### ABEN
Australasian Business Ethics Network

*VIRTUAL CONVERSATIONS*
*Business ethics during a pandemic: ABEN responds to Covid-19*

**17TH July 2020 – 9:30am to 12:30pm** (Australian Eastern Standard Time)

| | **Time** |
|---|---|
| **Welcome and etiquette**, Dr Heather Stewart, ABEN Chair | 9:30 – 9:45am |
| *Stream 1* **Critical perspectives & inequality** <br><br> • *Failures in education and research of ethics for/in business*, **Mattia Anesa** <br> • *Towards a post-pandemic business model of resilience through social equity*, **Alice de Jonge** <br> • *How will we respond to the perpetuation of precarious work (in the culture and creative industries)?* **Tim Butcher** <br> • *Reflexivity on the COVID-19 crisis: What can critical realism teach us?* **Natalya Turkina** <br> • *What's a social shareholder activist to do?* **Gary J Cundill** <br><br> Chair: Eva Tsahuridu | 10am – 11:30am |
| *Stream 2* **Ethical leadership & work ethics** <br><br> • *Phenomenological Research During Covid-19: A Methodological Contribution*, **Alice Gibson** <br> • *Rethinking Neoliberalism and Corporate Responsibility In the COVID-19 Era*, **Don Mayer** <br> • *COVID-19 and work ethics in home office settings*, **Lucia Wuersch and Alain Neher** <br> • *Ethical relational leaderful practice and diverse workplace identity*, **Ngaire Bissett** <br> • *Breaking down the great walls of silence*, **Clare Burns** <br><br> Chair: Heather Stewart | 10am – 11:30am |
| *Stream 3* **Resilience, sustainability, crisis** <br><br> • *Ethical Decision-Making after a pandemic: How Business Ethics can help*, **Howard Harris** <br> • *Environmental, social and governance (ESG) performance and corporate financial performance (CFP) during the COVID-19 pandemic,* **David Xiang** <br> • *Ethical Decision Making Covid-19*, **Peter Collins** <br> • *The Paralysis of Uncertainty: navigating ethical challenges in an information-poor environment,* **Gordon Young** <br> • *MSMEs and Post- COVID 19 recovery,* **Alessandro Bressan** <br><br> Chair: Alessandro Bressan | 10am – 11:30am |
| **Debrief and close** <br> • Stream feedback <br> • Dissemination and next steps <br> Chair: Julia Benkert | 11:45 – 12:30pm |

**Zoom login details:**

The meeting details to be shared with participants are as follows:

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# Abstracts

## Stream 1 - Critical perspectives & inequality
## Chair: Eva Tsahuridu

### Failures in education and research of ethics for/in business, Mattia Anesa

A reflection I found myself making in these troubled times relates to whether the current pandemic is actually showing our failure, as educators/researchers of ethics for/in business. Admittedly, this is a provocative statement, however, we are witnessing pushes from the community, policy-makers, media and businesses alike to not only return to the 'normal' but even (or at least attempt to) undo some of the trends towards a more responsible and sustainable society. I am referring here to narratives highlighting the primacy of an economic recovery over societal and environmental concerns, exemplified by negotiations for less 'red tape' or the easing of regulations on business that were gaining momentum right before the pandemic. Admittedly there are cases (e.g. Canada, New Zealand and partially the EU) where discussions have been more forward-looking and acknowledged the interconnectedness of society-economy-environment though recovery plans aimed at more than a single bottom line. That said, I feel we are back at square one for the majority of the world, where it seems that anything has to give for – I was hoping not to mention this debunked 'theory' again – 'trickle-down economics'. This is not only concerning but also raises questions on whether we – business ethics academics – are out of touch with reality: i) after more than a decade of ethics/sustainability/responsibility courses being taught in universities, is the current primacy given to the economy – at the expense of anything else – exemplary of our failure in educating a generation of managers? ii) is current research highlighting how organizations are now better balancing different priorities beyond profitability (see work in logics, paradox, etc.) out of touch or even misleading? Looking forward to discussing these themes.

### Towards a post-pandemic business model of resilience through social equity, Alice de Jonge

Organisational practices are implicated in the reproduction of social inequality in a number of ways (Amis, Mair & Munir, 2020). First, organisational hiring practices, while ostensibly meritocratic, serve as gatekeeping mechanisms opening lucrative career opportunities to a privileged few, while relegating others to low-paid job with few opportunities for advancement (Rivera, 2012; Gatewood, Field & Barrick, 2008; Friedman & Laurison, 2019). Second, organisational practices in role allocation and promotion also serve to perpetuate existing patterns of advantage and disadvantage, as do organisational compensation practices.

