdrawal subject to explicit justification.

33.8 DATA, TECHNOLOGY AND ARTIFICIAL INTELLIGENCE ETHICS

33.8.1 Privacy, purpose and power

Digital systems render human behaviour newly measurable. Payroll, mobile payments, location traces, customer histories, biometric attendance and conversational data can improve services while also expanding surveillance and asymmetry of power. The ethics of data processing asks whether information is genuinely necessary, whether the purpose is intelligible, how long records are retained, who can access them, and whether affected individuals can meaningfully challenge misuse. Consent is insufficient when it is coerced, bundled or impossible to withdraw without disproportionate penalty. Privacy is not merely a risk of financial loss: observation can alter autonomy, dignity and the ability to dissent.

Rwanda's Law No. 058/2021 of 13 October 2021 addresses the protection of personal data and privacy and provides the national legal basis for relevant obligations (Republic of Rwanda, 2021; Rwanda Information Society Authority [RISA], n.d.). The Data Protection and Privacy Office explains functions including oversight, controller/processor registration and complaint handling (Data Protection and Privacy Office, n.d.). These legally specific provisions must be verified for the relevant organization, processing purpose, exceptions and current implementation. The existence of a privacy notice does not, on its own, prove the fairness of an intrusive data collection design.

Privacy and autonomy raise a problem of function creep. Data gathered to ensure safe delivery may later be reused to evaluate worker loyalty, infer health status or set personalized prices. Such secondary uses may not have been contemplated by those who supplied the information. An ethical purpose specification should therefore identify legitimate business necessity, alternatives that use less data, retention periods, access controls, permissible onward transfers and the safeguards available to the data subject. The Rwandan

personal-data law supplies a binding legal context for covered processing, but ethical appraisal must still examine asymmetries of power and the practical meaning of consent (Republic of Rwanda, 2021).

33.8.2 Algorithmic discrimination and contestability

Machine-learning systems can produce errors that fall unevenly across populations, especially when training data reflect historical exclusion or when proxies capture protected characteristics. Fairness requires specifying the decision at issue, the reference population, the benchmark and the harm. A model may show good average predictive performance but fail badly for a smaller group. Conversely, a difference in error rates is not automatically proof of unlawful discrimination without considering measurement, context and applicable rights. Data scientists, legal officers and affected practitioners must therefore define fairness questions jointly rather than leave them to technical optimization alone.

In hiring, credit, insurance, performance scoring and procurement, human oversight should be meaningful. A worker must be able to question a disciplinary recommendation and receive an intelligible explanation from someone empowered to change it. Appeals that merely route a complaint back to the original automated model do not provide independent review. Procurement of an AI system should include performance tests under local conditions, incident escalation, data provenance, audit access and an exit route if serious harm persists. UNESCO's (2021) Recommendation on the Ethics of Artificial Intelligence provides an international normative reference, while NIST's AI Risk Management Framework is voluntary, context-sensitive technical guidance, not a universal statute (Tabassi, 2023).

Algorithmic fairness cannot be reduced to selecting a single statistical parity measure. A prediction model may have equal accuracy across groups yet impose different consequences where false negatives mean denied access to essential finance and false positives lead to intrusive investigation. Competing fairness criteria can be mathematically incompatible under unequal base rates, so an ethical decision must specify the social purpose of prediction, the relevant populations and the harms associated with each error. Selbst et al. (2019) explain why abstracting away the social system in which an algorithm is used can frustrate fairness objectives. Institutional review should test how decisions are made before and after deployment, including whether excluded groups were represented in the evidence.

A meaningful audit begins before model selection. Raji et al. (2020) propose end-to-end internal algorithmic auditing that connects organizational choices, documentation, testing and ongoing accountability. An enterprise should record the task definition, data provenance, known limitations, performance by relevant groups, decision thresholds, human review competence and avenues for independent challenge. Performance that appears favourable in a pilot can deteriorate when behaviour or incentives change after rollout. Neither explainability nor a named supervisor is sufficient if that supervisor lacks the authority to overturn a consequential automated recommendation.

33.8.3 Manipulation, autonomy and the attention economy

Digital interfaces can exploit limited attention, behavioural vulnerabilities and unequal information through misleading urgency, obscure cancellation paths or personalized pressure. The ethical distinction between persuasion and manipulation turns partly on whether the communication supports reflective choice or covertly exploits weaknesses that the seller knows more about than the buyer. Advertising effectiveness, click-through rates and conversion may increase while consumer autonomy falls. Ethical review therefore includes the architecture of default choices, access to alternatives, disclosure timing and safeguards for susceptible groups. Platform recommendation systems raise further questions about amplification of harmful misinformation, concentration of bargaining power and opacity in how attention is allocated.

Manipulation deserves a stronger test than whether a consumer clicked a button. A digital choice architecture can deliberately exploit scarcity anxiety, default inertia or the cost of navigating cancellation. When the enterprise knows that a user would likely make a different choice if the true costs were salient, conversion is poor evidence of informed preference. Ethical design should compare a neutral presentation with the proposed interface, evaluate comprehension rather than merely clicks, and consider how burdens fall on people with limited literacy, time or connectivity. Covert persuasion is especially troubling when directed toward children or persons facing financial distress.

33.8.4 Environmental and labour consequences of AI

Automation can reduce drudgery or errors while displacing tasks, intensifying electronic monitoring and shifting environmental demand to data centres and hardware supply chains. Claims of a universal productivity dividend are therefore not morally sufficient. A responsible implementation distinguishes task-level gains, distribution of benefits, retraining feasibility, working-condition changes, error and bias risks, energy use and the capacity to reverse deployment. This chapter takes the ethical perspective; Chapters 28–29 own the technical architecture, model evaluation and transformation economics.

The labour consequences of AI should be assessed at the task rather than the occupational label. Automation may remove repetitive entry while creating additional verification work, raising performance expectations or transferring responsibility for errors onto junior staff. A defensible investment appraisal therefore includes implementation and checking time, human skill requirements, occupational safety, appeal workload and the distribution of productivity gains. Worker consultation can reveal failure modes that are invisible in a technology vendor's demonstration. These considerations do not predetermine that automation is harmful; they specify the evidence and safeguards needed before asserting a net social benefit.

Digital services also have material footprints. Servers, power systems, connectivity infrastructure and device replacement entail upstream resource use that is rarely visible in a software subscription price. The ethically relevant comparison is incremental, life-cycle and context-specific: does the application displace more material-intensive activity, shift emissions elsewhere, or generate new demand that offsets savings? This inquiry connects to Chapter 31's environmental analysis while retaining Chapter 33's central concern about who bears hidden costs and who has standing to contest them.

33.9 SUSTAINABILITY AND INTERGENERATIONAL JUSTICE

33.9.1 Externalities, boundaries and the standing of future persons

Environmental harm exposes a fundamental limitation of market exchange: parties who bear polluted water, flood risk or lost biodiversity may not be parties to the contract that generated the benefit. An enterprise’s recorded margin can remain positive while uncompensated burdens increase. Cost-benefit analysis can help identify trade-offs but is incomplete when affected ecosystems are difficult to price, injuries are irreversible, rights are breached or future persons have no representation. Intergenerational justice asks not only whether today’s generation becomes wealthier but whether choices erode the capabilities and options of people who cannot participate in present bargaining (Sen, 2009).