Organisational structures are also implicated in the reproduction of inequality; as revealed by a steady stream of research following the seminal work of Baron and Bielby (1980) into organisational structuring of inequality regimes (Tilly, 1998; Acker, 2006).

The COVID-19 experience has exposed the flawed assumptions behind two important myths underpinning existing organisation practices and structures. In particular, it has exposed the flawed assumptions behind the myths of efficiency (including the assumption that systems

designed to ensure meritocratic hiring, promotion, role allocation and compensation are efficient), and the myth of positive globalization (Amis, Mair & Munir, 2020).

The myths of efficiency and meritocracy were exposed when poorly paid workers - including cleaners, delivery drivers, child-care and aged-care employees and grocery-store employees - suddenly became 'essential workers.' The growing toll of job losses revealed the 'economies of vulnerability' that large corporations rely upon for their profits. The 'casual worker' model (a fiction of long-term vulnerability dressed up as recycled short-term contracts), and the 'labour hire firm' model, have been built into organizational structures and hiring practices in ways that leave millions of workers vulnerable.

The reproduction of inequalities exposed by the pandemic is not confined to nation-wide effects, but operates globally as well. Those least able to withstand the effects of an economic shut down are those hit hardest. Yet it is precisely this vulnerable informal and casualised workforce that the 'globalised' model of business supply-chain outsourcing relies upon. This workforce has no legal entitlement to protection, and the myth of positive globalisation conveniently ignores the fact that it is not, in fact, protected.

By requiring organizations and policy makers to rethink assumptions of efficiency and positive globalisation, the pandemic crisis can facilitate a debate about how organisational practices and structures could be used to promote equality, rather than inequality. For example, there is no reason why hiring practices, and organisational practices around role allocation, promotion and compensation could not be changed to facilitate social mobility and improved levels of social equality. Global corporations could also restructure themselves and their supply chain networks in ways that facilitate both social equality as well as social and organisational resilience - including through the building of a 'reserve workforce' (of trainees and volunteers) that could be called upon in times of crisis-driven shortages in critical sectors. Mechanisms for achieving these ends are discussed.

**How will we respond to the perpetuation of precarious work (in the culture and creative industries)? Tim Butcher**

The COVID-19 pandemic has exposed significant structural inequalities in society. Inequalities in working conditions that existed before the pandemic have been particularly exposed. Casualisation of labour over the preceding years through political and economic processes designed to promote individualisation, entrepreneurialism and independent working has left many workers jobless or dependent on temporary government support such as the 'Jobkeeper' scheme. Independent workers in the culture and creative industries, for example, have been especially susceptible to 'economic lockdowns' — many are currently without work or income support and are facing uncertain futures. Precarious work is much more prevalent and pervasive than was previously apparent to the public consciousness. One significant outcome of the pandemic is the problematic notion of who is considered an 'essential worker' and who is not. That political rhetoric has quickly become embedded in public discourse through the popular media, and appears to be aiding a general ambivalence to current policymaking. We see this vividly here in Australia, with the federal government unapologetically incentivising current and future generations to pursue education and careers in specific sectors, such as construction and agriculture, whilst disincentivising or at least narrowing access to education in the arts and humanities and therefore associated career paths in the culture and creative industries. I argue

that such utilitarianism signals a regressive shift in the 'nation-building project' that could dismantle myriad forms of progressive cultural and intellectual production and participation. This escalated threat to culture will first and foremost marginalise and devalue employment in the culture and creative industries, forcing already casualised workers into greater precarity and/or causing them to search for alternative careers with seemingly greater certainty and security. Hence, I raise the question in the title above both to name the issue I am interested in addressing at this ABEN virtual exchange, and to set a provocation for us, as a collective of business ethics scholars to seize this opportunity to identify and develop actionable ways to contest policies that reinforce structural inequalities and perpetuate precarious work in specific sections of society, through our research and teaching.

## Reflexivity on the COVID-19 crisis: What can critical realism teach us? Natalya Turkina

The current COVID-19 crisis has unveiled that the urgency to address many wicked problems of modern society, including inequality, exclusion, racism, poverty, environmental disasters and many other issues. Addressing of these issues requires all of us to act – now more than ever! Yet, agency begins with reflexivity, which can be a challenging thing to do, as we all trapped in the 'paradox of embedded agency', meaning that our ability to act is constrained by broader societal and organizational structures (i.e., rules, norms, values, resources), yet we nevertheless can transform these structures (Holm, 1995). But how can we reflect on this embeddedness to be able to utilise our opportunities to act up or, on the contrary, to understand why we do not act, despite understanding that the change is needed? In this paper, I propose how the principles of the critical realist philosophy can be utilised in practicing reflexivity on the COVID-19 crisis. Specifically, I present how the meta-principles of the stratified ontology (Bhaskar, 1979), situational reflexivity (Archer, 1995, 2012) and 'absent possibilities' and 'possible absences' (Bhaskar, 2012) can be used by policymakers, researchers, managers and activists for creating 'reflexivity frameworks' towards their agentic actions, possibly resulting in the positive changes at the societal and organisational levels.

## What's a social shareholder activist to do? Gary J Cundill

Shareholder activism is a recognised corporate governance mechanism (Sarkar & Sarkar, 2000), usually aimed at enhancing the target company's financial performance (Denes, Karpoff & McWilliams, 2017). Non-financial shareholder activism has, however, enjoyed an increasingly high profile in recent years and it focuses on influencing company environmental and/or social performance (Cundill, Smart & Wilson, 2018). Environmental activists often enjoy the most prominence (cf. The Economist, 2020), but social shareholder activists have been noticeable since at least the days of apartheid (Beaty & Harari, 1987), and target issues ranging from employee welfare to community rights (David, Bloom & Hillman).

The societal and economic consequences of the pandemic (and government reactions to it) raise difficult questions for social shareholder activists. Many managers work for companies staring bankruptcy in the face; on what basis should they entertain shareholder demands predicated on long-term perspectives that the company may not survive to enjoy? Should activists cut

managers some slack on social issues such as working conditions, when increasing or even maintaining worker benefits could result in increased job losses? Should social shareholder activists jettison their current programmes and focus on encouraging companies to enforce social distancing, or to offer medical insurance for temporary workers, or to minimise layoffs to prevent higher mortality rates due to starvation?

How should social shareholder activists decide on their priorities at this time? And is there an opportunity for more collaboration with managers and less confrontation? What's a social shareholder activist to do in a time of pandemic?

**Phenomenological Research During Covid-19: A Methodological Contribution, Alice Gibson**

My research explores the phenomenon of 'ethical leadership' through a Heideggerian lens, in particular utilising Heidegger's ontological theory described in his seminal work *Being and Time*. Given Heidegger's philosophy is phenomenological, exploring ethical leadership through this lens leads to the research question *'how is ethical leadership understood through the lived experience?'* In-line with Heidegger's philosophy, I utilise a 'hermeneutic phenomenological' approach to explore the research question. This abstract will focus on a methodological contribution to phenomenological research developed in response to Covid-19 conditions.

At the time of the onset of the 2020 Covid-19 pandemic, I was about to commence Stage Two of a two-part study (the first being traditional one-on-one interviews). While Stage One was aimed at the participant reflecting 'back' on their lived experience, Stage Two was aimed at exploring "the thick of lived life" (van Manen, 2016, p. 163), i.e. the living experience. In response to the Covid-19 shut-down conditions (and government requirement to work from home) Stage Two was designed as 15-30-minute conversational, semi-structured interviews undertaken using Zoom, every day for a week. These were undertaken with three participants, selected from Stage One. While interviews are a mainstay of phenomenological research, undertaking them in a daily diary-like format is not a format I have specifically encountered in the phenomenological research literature. The paper will explore the on-line interview-diary as a contribution to phenomenological methodology.

Common research methods for drawing on a 'living experience' (as opposed to the backward looking 'lived experience') are researcher observations and participant diaries; pre and post interviews associated with these methods are also common. The Australian shut-down conditions prevented observations as a viable research method for Stage Two. Written diaries remained a viable option. Morrell-Scott (2018) identifies the benefits of diary as being a contemporaneous way for people to reflect on practice, with the ability "to capture the experience close to the time of its occurrence", in a continuous and evolving way. Thus the temporal aspect of the diary is a significant benefit, enabling a continuous narrative (Kenten, 2010), even if over a short timeframe. However, van Manen (2016) notes that many people find writing difficult and are more likely to express their thoughts "with much more ease and eloquence" (p64) when talking. I was therefore concerned that written diaries would not capture the depth of insights possible from a 'living experience', depth that I know from Stage One my participants are capable of if probed. The on-line interview-diaries therefore retained key benefits of a diary (although admittedly not all) and combined them with the benefits of the interview.