The duty to avoid serious, reasonably foreseeable harm can coexist with uncertainty about thresholds and causal pathways. Precaution is most defensible where consequences may be irreversible, the decision is difficult to reverse and available evidence indicates plausible severe damage. It should not be used as an unexamined prohibition on all innovation, nor should scientific uncertainty become a license for unlimited

externalization. A proportionate policy identifies threshold assumptions, exposure pathways, lower-risk alternatives, monitoring and decision triggers.

Intergenerational reasoning becomes acute where the relevant consequence is irreversible. A business may discount the future financial effect of resource depletion in an investment appraisal, but the resulting net present value does not resolve whether a future community's basic options may legitimately be lost. Schlosberg's (2007) environmental-justice framework draws attention to recognition, participation and capabilities alongside distribution. Applied to enterprise choice, this means identifying not only the quantity of ecological damage but the communities whose relationship to land or livelihood is affected and the procedural conditions under which they can influence decisions.

33.9.2 Environmental responsibility and the limits of disclosure

Bansal and Roth's (2000) research distinguished competitiveness, legitimation and ecological responsibility as possible motivations for environmental action. This helps explain why identical sustainability language may accompany different organizational behaviour. Emissions inventories, circular-material claims and net-zero commitments are useful only when boundaries, baselines, methods and limitations are clear. Elkington (2018) cautioned against reducing the triple bottom line to an accounting exercise detached from structural change. Ethics therefore tests whether the stated reduction represents absolute environmental improvement, whether harmful activity has merely moved to contractors, and whether claims conceal rebound effects.

Chapter 31 owns technical life-cycle assessment, resource flows, circular economics and sustainability reporting. Chapter 33 asks which burdens are permissible to transfer, who should bear transition costs and whose consent or representation matters. A supplier's low price may depend on uncontrolled waste; a 'green' package may require water-intensive processing; a resilience investment may protect a profitable branch while abandoning low-income users. Ethical interpretation must use the best available physical evidence but cannot be replaced by a single carbon metric.

Measurement problems are especially serious when an environmental statement is used as a moral endorsement. A packaging system may lower emissions per unit while raising absolute waste because sales expand; a firm may reduce direct emissions by outsourcing energy-intensive work; a product may be described as recyclable even where recovery infrastructure is unavailable. These are not merely communication defects. They can redirect investment and consumer trust toward interventions that deliver less benefit than claimed. Delmas and Burbano (2011) show why greenwashing is shaped by market, institutional and organizational incentives, reinforcing the need to verify the claims and decision pathways rather than merely the presence of disclosure.

33.9.3 Just transitions, adaptation and distributive burden

Transitions away from polluting activity create winners and losers. Workers may lose livelihood before alternative jobs exist; low-income consumers may face higher energy prices; communities that contributed little to past damage may carry disproportionate adaptation costs. A just transition accordingly requires a distributional account of investment, compensation, retraining, access and participation. For Rwandan and other African enterprises, constrained finance and infrastructure can make a technically superior environmental option difficult to adopt immediately. The appropriate ethical response is neither unlimited exemption nor blind transfer of high-income-country standards. It is an evidence-based, rights-conscious pathway with feasible milestones and transparent allocation of costs.

Just transition is not a demand that environmentally harmful activity continue indefinitely because change imposes costs. It asks who has enjoyed past benefits, who has contributed to harm, who possesses

adaptive resources and who is likely to be excluded from the new economy. The ILO's just-transition guidance emphasizes decent work and social dialogue, indicating that implementation requires labour-market and social protections rather than a purely technological substitution (ILO, 2016). In Rwanda, where many livelihoods operate outside comprehensive formal employment systems, transition planning should consider informal workers, suppliers and customers rather than assume that a retraining allowance to payroll employees captures the relevant burden.

Practical allocation mechanisms can include phased compliance milestones, retraining tied to credible opportunities, supplier capability-building, targeted affordability protection and transparent financing of safer infrastructure. They require monitoring because an intervention intended to protect one group can shift costs to another. An ethical enterprise should establish what level of harm it is seeking to prevent, what non-negotiable limits apply, and how it will revise implementation if observed consequences differ from forecasts. There is no universal formula that can convert these questions into a single corporate sustainability score.

33.10 ETHICS PROGRAMMES AND ORGANIZATIONAL CULTURE

33.10.1 Codes versus lived arrangements

An ethics code can clarify expectations, define conflicts of interest and establish procedures. It cannot by itself prevent coercion or deception when managers are rewarded for numerical targets at any cost. Organizational ethical culture concerns the shared practices and conditions that enable or undermine responsible conduct; ethical climate concerns collective perceptions of what behaviours are expected and rewarded (Victor & Cullen, 1988). Kaptein's (2008b) corporate ethical virtues approach identifies organizational conditions including clarity, managerial congruence, feasibility, support, transparency, discussion and sanctions. These dimensions are useful diagnostic constructs, though their measures should be adapted and tested before strong causal claims are made in new settings.

Empirical research on ethical leadership highlights the importance of visible conduct by managers. Brown et al. (2005) developed and tested an ethical-leadership construct using social-learning ideas, while Mayer et al. (2009) investigated how ethical leadership may cascade through organizational levels. Such studies illuminate mechanisms but cannot establish that appointing a charismatic leader will repair every unethical system. The decisive question is whether a supervisor has the competence, authority and organizational protection to reject an improper instruction, not whether the supervisor scores highly on a self-reported values scale.

Cultural change is frequently confused with a communication campaign. Repetition of ethical slogans can strengthen cynicism if employees observe unequal sanctions, undisclosed exceptions for senior staff or rewards for manipulating targets. Ethical climate measures capture perceptions of what behaviour is rewarded, whereas investigations, payroll records and customer outcomes capture different aspects of conduct. Combining these sources can expose discrepancies between formal aspiration and enacted practice. The relevant managerial question is whether a worker sees credible evidence that reporting a problem leads to fair examination and correction rather than personal cost.

33.10.2 Building an ethics architecture

A proportionate enterprise ethics architecture contains at least an explicit code of conduct, ownership of material risks, training tied to real work, accessible confidential consultation, impartial investigation, protection from retaliation, appropriate disciplinary consistency, active remediation and periodic evaluation. Large corporations may use board ethics committees, internal audit and independent hotlines.

Smaller firms may instead rely on documented owner commitments, an external reporting adviser, a trusted alternate contact and periodic independent checking of high-risk purchases and payments. Functional ownership matters: HR may handle grievances, procurement supplier conflicts, IT data use, operations safety, finance payments and the board material escalation. Cross-functional oversight prevents risks from disappearing at departmental boundaries.

Treviño et al. (1999), examining employee reports within six large US companies, found that ethics systems perceived as protecting management from blame were less successful than value-oriented approaches emphasizing fair treatment, leadership commitment and consistency. The design implication is not to abandon rules but to prevent ethics programmes from becoming coercive compliance theatre. Independent review and credible remedy remain essential because workers may hesitate to challenge the managers who grade their performance.

Implementation should begin with the enterprise's most consequential transactions. In a retailer, these may involve product safety, cash handling and customer claims; in a lender, credit decisions and data use; in a public contractor, bids, gifts and beneficial ownership; and in a manufacturer, workplace hazards and environmental exposure. The control owner should have sufficient authority to stop or redesign the practice and should be accountable for the quality of remedy. An ethics function that has responsibility for incident logs but no access to executives, contracts or operational records is institutionally weak regardless of its policy language.