The paper will explore this methodological contribution utilising the interview-diary 'entries', and a follow-up interview that focused on the methodology specifically, from one Stage Two participate. This participant's pseudonym is 'Jacqueline', and at the time of the Stage Two research, she was the CEO of a start-up in the clean energy sector.

**Rethinking Neoliberalism and Corporate Responsibility In the COVID-19 Era, Don Mayer**

Since the days of Thatcher and Regan, U.S. political and economic elites have largely embraced neo-liberalism, resulting in a corrupt political class, a sclerotic bureaucracy, a heartless economy, and a divided and distracted public. The U.S. is no longer rated as "sustainable" or "very sustainable" (Fragile States Index), and now leads all nations in rising cases of the coronavirus, partly because many Americans desire to exercise "freedom" conflicts with sensible precautions such as wearing masks.

This emphasis on individual freedom corresponds to a U.S. policy emphasis on "freedom" as opposed "equality" or "community." The U.S. has had a 40 year history of demonizing government, assuming that "greed is good," putting corporate financial legerdemain ahead of actual innovation, believing that tax cuts would pay for themselves, creating a War on Drugs and a Global War on Terror that militarized local police forces, creating a prison "industry" in lieu of devoting public funds to education and social welfare, promoting racial injustice, ignoring collective action problems such as global warming in the spirit of "de-regulation," and believing that unleashing the "free market" would solve all social problems, both in the U.S. and abroad, a belief now revealed as ideologically naïve with COVID-19, Black Lives Matter, and the acceleration of social and economic inequalities.

After 9 – 11 and the near-meltdown of the capitalist system in 2008, the Obama years brought some palliative measures, but the underlying national distrust of political and economic elites gave Trump an opening with voters tired of governance crippled by years of right-wing ideological assault and corporate funding of both parties. By stigmatizing the media, the civil service, and driving out some of the most experienced career officials, Trump showed us the inevitable conclusion of delegitimizing d public governance. Trump's major legislative act was to deliver a huge tax cut that sent hundreds of billions of dollars to corporations and the rich; corporations, pursuing profit-maximization, and still in thrall to the "freedom" of neo-liberalism, offered little complaint.

Of course, freedom from trade unions and collective bargaining means the freedom to suppress wages. Freedom from regulation means the freedom to poison rivers, the soil, and the air, endanger workers, charge unfairly high rates of interest and design exotic financial instruments. Freedom from tax means freedom from the distribution of wealth that lifts people out of poverty

The root causes of failed public governance in the U.S. include both citizens (now consumers), libertarian industrialists like David and Charles Koch, and corporations hewing to profit-maximization. All combined to champion individual freedom over public goods, to promote the privatization of what was public, and to mouth the mantra that profit-maximization for companies and consumerism for citizens is the best means to a good society.

The issue?  Shouldn't business ethics and corporate responsibility teaching confront the paradigms that put individual and corporate "freedom" above a social contract that is inclusive and that embraces the need for public goods and collective action?


**COVID-19 and work ethics in home office settings, Lucia Wuersch and Alain Neher**


COVID-19 has caused a general lockdown of workplaces and forced thousands of people to work from home. This imposed home office situation is experienced differently by individuals.

For example, anecdotal hear-say include working excessive hours caused by missing structures, timelessness and the absence of the feeling of 'having to go home'; and juggling work commitments and family duties at best effort yet not being able to fully comply with work. There may also be examples of reduced work engagement. Consequently, we believe that there is a wide spectrum of how home office work is perceived under enforced circumstances like COVID-19. This leads to the question of how such an exceptional pandemic situation is related to ethical workplace behaviour and work ethics in general.

Work ethics and employees' job performance was investigated by Osibanjo, Akinbode, Falola, and Oludayo (2018) who used a dichotomy between 'strong work ethics' and 'weak work ethics'. Work ethics influence ethical behaviour such as integrity, sense of responsibility and self-discipline (Osibanjo et al., 2018). Using a normative lens to explain ethical work behaviour means that irrespective of exceptional circumstances such as COVID-19 'good' people are thought to behave ethically while people with a 'bad' personality are assumed to adhere to unethical actions (De Cremer & Moore, 2020). In contrast, behavioural ethics approach challenges the normative line of argument as people's behaviour depends on the situation (De Cremer & Moore, 2020).

In home office situations, particularly in enforced pandemic conditions, employees may behave with integrity and according to their strong work ethics and high ethical standards. Alternatively, employees may also choose unethical behaviour, motivated by weak work ethics, justifying their actions in a way that their own 'good human image' is protected (Ariely, 2013). Depending on the situation, even ethical people may subconsciously behave selfishly and unethically allowing themselves to 'cheat a little' using justifications that help them achieve self-serving goals (Ariely, 2013). However, focussing on self in a workplace setting falls short which is why further dimensions need to be considered.

Behavioural business ethics suggests investigating organisational settings at three levels: the intrapersonal, interpersonal and organisational (De Cremer & Moore, 2020; Wuersch, 2020). Work ethics of the individual belongs to the intrapersonal level which focuses on cognitive, affective and identity-based processes, including "the biological and psychological processes which occur in one's mind before or during the formulation of a message" (Ruesch & Bateson, 1987, p. 47). The interpersonal level is about ethical leadership, experience of power and employee interaction, and the organisational level embraces the ethical climate at work (De Cremer & Moore, 2020).

In conclusion, the three levels of this ethical framework are interrelated; that is, ethical workplace behaviour motivated by strong work ethics is influenced by an interplay of intrapersonal processes, interpersonal experiences and organisational culture and values. Hence, we are interested in identifying how individuals can be supported in exceptional situations, such as enforced COVID-19 home office, to maintain strong and healthy work ethics and ethical workplace behaviour.


**Ethical relational leaderful practice and diverse workplace identity, Ngaire Bissett**


Hierarchically structured organisations and mono-cultural leadership profiles are unlikely to meet the heightened demand for innovative productive output that will be required to help organisations regain a competitive place in the market following the Covid virus phenomenon. Turning to an emerging 'knowledge economy' networking structural model, in contrast, due to

its devolved collaborative processes, could provide space for the innovative expression of all workplace participants and, if accompanied by a relationship-centred 'leadership-as-practice' (Raelin, 2011/2008) model, create the conditions for sustained organisational success due to its ethical purposeful underpinnings (Kempster, Jackson & Conroy, 2011).

The current climate of protest, in relation to racial relations societal inequities, provides an additional incentive for organisations to adopt a 'communitarian and corporeal ethical' (Liu, 2015, p.1) leaderful approach where increased transparency, meaningful corporate governance and authenticity, displace the amoral 'command and control' managing people legacy. An impetus for such a transformation relates to the understanding that agency emerges from intersubjective collaborative encounters, rather than abstract individualistic determinations.

Hence, such awareness could not only facilitate the respectful input of diverse employee identities but also free formally-appointed leaders from the legacy of unrealistic and onerous transformational expectations. Therefore, the coupling of a participative relational leaderful framework with the integration of a deliberative justice ethos will be documented in this paper as a key enabler of economic and social sustainability for organisations as they emerge from the lockdown.


**Breaking down the great walls of silence,** Clare Burns


Silencing whistle blowers builds institutional moral muteness (Cragg, Schwartz, & Weitzner, 2009). Safety to speak up during, or before, a crisis is critical (Hall & Brown, 2018). Critical to workers such as doctors performing their Hippocratic Oath to 'do no harm,' critical to at risk citizens, their neighbouring countries, and more broadly global health and economics (World Economic Forum, 2020). The behaviours and actions of hierarchical regimes (democratic or communist) who silence subordinates through denying facts internally, while projecting idealised images externally are employing "defence mechanisms" (Bovey & Hede, 2001, p. 534; Schildt, Mantere, & Cornelissen, 2019). Defensive mechanisms and subsequent behaviours are, "any action, policy, or practice that prevents organisational participants from embarrassment or threat but, at the same time, prevents them from discovering the causes of the embarrassment or threat" (Argyris, 2004; Oeij, 2017, p. 14). When large institutions normalise defensive mechanisms for fear of acknowledging their own reality, they in-turn create an unethical silence (Schein & Schein, 2016).