Small enterprises face a genuine proportionality challenge. Requiring a two-person business to reproduce a multinational's independent audit department may consume resources without meaningfully improving protection. Nevertheless, size does not excuse concealed self-dealing, exploitation or dangerous products. A proportionate alternative is to select a limited number of high-consequence decision gates, document the reason for each, provide a trusted external escalation route where internal independence is impossible, and periodically test whether a dissatisfied customer or worker can obtain a response.

33.10.3 Measuring ethical health and detecting perverse incentives

An ethical-performance dashboard should distinguish activities from effects. Training completion can signal reach; validated employee understanding can signal comprehension; protected reporting access can signal channel availability; substantiated incidents and corrective-action quality can indicate detected harm; employee confidence and retaliation complaints can indicate whether the system is usable. High levels of anonymous disclosure can reflect trust or distress, and low numbers can reflect fear. Trends should therefore be disaggregated by location, contract type and function, with appropriate privacy safeguards and denominator transparency. Performance targets must not reward managers merely for reducing allegations, which can create an incentive to discourage reporting (Kaptein, 2008a; Treviño et al., 1999).

Evaluation requires separating the effects of an ethics programme from underlying changes in risk exposure and reporting. Suppose substantiated allegations rise after confidential reporting becomes easier. The observed increase could reflect more underlying wrongdoing, higher detection, improved trust or a different mix of cases. A before-and-after comparison without independent measures cannot identify which explanation dominates. Researchers and managers should consider changes in transaction volume, workforce composition, reporting confidence and audit intensity. Where feasible, staggered implementation or comparable units can improve inference, but even such designs must assess spillovers and possible harm created by withholding protections.

Ethics measurement also poses a privacy problem. Employees may answer climate surveys strategically if teams are so small that responses can be inferred. Publishing detailed complaint statistics may identify

witnesses, while overaggregating results can conceal discrimination against a minority group. The proper design preserves the minimum detail needed for accountability, ensures restricted access to identifiable records and reports limitations alongside estimates. Ethical monitoring cannot be purchased at the cost of exposing people who rely on it for protection.

Table 33.3. Ethical performance indicators and inference safeguards

Indicator	Operational definition	Primary use	Important interpretive caution
Verified serious-harm rate	Confirmed serious incidents / relevant exposure units	Monitor preventable harm	Depends on detection, classification and reporting access
Remediation timeliness	Median days from substantiation to completed remedy	Track responsiveness	Quick closure does not necessarily mean fair remedy
Reporting access	Share of eligible persons with usable confidential channel	Test accessibility	Availability is not evidence of trust
Nonretaliation follow-up	Share of good-faith reporters contacted safely after closure	Test continuing protection	Follow-up must not reveal identity or create coercion
Conflicted awards independently reviewed	Number reviewed / identified high-risk awards	Detect procurement exception handling	A high ratio may coexist with concealed conflicts
Employee ethical climate	Validated scale by site and employment category	Assess perceived norms	Adaptation, anonymity and sampling may change results

Note. Authorial metric dictionary informed by Victor and Cullen (1988), Kaptein (2008a, 2008b) and Treviño et al. (1999). Thresholds, exposures and sampling procedures must be defined before deployment. No listed indicator alone establishes ethical performance.

33.11 ETHICS ACROSS CULTURES AND JURISDICTIONS

33.11.1 Universal obligations and contextual interpretation

Business transactions occur within different histories of authority, kinship, solidarity, religion, enterprise ownership and state capacity. Ethical pluralism is a reason to inquire carefully, not to assume either that every local practice is permissible or that a multinational's headquarters policy exhausts all moral wisdom. Universal protections such as freedom from coercion and discrimination offer limits on harmful relativism, while contextual knowledge is needed to distinguish gift-giving, mutual aid, reciprocity and improper influence. A culturally informed ethical reviewer investigates who sets the terms, whose voice is missing, how refusal is experienced and whether powerful outsiders are imposing burdens without legitimate participation.

The transferability problem applies in both directions. A whistleblower arrangement designed for a large corporation may expose a reporter in a small close-knit enterprise because anonymity is not practically achievable. Conversely, informal dispute mediation may resolve minor misunderstandings but can compromise due process when allegations concern harassment, corruption or threats to safety. Ethical implementation should preserve substantive protections while redesigning mechanisms for local capabilities, languages and risks. Cultural competence cannot become an excuse for concealment or denial of remedy.

The universalism–relativism dispute is often framed too crudely. To affirm the equal moral standing of persons is not to insist that consultation, contractual language and grievance administration look identical in every society. To take local customs seriously is not to permit any practice that powerful insiders describe as traditional. The central distinction is between the substantive obligation and the mechanism through which it can be reliably met. An independent reviewer can investigate the meaning of a gift or customary obligation while retaining the prohibitions against abuse of entrusted authority, intimidation and deliberately unequal access.

33.11.2 International guidance and jurisdictional reach

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023) and the UN Guiding Principles (OHCHR, 2011) are influential reference frameworks. They are not a single worldwide law. Enterprises may also face binding domestic requirements, contract clauses, sectoral rules and jurisdiction-specific obligations arising from cross-border activities. A compliance register should therefore label each source accurately as statute, regulation, judicial interpretation, contractual requirement, professional standard, government recommendation or ethical commitment. The ethical argument may demand a higher standard than law in one place without implying that an international guideline is enforceable there.

Businesses participating in global value chains confront conflicting expectations concerning labour documentation, traceability, privacy and environmental assurance. Small exporters should not be excluded solely because they lack costly certification if legitimate safeguards can be demonstrated by proportionate methods. Equally, a buyer should not treat small size as permission for serious harm. Responsible cross-border governance combines feasible capability-building, independent review and clear escalation with respect for national law and local institutional expertise.

International supply chains create overlapping but nonidentical sources of normativity: domestic statutes, legally incorporated contractual terms, voluntary professional commitments, trade-partner requirements and external normative guidance. An enterprise that treats them all as binding law misstates the compliance environment; an enterprise that dismisses voluntary recommendations as irrelevant ignores legitimate moral expectations and commercial conditions. A defensible obligations map names the jurisdiction, legal status, source version, affected function, accountable owner and remedy. It also notes where supplier relationships create opportunities to exercise leverage without granting legal authority to override workers' local protections (OECD, 2023).

33.11.3 Comparative moral reasoning without false equivalence

A contextual approach recognizes that what counts as respectful consultation, consent or fair remedy may depend on language and institutional practice. It does not follow that a worker’s safety is less important where unemployment is high, or that a community’s exposure can be ignored because its members have little market leverage. Ethical evaluation must distinguish evidence about conditions from the moral principle being applied. Where parties disagree about principles themselves, decision makers should seek public reasons, acknowledge disagreement and give particular weight to irreversible harm and equal standing.

Comparative judgment requires resisting both romanticization and deficit narratives. Close social networks may make a small business responsive to customers while making confidential complaints more difficult. A multinational's formal whistleblowing system may create distance from local workers while offering independence that a family enterprise cannot reproduce internally. These are organizational conditions to investigate, not intrinsic properties of a culture. Where observations conflict, the researcher

should distinguish sampling frame, terminology, case selection and the meaning of 'success' before concluding that one arrangement is morally superior.