For a number of years Amnesty International (Amnesty) have expressed concerns about China's "systematic crackdown on dissent," stating it normalises, "censorship, harassment and punishment for speaking out" (Amnesty International, 2019, 2020). More recently, Amnesty have campaigned against government controls to silence people accused of spreading rumours (Amnesty International, 2020). Of particular interest is why Dr Li Wenliang, his family, and colleagues from Wuhan, China were silenced when trying to speak up on the harms of the deadly COVID-19 virus (Amnesty International, 2020). Global states have joined Amnesty in demanding answers for an alleged silencing of critical information. The World Health Organisation are now conducting an independent investigation into the COVID-19 response to provide answers some have labelled the "great wall of silence" (Stewart & Glasgow, 2020, p. 15; World Health Organisation, 2020).

Dr Li is not alone in being reprimanded and silenced by an institution for trying to protect people at risk of COVID-19. There was a US Navy Captain, silenced by the Trump

administration and a Polish nurse silenced by her health department (McCarthy, 2020). In Australia, a Qantas airplane cleaner attempted to speak up on concerns that their personal protective equipment was inadequate (Chau, 2020). This cleaner was advised their risk was negligible and failing to follow directives would result in termination. At least 60 Qantas workers contracted COVID-19 (Transport Workers Union, 2020).

Passengers of the Ruby Princess cruise ship claim their concerns were silenced as the organisation continually espoused the prioritisation of passenger and crew safety. If the cruise ship had openly stated details of the virus risk it would have resulted in an immediate financial threat and embarrassment. It has now been reported: "The company was well aware of the risks. Only five weeks earlier, a sister ship, the Diamond Princess, created world headlines when its passengers were trapped on board as the virus spread" (Reddie, 2020; Robinson, 2020). Ruby Princess passengers said, "ship life was the same. There was entertainment all throughout the day and the night. Nothing had changed whatsoever" (Robinson, 2020). An investigation is now underway into the Ruby Princess voyage which resulted in 18 deaths and 600 contracting COVID-19 (Reddie, 2020). Defensive mechanisms involving silencing and denying painful realities is not new (Freud, 2018). For decades theorists have cautioned against saying one thing, in this instance, 'passenger safety is the highest priority,' but then doing another: prioritising profit over passenger safety (Schein, 1984; Searle, 1969).

The pandemic has demonstrated how interdependent state institutions are for their health and economic wellbeing. Silencing whistleblowers and muting subordinates in one state, impacts other states and is increasingly likely to draw allegations of unethical conduct (Stewart & Glasgow, 2020). While the world awaits the outcomes and impacts of COVID-19 investigations, Australians cannot afford to engage in "othering," where silencing is thought to only happen in other undemocratic states (Ulus, 2019, p. 1). It is right to question; it is also right to hold up a mirror to our own defensive mechanisms. Royal commissions into finance, church, aged care, bushfires, and deaths in custody have revealed Australia has many walls of silence that need attention (Hayne, 2019; Walsh & Counter, 2019; Wright, Swain, & McPhillips, 2017). Instead of building defensive walls and being deaf to whistleblowers, it is posited that the building and developing of mindful infrastructures is necessary to keep us alert and able to respond to unexpected crisis; as well as open to addressing uncomfortable realities (Weick & Sutcliffe, 2007).

**Stream 3 - Resilience, sustainability, crisis**
**Chair: Alessandro Bressan**

**Ethical Decision-Making after a pandemic:** <mark>How Business Ethics can help,</mark> Howard Harris

This submission addresses both justice and resilience. There have been calls for a Royal Commission and moves toward an international inquiry. At times opprobrium has focused on China, Donald Trump, or on perceived arbitrariness or inconsistency in action. Once the pandemic has passed, ethical decision-making will take place in an environment coloured by the discussion during the pandemic.

A number of traditional business ethics topics will be helpful to business people and others as they seek to respond to the pandemic and to the ethical decision-making occasioned by it. Six are listed below. This is not an exhaustive list but rather indicates the scope for business ethics contribution.

• *SMEs:* For many sole traders and proprietors of SMEs personal ethical commitment can be called into question by the pressure for survival. This is perhaps addressed in that phase in Rest's 4-step decision model often labelled 'confirm moral intent'. The ethical challenges faced by SMEs are distinct from those faced in large organisations. As business ethics specialists we must be able to provide realistic responses to owners and managers of SMEs.