Translation is a substantive ethical task. A policy may be linguistically translated into Kinyarwanda yet remain conceptually inaccessible if it presupposes employment categories, board structures or digital identifiers unfamiliar to the intended audience. Effective interpretation needs local testing of examples and routes to redress. At the same time, adaptation should not remove key protections merely because a practice is inconvenient for managers. The standard of fair treatment should survive the change of administrative form.

33.12 ETHICAL FUTURES AND UNRESOLVED DILEMMAS

33.12.1 Platform power and digitally mediated labour

Digital platforms can reduce transaction costs while setting opaque terms for market access, ranking, payment and dispute resolution. A platform may claim to be a neutral intermediary yet shape which suppliers are visible, which workers obtain orders and who bears failed-delivery risk. Ethical analysis must look beyond legal classifications to dependence, bargaining power, algorithmic opacity and the practical possibility of exit. Where workers have no realistic access to reasons for account suspension, formal contract consent offers a weak defence. However, rigidly transferring every employment rule to every independent transaction without examining economic structure can create other exclusions. The proper question is which protections correspond to actual dependency and control.

Platforms govern markets through ranking and access rules as well as ordinary contracts. A small merchant may have a formal right to leave but no commercially viable alternative if a platform controls the majority of relevant customers. An independent worker can choose working hours while remaining exposed to unilateral fee changes, opaque suspension or asymmetrical rating systems. Ethical appraisal should examine functional control, income dependence, intelligible reasons, dispute resolution and the distribution of switching costs. The solution need not be the same employment classification in every context; it must respond to the substantive power exercised and the protections that power makes necessary.

When platforms mediate customers and suppliers across borders, governance extends to localized language access and consumer redress. A formally available online appeal may be ineffective if it requires expensive connectivity or an inaccessible identity document. Transparent ranking and an impartial review procedure can improve accountability without revealing proprietary algorithms in full. The necessary disclosure is the information reasonably required to understand the consequential grounds of a decision and challenge factual or procedural error.

33.12.2 Agentic AI and accountability without a human decision trace

AI systems capable of initiating actions complicate attribution of responsibility. A model may recommend a vendor, generate an advertisement and trigger a payment with limited human intervention. The fact that a decision was automated does not make it morally authorless. Enterprise governors remain responsible for defining permitted authority, testing reliability, logging consequential operations, identifying prohibited uses and preserving a route to stop the system. It is not sufficient to write ‘human in the loop’ where the reviewer lacks time, expertise or authority to question the model. Rights-preserving AI governance requires genuine contestability and control, not a cosmetic approval click (Tabassi, 2023; UNESCO, 2021).

Agentic systems intensify the distinction between delegation and abdication. An enterprise may authorize software to request quotations, negotiate within limits or initiate purchases, but legitimate organizational authority does not pass morally to the model. People who design objectives, approve data access, set

transaction thresholds and accept residual risk remain answerable. A meaningful authority envelope specifies permitted actions, prohibited counterparties, spending caps, required evidence, escalation triggers, reversibility and a technically effective stop mechanism. A system whose internal steps cannot be reconstructed after an incident is poorly governed, irrespective of its aggregate accuracy.

The challenge is partly temporal. Software can execute more actions than a reviewer can meaningfully examine before harm occurs. Governance must therefore combine preventive technical controls with sampling, logging, post-action audit and enforceable restrictions on irreversible decisions. An approving employee should not be made the nominal bearer of responsibility for a sequence that organizational design gives that employee no realistic chance to assess. The question is how managerial accountability is distributed across design, deployment, oversight and remedy, not whether a human name appears somewhere in a workflow (Raji et al., 2020).

33.12.3 Global value chains, fragmented responsibility and remediation

Multi-tier sourcing can separate product benefits from the location of labour and environmental harm. Disclosure rules and supplier questionnaires may improve visibility but can also create audit fatigue, superficial paperwork or displacement of production into less visible arrangements. The ethical question is whether a company contributes to or is directly linked to harm, whether disengagement would worsen conditions, and what influence it can exercise toward prevention or remedy. OECD guidance emphasizes risk-based proportionality rather than an expectation that every firm has unlimited knowledge or control over all suppliers (OECD, 2018, 2023).

A global buyer may claim to have no involvement in an upstream injury because its formal contract is with a first-tier supplier. Yet contractual distance does not settle causal contribution, foreseeability or available leverage. If the buyer repeatedly demands prices and lead times incompatible with safe production, its own commercial choices form part of the moral inquiry. Locke (2013) describes limits of private compliance initiatives without supportive purchasing and institutional conditions. Short et al. (2016) further show that monitoring observations are shaped by auditor characteristics and incentives, making an audit score insufficient evidence of actual protection.

Responsible remediation requires a credible account of affected people and their priorities. A buyer may terminate a contract to reduce reputational exposure, leaving injured employees without pay or treatment; it may alternatively maintain orders under independently monitored correction. Neither course is always preferable. The ethically relevant decision examines seriousness, the buyer's role, feasible leverage, worker voice, safety of continued production and whether disengagement itself would worsen harm. This is a reasoned standard of accountability, not a blanket requirement to remain connected to every problematic supplier.

33.12.4 Values disagreement, uncertainty and the limits of prediction

Ethical dilemmas will persist because moral goods can conflict even where facts are well established: privacy and safety, transparency and confidentiality, present livelihoods and ecological protection, or open market access and safeguarding. New technologies change scale and speed but do not eliminate these older conflicts. Responsible managers should design institutions that can revise decisions, protect dissent, identify emergent injury and provide remedy, rather than promise perfect prediction. Moral humility means recognizing both limits of evidence and the possibility that one’s chosen ethical framework underweights another person’s experience. It does not mean withholding judgment about deception, coercion or serious avoidable harm.

Future ethical uncertainty is not confined to forecasting the next technology. Institutions also change the meaning of a reasonable safeguard: data collected innocently today may enable invasive inference tomorrow; low-cost credit scoring may expand access while creating a new instrument of exclusion; climate adaptation may reduce one community's exposure while directing flood risk toward another. Scenario analysis can expose these interactions, but it does not assign probabilities reliably where no reference class exists. A responsible decision file therefore includes qualitative triggers, short review intervals for rapidly changing systems and a requirement to seek the perspective of groups likely to bear the downside.

A further philosophical problem is moral residue. An unavoidable decision may be permissible while still leaving persons worse off. The fact that managers selected the best available option does not mean those burdens disappear from the enterprise's moral account. Explanation, compensation, redesign and monitoring may remain due. A mature ethics programme must be able to say both that a choice was justified ex ante and that harm subsequently requires remedy. This is more demanding than presenting ethics as the elimination of every trade-off.

33.13 RWANDA AND AFRICAN ENTERPRISE ETHICS IN COMPARATIVE PERSPECTIVE

33.13.1 What official statistics can and cannot tell us

A Rwanda-centred ethics inquiry must begin with the actual range of enterprises, not an imagined economy composed mainly of publicly traded corporations. NISR’s 2024 enterprise evidence indicates extensive economic informality and differentiated capacity for financial recording, investment, digital infrastructure and managerial training (NISR, 2025). These conditions have moral as well as administrative implications. A formal policy requiring quarterly board reporting has little immediate relevance where ownership and management reside in one household; nevertheless, basic honesty, reasonable protection from harm, fair contracts and accessible remedy remain relevant regardless of incorporation. The regulatory task is to develop proportionate institutional arrangements without inferring that less formal administration equals inferior moral character.

The 2025 Corruption Perceptions Index places Rwanda above several neighbouring states on its particular perception measure (Transparency International, 2026). This provides comparative context for discussing integrity institutions, but cross-country rankings alone cannot explain mechanisms within individual firms, establish causation or justify a claim that bribery is absent. Interpretation should distinguish the public-sector perception construct from private procurement abuses, conflicts of interest, wage withholding and unreported environmental impacts. Likewise, the 2026 labour-force estimates establish differences in employment exposure, not proof of employer discrimination (NISR, 2026). Responsible empirical reasoning resists both uncritical celebration and blanket negative generalizations about African business.

Rwanda's official business series makes proportionality an empirical necessity. With 278,060 estimated enterprises in 2024, including 241,354 informal units under the survey's definition, a governance model requiring specialist compliance personnel cannot be universal without severe feasibility problems (NISR, 2025). This conclusion concerns administrative design, not moral entitlement. The same core questions about truthful exchange, safety, fair remuneration and remedy apply across enterprise forms; the evidential instruments differ. Policy research should investigate whether simplified documentation and accessible grievance channels improve protections without inadvertently excluding survival enterprises from legitimate economic activity.

33.13.2 Institutions, practical access and reporting safety

The Office of the Ombudsman publicly identifies anti-corruption prevention and investigation functions and the relevant statutory foundations (Office of the Ombudsman, n.d.). Rwanda's statutory whistleblower protections and data-protection regime create important formal starting points. However, a manager designing an ethics procedure should ask whether informal workers, temporary staff, low-literacy suppliers and rural customers can use the available mechanisms, understand what will happen to their information and obtain independent recourse. Institutional access can be evaluated with concrete tests, including a language-access audit, a documented protected-disclosure exercise, a simulated consumer complaint and verification that a report can reach someone other than the person implicated.

A locally appropriate ethics system may pair short, comprehensible Kinyarwanda-language instructions with professional procedures for documentation, independent review and lawful record retention. English-language corporate policies and outsourced hotlines may still be useful for larger firms, but should not be assumed universally accessible. Where anonymity cannot practically be guaranteed, a system should avoid promising it and instead make confidentiality limits and nonretaliation measures explicit. These are proposed institutional design principles, not claims that any named organization currently operates in this manner.

Institutional trust is best assessed through the usability of a route to remedy. An ethical grievance procedure should be tested from the perspective of a temporary worker, a supplier who depends on one major customer, and a buyer who cannot travel to an office. Each should be able to identify the responsible channel, submit a concern, know the expected stages, receive a reasoned decision and appeal without disproportionate expense or exposure. These are proposed tests suitable for different institutional environments; their effectiveness would require field evidence. Legal instruments create necessary possibilities, but accessible exercise of rights is a separate empirical question.

33.13.3 International comparison and boundary conditions

Large international corporations may employ specialist audit teams, ESG reporting systems, supplier-traceability infrastructure and dedicated grievance functions. OECD (2018, 2023) guidance is useful because its risk-based approach admits proportionality, yet advanced systems can fail if supplier incentives contradict stated policies or if affected people cannot change decisions. Rwandan microenterprises and small cooperatives may be better served initially by clear records, documented conflict declarations, payroll verification and an independent escalation contact. The comparison is not a ranking of cultures or intrinsic ethical superiority. It is an analysis of what institutional mechanisms are feasible, how they interact and what evidence would establish their operation. Larger organizations may have more formal capacity and simultaneously more complex pathways through which responsibility is obscured.

The development question extends beyond adoption of an international template. A small exporter could meet a credible ethical standard through auditable supplier agreements, verified wage records, direct worker communication and a structured corrective-action plan even without expensive certification. Conversely, a multinational with extensive sustainability reporting may still lack adequate remedy for a serious subcontractor injury. Ethics should assess achieved protections, not the sophistication of public-facing vocabulary.

A meaningful international comparison must also ask what the benchmark measures. Large firms may disclose detailed sustainability metrics yet rely on contractors whose pay records are difficult to verify. Small enterprises may have limited formal reporting yet know affected workers and customers directly. Neither visibility nor intimacy guarantees justice. International assurance arrangements are informative

when their measurement and control mechanisms can be reproduced under local conditions. The objective is functional equivalence of protection, not ceremonial equivalence of documentation.

33.14 WORKED CASE: A PROCUREMENT AND LABOUR CONFLICT IN KIGALI

33.14.1 Case definition and documented assumptions

The following is a wholly hypothetical educational case. *Imanzi Food Distribution Ltd* is an invented Kigali enterprise, not a real organization or the subject of field research. It receives a prospective institutional order for 20,000 packaged units at RWF 2,000 each, generating RWF 40 million in gross revenue if the order is fulfilled and paid for. Procurement compares two potential suppliers. Supplier A offers raw and packaging inputs at RWF 740 per unit, but a senior buyer on the evaluating team has an undeclared close family relationship with A's beneficial owner. A's material-safety documentation is incomplete. Supplier B offers inputs at RWF 820 per unit with a complete preliminary dossier; the documentation still requires independent verification. Other variable operating costs are assumed to be RWF 870 per unit under either supplier. The enterprise separately identifies 24 warehouse workers with an apparent claim for 18 unpaid overtime hours each at an assumed contractual rate of RWF 3,000 per hour. Whether these hours were worked and how the applicable contracts and law treat them must be verified before settlement.

The order's cash terms are also illustrative. The customer has agreed in principle to pay a 30% advance, the enterprise has RWF 9 million opening cash, Supplier B requests 50% of its input invoice on order, and additional near-term operating outlays of RWF 5 million fall due before customer final settlement. No published market dataset supplies these invented prices, probabilities or cash arrangements. They are parameters for ethical reasoning, not empirical estimates.

The case is intentionally configured so that monetary preference and ethical authorization may diverge. A price advantage for Supplier A is observable within the assumptions, but safety adequacy and procedural impartiality are not established. The central decision is therefore not simply a numerical ranking of suppliers. It concerns the sequence in which a firm should establish its permissible alternatives, distinguish unresolved allegations from findings and decide whether sufficient evidence exists to make a binding commitment. The case also separates potential overtime liability from the new order's incremental contribution so that wages already owed are not misclassified as an optional cost of selecting Supplier B.

33.14.2 Economic calculation before moral appraisal

For Supplier A, the assumed contribution per unit before quality-related costs is RWF 2,000 − RWF 740 − RWF 870 = **RWF 390**, producing an order-level contribution of **RWF 7.80 million**. For Supplier B, the corresponding contribution is RWF 2,000 − RWF 820 − RWF 870 = **RWF 310**, producing **RWF 6.20 million**. The nominal contribution sacrifice from choosing B is therefore RWF 1.60 million. These amounts exclude fixed costs, financing charges, taxation, remediation and other possible losses and are not net profit.

To examine sensitivity to quality, suppose, for illustration only, that the probability of a unit requiring an attributable replacement or handling response is 4.0% under A and 0.8% under B, with an incremental response cost of RWF 1,000 per affected unit. Expected response costs would be RWF 800,000 under A (20,000 × 0.04 × 1,000) and RWF 160,000 under B (20,000 × 0.008 × 1,000). Quality-adjusted illustrative contribution would then be RWF 7.00 million for A and RWF 6.04 million for B. The model's apparent economic advantage of A narrows from RWF 1.60 million to RWF 960,000, but this is not a safety-risk valuation. If a material could cause serious injury, monetary replacement costs do not capture the morally and legally relevant exposure; no simple probability-weighted gain could authorize knowingly unsafe delivery.