• *Perfection:* The crisis is playing out in the real world, not in mathematical models. Humans are prone to error or mishap. Sen writes about the journey to justice and many religions talk of a journey to enlightenment. Business ethics will not help business (nor itself) if it promotes perfection as something achievable without much hard work and courage.

• *Defining ethics:* Definitions such as 'how one should live' may be more easily defended than those linking ethical behaviour to universal rules or guidelines.

• *Identifying moral issues:* Unravelling the ethical and economic issues will be especially difficult. Not every event with an identifiable loser is an ethical issue.

• *Sport:* Has sport as a business effectively distinguished the economic and ethical issues as it deals with COVID-19? Is it a salutary example of ethical practice?

• *Approaches:* One thing that COVID-19 has (may have) taught us is that decisions are required even when we do not have all the data. In these circumstances, there may be greater questioning of empirical, consequentialist approaches to ethical decision-making and of the ease with which one can identify rights which have been infringed or neglected, or identify those who have been denied aspects of justice.

There are implications for business practice. From early on the crisis has been described as both a health crisis and an economic crisis. Public acceptance of the importance of business is shown in the incentives provided to help businesses stay afloat.

**Environmental, social and governance (ESG) performance and corporate financial performance (CFP) during the COVID-19 pandemic, David Xiang**

While the unprecedented COVID-19 pandemic posed substantial threats to global health and economy, it also brought opportunities for academics and practitioners to reflect on the existing and emerging ethical issues and the implications for business practices.

Some of the questions that we would like to ask include:

• How is corporate environmental, social and governance (ESG) performance or social and environmental responsibility and sustainability affected by the pandemic?

• How have companies financially performed amid the COVID-19 pandemic?

• How has a company's ESG performance affected its financial performance in times of COVID-19?

A large body of literature investigates the relationship between environmental, social and governance (ESG) performance and corporate financial performance (CFP) but presents mixed results. The global COVID-19 pandemic provides a sound setting to reexamine the relationship between ESG and CFP.

**Ethical Decision Making Covid-19, Peter Collins**

Covid-19 period raises the need to understand how organisational leaders make ethical decisions amidst conditions of uncertainty and complexity, and unpredictable events. The research involves interviewing a range of leaders who are grappling with ethical challenges posed by COVID-19. This 'crisis' presents each with a range of complicated ethical problems requiring them to make consequential decisions with far reaching effects.

The interviews seek to understand the overall decision-making process in particular in understanding when ethics entered the decision-making process, how this occurred, how ethics may have contributed to a decision. Understanding these factors would shed light on what ethical decision-making processes are in this context.

To maximise our understanding of how leaders make ethical decisions at such a critical time 15 leaders from a diverse set of industries and sectors are interviewed. The interviewees include the Federal Minister for Health, the CEO of a bank, the Deputy CEO of a major retailer, a legal counsel in a large listed company as well as those with significant responsibilities during Covid-19 such as Secretary for the Department for Health in Victoria, a Rear Admiral in Australian Border Force and the head of Emergency Management in Victoria with responsibility for both countering bushfires and Covid-19.

Findings, though early, are already instructive and will be updated before July ABEN meeting.

1. Active use of ethics in interpreting and responding creatively to the crisis. Interviewees state they are active in using ethics to shape their own organisational response to the crisis. They bring lessons from their own past experiences recognising that Covid-19 was a new operating environment and needed to approach Covid-19 with fresh ethical approaches such as they had done in counter-terrorism or countering climate change.

2. Use of ethics to set priorities and make key decisions. This includes the resolving of the dilemmas of suppression or mitigation of COVID. Interviewees also report using ethics to drive decision making that breaks through some difficult pre-existing issues such as the divestment of large scale businesses and the opting to make changes in the way the business runs during and post the crisis.

3. Ethics contributes to decision making and leadership across industries and sector. The use of ethics draws people beyond their own business boundaries. This is evident in the way leaders assume responsibility for issues beyond their own business boundaries and also look to promote a broader good in the community. Ethic is evident in the setting up of new governance structures such as the national cabinet and in forging new alliances to arrive at industry and sector- wide responses.

4. Interviewees draw on different forms of ethical reasoning. This assists addressing practical business issues such as credit card and small business loans, being innovative in managing businesses in the midst of Covid-19 restrictions as well as industry specific issues. It is significant that one of the interviewees had to deal with extortion threats from Russian mafia and worked through that crisis using different forms of ethical reasoning to arrive at a conclusion.