The possible overtime liability is **24 × 18 × RWF 3,000 = RWF 1,296,000**. The financial obligation must be investigated independently of the supplier award. A retailer cannot ethically fund expansion by withholding proven compensation. For a preliminary cash test under B, the order advance equals RWF 12 million; half of B's RWF 16.4 million input invoice equals RWF 8.2 million. If verified wages are settled and RWF 5 million operating cash is disbursed, opening cash plus advance less these outflows gives **RWF 9.0m + 12.0m − 8.2m − 1.296m − 5.0m = RWF 6.504 million** before other cash events. This is a limited liquidity checkpoint, not a cash-flow forecast or proof that all obligations can be met. Timing of the remaining supplier balance, collection delays, overheads, taxes and financing capacity must still be assessed.

The contribution model has deliberately narrow boundaries. It uses the same 20,000-unit order volume for both suppliers, assumes no differential delivery delay, ignores income tax and financing costs, and treats each affected-unit event as incurring a single incremental RWF 1,000 response. Correlation among failures, nonlinear recall costs and reputational effects are absent. The quality-adjusted calculation therefore cannot support a claim about expected injuries or total enterprise value. A robust commercial evaluation would also consider timing of cash, minimum order quantities, freight, independent laboratory costs and the consequences if either supplier failed to deliver. Until those facts are obtained, the model is an illustrative comparison and no more.

Table 33.4. Illustrative commercial comparison for the hypothetical Kigali order (RWF)

Measure	Supplier A	Supplier B
Contract selling price per unit	2,000	2,000
Input cost per unit	740	820
Other variable cost per unit	870	870
Contribution per unit before quality response	390	310
Total contribution before quality response	7,800,000	6,200,000
Assumed affected-unit rate (illustrative)	4.0%	0.8%
Assumed incremental quality-response cost	800,000	160,000
Contribution after assumed response cost	7,000,000	6,040,000

Note. Entirely constructed values; calculations verified from the stated quantities. The table does not estimate product-injury damages, fixed costs, tax, financing costs or empirically observed supplier risk. The conflict-of-interest and safety-documentation issues are separate normative and due-diligence constraints.

33.14.3 Ethical assessment through competing theories

Consequentialism initially favours the option with the greater expected benefit, but the apparently superior monetary contribution is highly sensitive to omitted safety and governance harms. An honest consequence model would incorporate the possibility of cancelled orders, injury, lost trust and supplier learning, acknowledging that many impacts cannot responsibly be assigned an arbitrary price. A deontological analysis first asks whether the procurement process is honest and the product safe. An undisclosed family relationship makes the current evaluation procedurally defective even if A could have offered a competitive price. A rights-based approach treats verified earned wages and protection from

foreseeable serious harm as constraints rather than optional charitable expenditure. Virtue ethics asks whether senior management models integrity by recusing conflicted evaluators even when no regulator is watching. Care ethics draws attention to warehouse workers who may be afraid to raise wage concerns and customers who cannot inspect packaging inputs. Justice asks whether suppliers had equal access to evaluation, workers receive fair process, and potential customers carry involuntary risks.

These theories need not generate identical rankings of every residual alternative, but in the present case they converge on procedural correction. The buyer should disclose the relationship and not participate in the award; an independent panel should revalidate qualifications and technical requirements against pre-established criteria; the warehouse claim should be examined and settled if verified; and any product-safety uncertainty should be resolved before manufacture or delivery. Supplier B is a provisional defensible choice if verification confirms compliance, reliable performance, appropriate capacity and the commercial terms. Supplier A may remain eligible for a properly governed future process if technical and integrity concerns are genuinely resolved. Neither permanent exclusion nor award should follow from family relationship alone without applicable legal and evidentiary assessment.

The apparent convergence among philosophical approaches is conditional. A strict consequentialist might defend further investigation of Supplier A because lower costs could preserve jobs and affordable supply, while a rights-based analysis might prohibit delivery until documentation meets the relevant safety standard. Justice reasoning can require equal procurement opportunity without guaranteeing either supplier a contract. These differences can be reconciled operationally by separating eligibility from ultimate award: conflicts are disclosed, evidence is verified under pre-established criteria, and only then are commercially feasible alternatives compared. The lesson is not that the theories always agree, but that a transparent sequence can make disagreement governable without disguising it.

33.14.4 Decision, controls, communication and remedy

The appropriate decision is a conditional authorization, not an unconditional preference for a higher-price supplier. Management should suspend any conflicted approval, preserve the tender audit trail, appoint an independent decision-maker, verify Supplier B's dossier and confirm that the contract can be fulfilled safely and financed without wage withholding. Human resources and payroll should examine overtime records with worker participation and a nonretaliation safeguard. Finance should rerun the cash forecast with actual invoice dates, verified employment obligations, downside collection scenarios and a reserve for quality incidents. The sales team should avoid making representations beyond verified delivery capability. The board or owner should record unresolved disagreements and the dates at which the decision is to be reconsidered.

Where the enterprise lacks sufficient cash to pay substantiated wages and meet minimum safety conditions, it should renegotiate order terms, obtain ethically appropriate financing, stage delivery or decline the order. Foregoing revenue may be preferable to using unpaid labour or hazardous inputs as the hidden source of contribution. The need for stakeholder justice thus changes the feasible set of commercial alternatives rather than merely attaching a moral score to an otherwise completed procurement decision.

The accountability protocol should specify verifiable stop and release conditions. Procurement may reopen evaluation only after declarations, recusal and independent scoring are complete. Quality may release inputs only after the relevant technical evidence is checked against the product specification. Finance may authorize the order only after a dated cash forecast demonstrates capacity to meet verified wage and supplier commitments under a plausible collection delay. Human resources must protect workers who give evidence and communicate any approved remedy. If a condition cannot be met, the transaction is redesigned, deferred or declined, with reasons recorded and affected parties informed fairly.

33.14.5 Sensitivity and transferable lessons

The quality-cost comparison can be tested algebraically. If qA and qB are the uncertain affected-unit rates and c the incremental response cost, the difference in quality-adjusted contribution between A and B is **RWF 1,600,000 – 20,000 × c × (qA – qB)**. At c = RWF 1,000, the two monetary contributions are equal if $qA - qB$ = 0.08, an eight-percentage-point difference. The assumed difference in Table 33.4 is 0.032, so A retains an illustrative RWF 960,000 advantage. This breakpoint is a financial diagnostic, not an acceptable injury threshold. It confirms that a numerical model can show an economically preferred option while the ethical review independently rules out its current selection process or product-safety status.

Sensitivity has two independent meanings in this case. Financial sensitivity asks how the contribution difference changes with quality-event frequency, response cost, quantity and customer payment timing. Ethical sensitivity asks how the conclusion changes if the missing dossier conceals serious harm, if the family relationship was declared in advance, or if workers' overtime records cannot be reconciled. Monetary break-even analysis cannot resolve the second kind of uncertainty. A complete decision memorandum should report both kinds and identify which facts could legitimately reopen Supplier A's eligibility or require rejection of both current offers.

Table 33.5. Issue-to-accountability decision record for the case

Ethical issue	Minimum evidence before action	Accountable owner	Decision gate or remedy
Undeclared familial interest	Signed declarations, beneficial-ownership information if lawful, evaluation log	Independent procurement reviewer	Recusal; independent and documented reassessment
Incomplete safety dossier	Product specifications, accredited or otherwise credible test evidence as applicable	Operations and quality leads	No use until required safety confidence is attained
Possible wage arrears	Timesheets, contract terms, payroll and worker accounts	HR and finance, with independent appeal	Pay verified entitlements; correct controls; prevent retaliation
Financing pressure	Dated cash forecast, downside collections, supplier terms	Finance and owner/board	Proceed only if solvency and legitimate obligations remain feasible
Customer representation	Verified capacity, product claims and delivery dates	Sales and operations	Communicate accurate terms and change notices

Note. The register is an original teaching instrument. No claim is made that its procedures exhaust Rwandan statutory obligations. The decision must be updated as evidence is verified.

33.15 CROSS-FUNCTIONAL SYNTHESIS AND ETHICAL ACCOUNTABILITY

Ethical responsibility is operationally distributed but should not be institutionally fragmented. Strategy determines which markets and risks the enterprise chooses to pursue. HR systems determine whose labour, voice and dignity make that strategy possible. Procurement connects the enterprise to external work and environmental conditions, while operations determines safety and delivery. Marketing shapes expectations and access; accounting makes commitments visible; finance tests whether value promises can be sustained; information systems define who knows what; AI changes the speed and opacity of judgment; and governance allocates authority and correction. Ethical defects at the interface between functions are especially consequential because each department may appear to have performed its assigned task while the enterprise as a whole causes harm.

A synthesis can be expressed as a conditional responsibility chain: **legitimate purpose → identified stakeholders and rights → reliable evidence → feasible alternatives → protected constraints → comparative reasons → independently challengeable authority → implementation → monitored outcomes and remedy**. This is an original analytical organization of established concepts, not an independently validated model. It predicts no universal profitability benefit. Its value is diagnostic: one can locate whether an ethical breakdown arose through recognition, data, moral prioritization, authority, implementation or remedial failure.

The normative standard defended here is bounded stakeholder accountability. The enterprise should respect defensible legal and moral constraints, acknowledge asymmetries in voice and vulnerability, and compare remaining alternatives in relation to value creation, distribution and long-term viability. Such an approach rejects two weak extremes: that aggregate monetary returns always override nonowner interests, and that every claimed stakeholder preference deserves equal weight regardless of its legitimacy. The relevant moral task is justified differentiation. A credible decision explains why a particular right limits choice, why another interest can be negotiated, and what evidence or circumstances would warrant revision.

The proposed synthesis invites evaluation rather than deference. For example, researchers can investigate whether enterprises that combine worker-accessible reporting with independent procurement oversight detect and remedy conflicts more effectively than otherwise similar enterprises. Such a comparison must address selection and reporting bias: organizations with functioning complaint channels may initially record more incidents precisely because disclosure becomes safer. Stakeholder justice is consequently a question of substantive protection and responsive correction, not the visual appearance of an ethics programme.

The cross-functional account also exposes how ordinary performance indicators can conflict. Procurement may receive credit for lower unit prices while quality bears the cost of defective inputs; sales may be rewarded for orders whose cash terms force delayed wages; technology may optimize throughput by recording sensitive employee data that HR cannot lawfully or fairly use. Where the incentive system assigns gains and harms to different departments, each local decision can appear rational while the enterprise outcome becomes ethically indefensible. Integrated accountability therefore requires shared exception review, traceable authorization and management information that reveals the distribution of consequences, not just departmental efficiency.

A conceptually testable proposition follows: where an enterprise combines decision-level rights screening, accessible independent challenge and remedial follow-through, the relationship between formal policy adoption and observed protection should be stronger than where codes operate without those mechanisms. This is a hypothesis about organizational design, not a reported causal result. Its evaluation would need measures of harm, reporting access and independent verification; otherwise effective disclosure may paradoxically appear to worsen performance by increasing detected incidents. The proposed framework is valuable only insofar as such contrary evidence can revise it.

33.16 CHAPTER CONCLUSION, KNOWLEDGE SYNTHESIS AND RESEARCH AGENDA

The chapter has treated ethics as a disciplined, practical inquiry into decisions made under uncertainty, competing obligations and unequal power. Deontology identifies constraints that cannot be reduced to convenience; consequentialism exposes impacts; virtue ethics evaluates the quality of judgment; care recognizes vulnerability; and theories of justice assess how institutions distribute benefits, burdens and remedies. Stakeholder theory extends the unit of moral attention without eliminating the need to justify

priorities. Corporate governance, codes, international guidance and digital safeguards become ethically meaningful when affected people can challenge consequential decisions and obtain appropriate correction.

Seven connected conclusions follow. First, legality is indispensable but does not exhaust moral justification. Second, the authority to decide should be distinguished from the moral legitimacy of a decision. Third, stakeholders with little leverage may have especially compelling claims. Fourth, good intentions do not excuse weak control design or foreseeable externalized harm. Fifth, numerical models are indispensable for understanding economic feasibility but cannot settle questions of rights, dignity or irreversible injury on their own. Sixth, ethics-programme activity must be distinguished from observed protection and remedy. Seventh, context matters for implementation, but institutional differences do not automatically nullify basic obligations to avoid deception, coercion and serious preventable harm.

Important research opportunities remain. Comparative studies could examine the conditions under which informal enterprises develop effective grievance access without complex documentation. Rwanda-centred fieldwork could test whether conflict declarations alter procurement outcomes after controlling for contract type, market concentration and managerial capacity. Multi-level studies could evaluate the links among leadership consistency, reporting trust, investigative independence and remediated harm. Digital research should assess actual human contestability in automated hiring, finance and workforce systems, rather than recording the presence of an approval button. Environmental scholarship should compare ethical justifications for transition costs across producer, worker and consumer groups. Strong designs would combine appropriate secondary-data linkage with qualitative institutional evidence or carefully approved primary research where necessary; neither a case narrative nor a cross-sectional correlation alone can demonstrate the proposed mechanisms.

The intellectual transition to Chapter 34 is deliberate. The present chapter has established secular, publicly discussable ethical arguments usable across faith positions. The next chapter examines business and enterprise from an expressly biblical perspective, with distinct theological interpretive methods. Chapter 35 then integrates ethical responsibility with the enterprise-wide financial, human, operational, technological and environmental capabilities developed throughout the book.

Three unresolved philosophical tensions deserve continued inquiry. First, the boundary between a non-negotiable right and a proportionate limitation requires contextual justification rather than verbal assertion. Second, corporate obligations can arise through relationships in which causal contribution and effective control are difficult to separate, especially in dispersed value chains. Third, the demand for accountable evidence can itself impose privacy, administrative and power costs on the people whom ethics procedures are intended to protect. These tensions caution against interpreting the chapter's integrative framework as a formula that mechanically eliminates moral disagreement.

For future research, an especially promising agenda concerns the relationship among organizational visibility, moral recognition and accessible remedy in heterogeneous African enterprise settings. Designs comparing otherwise similar enterprises could distinguish the presence of a policy from its actual accessibility to workers and customers, and distinguish recorded complaints from independently documented harm. Cross-cultural instrument development should examine translation, construct equivalence and differential willingness to disclose. Documentary and administrative evidence can support useful secondary-data analyses where identifiers, ethical permissions and suitable denominators exist; absent those conditions, strong causal claims would require carefully designed primary inquiry.