5. Ethics contributes to a positive and connected form of leadership during the crisis. Interviewees 'get ethics' and draw on it to work out their own leadership response. While operating in very different contexts and are very different, there are discernible forms of ethical leadership at work during this period. There is evidence that these leadership styles will guide their leadership post the Covid-19 period.


**The Paralysis of Uncertainty: navigating ethical challenges in an information-poor environment, Gordon Young**


Making high quality decisions without a perfect understanding of a situation is a central challenge for business at any time, but this has been greatly compounded by the Covid-19 Pandemic of 2020. Disparate and rapidly changing government advice, market uncertainty and loss of consumer confidence all contributed to a highly unpredictable environment, making high-quality decision-making extremely difficult. As a result, we have seen wildly different responses from the private sector; some constructive, ordered and collaborative, and others reactive, scattered and competitive, as factions turned against each other to secure their interests.

This presentation will provide ethical theory to guide decision-making in such low-information environments, including risk assessment, accountability mechanisms, and diversity and inclusion principles. These frameworks will be applied against both positive and negative business case studies during the early stages of the pandemic to illustrate their value to practical business applications.


**MSMEs and Post- COVID 19 recovery, Alessandro Bressan**


The coronavirus (COVID-19) pandemic has created significant disruptions in the economy and the life of businesses, making it the ultimate test for numerous leaders, entrepreneurs and employers operating in all industries. These disruptions have created a wide range of impacts

on companies and many of them are struggling financially. The Micro, Small and Medium Sized Enterprises (MSMEs) have been among those who have been facing a larger amount of challenges and disruptions (Eggers, 2020). For example, the OECD found that in Australia, two-thirds of MSMEs experienced the impact of the crisis. Almost 50% suffered a drop in income of half of their normal turnover since mid-March when the lockdown measurements were put in place (OECD, 2020). A more difficult situation was recorded in Asia, Europe and the US, where the pandemic is still active and, in some cases, the lockdown is still in place. A fair question to ask at this point is, what does this all mean given that MSMEs represent an economic driving force for many countries? Many countries have started to tackle the issue by developing various policy support in the form of wage subsidies, deferral of tax, social security payments, direct lending etc. Is this enough? Would these forms of support be enough to get through the crisis? Are these measures able to reach all the MSMEs or just businesses with enough resources and capabilities to apply? Or, what if, MSMEs owners take advantage of these measures and do not redistribute the funding to their stakeholders? Would businesses be willing to repay the support received in years to come through the increases of taxes? And more importantly, how could repayments take place fairly? These are some of the questions that require an answer, especially when we look at business ethics as a vehicle of social justice, fairness, leadership and inclusion.

One thing is ensured, millions of MSME entrepreneurs, their families and their employees are under pressure as they face increasing complexity and dilemma in the decision-making process which might require a high degree of resilience (Pal, Torstensson, & Mattila, 2014). MSME entrepreneurs are well known to be personally and emotionally connected with their stakeholders, including employees, members of the local community and suppliers due to close and embedded relationships (Besser, 2012). These relationships, especially for those MSMEs operating in semi and regional areas are tied to the extent to which parties know one another in their personal lives, they care about one another's well-being and entail a sense of obligation to offer help that may demand a significant amount of time (Gabriel, 2010; Lähdesmäki, Siltaoja, & Spence, 2017). Given these features, several scholars (e.g. Lähdesmäki et al., 2017; Spence, 2016; von Weltzien Hoivik & Melé, 2009) have agreed that in the context of MSMEs ethics of care could be a valuable lens through which to understand business ethics, including CSR, stakeholder relationships, common good and sustainability related issues.

The foundation of ethics of care is based on the 'recognition that all people are embedded in different webs of social relations, being dependent on others for their survival and well-being and capable of supporting others in their moments of need and helplessness' Gabriel (2010, p. 771). This also means, making difficult, hard and unpleasant actions in support of a person one cares for. For example, in time of a pandemic MSMEs confront concerning mass closure and layoffs with a large impact on employment and the larger society. These are considerations that raise concern, especially in terms of socio-economic sustainability, which as scholars of business ethics, we should reflect upon. For example, how could an approach that focuses on the care for others (e.g. firm stakeholders) contribute to creating value in a time of crisis? How could sensitivity, fairness and care influence decision-making during challenging, complex and unique times?