33.17 LEARNING AND PROFESSIONAL APPLICATION

33.17.1 Key terminology

The following terminology is used consistently in this chapter. Each definition identifies a distinct analytic task; related terms should not be treated as synonyms.

Table 33.7. Core terminology and analytical distinctions

Concept	Working definition
Business ethics	Critical inquiry into reasons for morally assessing enterprise purposes, decisions, relationships and their consequences.
Normative claim	A proposition about what should be done, requiring moral justification rather than merely empirical confirmation.
Deontology	A tradition that evaluates action through duties, principles and constraints upon permissible conduct.
Consequentialism	A tradition that appraises actions or rules principally through the outcomes they produce.
Virtue ethics	An approach emphasizing character, practical wisdom and dispositions cultivated through repeated action.
Care ethics	Reasoning attentive to dependency, vulnerability, relationships and responsiveness to affected persons.
Distributive justice	Fair allocation of benefits, resources, risks and burdens across relevant persons or groups.
Procedural justice	Fairness in rules, participation, evidence, impartiality and the opportunity to contest decisions.
Recognitional justice	Respect for the standing, identity, voice and lived circumstances of persons affected.
Restorative and corrective justice	Duties to acknowledge injury, repair harm and change the conditions that produced it where feasible.
Stakeholder	A person or group with an identifiable relationship to or legitimate claim concerning enterprise activity.
Stakeholder salience	The degree of managerial attention associated with power, legitimacy and urgency; not the measure of moral worth.
Corporate responsibility	Institutional obligations and answerability arising from an enterprise's activities, relationships and impacts.
Human-rights due diligence	Continuing identification, prevention, mitigation, tracking and communication of adverse rights impacts, with appropriate remedy.
Conflict of interest	A secondary interest that may compromise, or reasonably appear to compromise, impartial performance of an entrusted duty.
Whistleblowing	The reporting of suspected misconduct through internal or external channels subject to relevant protections.
Ethical climate	Shared perceptions of behaviours and values that are expected, rewarded or sanctioned in a work unit.
Ethical culture	Organizational arrangements, norms and practices that enable or inhibit responsible conduct.
Algorithmic accountability	Answerability for automated decisions through justified design, valid evidence, oversight and contestability.
Intergenerational justice	Principled consideration of how current choices distribute capabilities, resources and harm to future persons.
Remediation	Actions to address adverse consequences, provide suitable redress and prevent recurrence.

33.17.2 Foundational and critical questions

Critical question 1: Law and moral judgment. Why can a legal and commercially profitable decision still be morally objectionable? Distinguish at least three independent normative reasons (LO1–LO2).

Critical question 2: Comparing ethical theories. Compare the decisions that a utilitarian and a Kantian manager might make when a supplier's lower cost depends on a seriously unsafe practice. State the assumptions under which their conclusions could converge (LO2).

Critical question 3: Stakeholder influence and entitlement. Explain why stakeholder power and stakeholder moral entitlement should not be conflated. Apply the distinction to one Rwandan small-enterprise situation (LO3).

Critical question 4: Philanthropy and primary obligations. Critically evaluate whether corporate philanthropy can offset failures in wages, truthful communication or safety. Use CSR and rights-based perspectives (LO4).

Critical question 5: Interpreting complaints. Explain how a high complaint count could reflect stronger, rather than weaker, ethical infrastructure. Specify the additional evidence needed (LO7).

33.17.3 Applied and advanced analytical assessments

Assessment A: Ethics memorandum (LO3–LO6). Using Section 33.14, prepare a 1,800–2,500-word memorandum to the hypothetical owner-board. State the moral premises, classify legally enforceable versus prudential claims, verify the arithmetic, specify at least three feasible commercial alternatives, examine the conflict of interest without presuming guilt, and defend a conditional authorization with explicit stop rules. Provide a one-page decision log and stakeholder remedy schedule.

Assessment B: Ethical-control audit (LO5–LO7). Design a proportional audit for a ten-person trading enterprise and a 400-person regional manufacturer. For each, identify five material ethical exposures, credible sources of evidence, likely reporting biases, person(s) authorized to correct failures and three indicators that would not be confused with proof of moral performance. Discuss how accessibility differs for contract workers and vulnerable consumers.

Assessment C: Doctoral-level research design (LO1, LO7–LO8). Formulate rival hypotheses concerning the relationship between ethical leadership, reported misconduct and remedial quality in enterprises operating under varying degrees of formality. Propose a secondary-data strategy where feasible, define the unit of analysis and relevant estimands, specify measurement instruments, explain selection and reverse-causality risks, and state what findings would falsify the preferred explanation. Where no suitable public dataset exists, specify the ethical approval and data-collection requirements that future primary research would entail.

Assessment D: Ethical technology appraisal (LO2, LO5–LO8). A fictional lender proposes automated credit rejection using mobile-transaction patterns. Develop a rights-impact assessment, sampling and error-disparity test plan, privacy review, independent appeal design and staged go/no-go criteria. Compare the claims of borrowers, staff, owners, regulators and communities; do not assume an algorithm is more accurate or fair merely because it is automated.

33.17.4 Assessment rubric

Table 33.6. Analytical rubric for a substantial ethical decision memorandum (100 marks)

Criterion	Weight	High-distinction evidence
Moral and conceptual reasoning	25	Competing frameworks accurately developed; tensions and defended premises made explicit
Stakeholder justice and rights	20	Legitimate claims, vulnerabilities, rights constraints and remedies differentiated
Evidence and quantitative integrity	20	Calculations reproducible; observed facts, assumptions and uncertainty clearly separated
Institutional and functional feasibility	15	Practical roles, legal-check points, decision gates and oversight proportionate to context
Critical alternatives and objections	10	Material counterarguments tested and conditional conclusion justified
Scholarly writing and APA 7	10	Coherent prose, precise citations and complete authentic references
Total	**100**	**Evidence-informed, transparent and contestable professional judgment**

Note. Original authorial assessment instrument. Marking should reward reasoned disagreement where evidence, constraints and alternatives are rigorously addressed, not conformity with one predetermined normative conclusion.

33.17.5 Guidance for lecturers and independent study

For undergraduate teaching, students can first classify case claims as factual, legal, normative or hypothetical and recompute Table 33.4. Postgraduate seminars should debate whether serious stakeholder rights can be outweighed by expected welfare gains and whether the evidence available is sufficient for authorization. Doctoral seminars can examine construct validity, cross-cultural transfer of ethics instruments and the possibility that increased reporting reflects greater trust rather than greater misconduct. Assessment feedback should identify the strongest counterargument omitted by each student and distinguish disagreement over moral premises from arithmetic or factual error. To avoid rewarding polished rhetoric alone, require a visible evidence register and a decision record that indicates what would cause the student to change the recommendation.

Selected further reading. For the foundations of stakeholder theory, read Donaldson and Preston (1995) alongside Mitchell et al. (1997). For organizational ethical behaviour, compare Treviño (1986), Jones (1991), Victor and Cullen (1988), and Kaptein (2008b). For international responsible business conduct, use OHCHR (2011), OECD (2018, 2023), and ILO (1998/2022). For technical AI ethical risk governance, compare UNESCO (2021) and Tabassi (2023). These sources should be read critically and in conjunction with jurisdiction-specific legal texts.

33.18 REFERENCES

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