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Forging Links between Ethical Theory and Business Network Research

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The business environment has over past decades become increasingly complex. Instead of single transactions in limited geographical area, most inter-organizational exchanges occur within inter-organizational relationships, nets and networks most of which have global dimensions. Companies are embedded in these complex and dynamic constellations that steer resource integration and value creation activities and thus have a fundamental impact on various levels of societies as a whole. Despite the many advances in knowledge resulting from extensive and relatively diverse business network research, explicit, systematic theoretic-empirical studies on business network ethics are largely missing. Consequently, the aim of this theoretical article is to 1) shed light on the ethics implications of some central underlying structural features of business networks, 2) outline the basic dimensions of ethics potentially relevant in the business network research context, 3) sketch some possible future research avenues on business network ethics. Our article is organized as follows. First, we will first describe the general structural features of business networks distressing or safeguarding the inter-organizational exchange and interaction in a network context. Second, the central ethical streams are brought forward and their suitability to business network research and practice is considered. Third, conclusions and future research paths are offered.

Keywords: business relationships, business networks, ethical theories, Agathonism, enlightened egoism

1. Introduction

In the contemporary business, the increasing importance of knowledge, technological complexity, global competition, and the digital technologies have led to conditions where individual companies cannot internally undertake all the relevant value activities from product development to branding to customer care in an economically feasible manner (Castells, 1996; Möller, 2005). As a result, firms and other organizations are being engaged in ever more complex nets of actors with various resources and capabilities (see Möller et al., 2005). As observed by many scholars, there has been a remarkable growth in inter-organizational networks, not only in terms of sheer quantity of them but also in terms of their quality (e.g., Achrol & Kotler, 1999; Möller & Rajala, 2007; Spekman et al., 2000). As Möller & Rajala (2007) put it: “In addition to the traditional buyer-supplier constellations, interorganizational networks can now include distribution channels, brand networks, technological innovation and product development networks; as well as competitive coalitions such as the collaborations that bring competing firms together to establish industry standards or the widely publicized airline coalitions”.

As a result of the rising importance of the phenomenon, an extensive body of academic literature adopting a range of approaches from different schools of thought targets the area of inter-organizational relationships and networks (see Araujo & Easton 1996; Grandori & Soda 1995). Despite the advances in knowledge resulting from this extensive and relatively diverse research, there are some theoretically and practically significant aspects of business networks on which research is scant and largely underdeveloped. Ethics in business networks is one such area (see Lindfelt & Törnroos 2006; Higgins & Ellis 2009; Crespín-Mazet & Flipo 2009). There are some explicit research endeavours (i.e. which use the term ‘ethics’ explicitly) in the area of inter-organizational network research but they are relatively narrow in terms of theory and only limitedly applicable to the study of business networks in which inter-organizational business exchange and interaction within the network structure retain focus (Melé, 2009; Falkenberg & Falkenberg 2009; Gullett et al. 2009; see the special issue of *Journal of Business Ethics* 2009). Also their links to ethical theories seem to be insubstantial and subtle. These studies approach the phenomenon by mainly emphasizing the stakeholder and social exchange perspectives of networks without linking them to ethical doctrines (e.g., Logsdon & Patterson 2009; Floridi 2009).

The purpose of this theoretical paper is to forge a link between business network research and ethical approaches. Business networks can be defined as systems of interlinked actors, activities and resources that include structural and process dimensions (Håkansson & Snehota 1995; Giddens, 1984). Business network approach understands markets as associated or bonded socio-economic structures which comprise not only buyers and sellers, but also other relevant organizations such as consultants, governmental institutions, third sector organizations etc. (e.g., Easton, 1992). We define the ‘ethics’ in the business network context as “network actors’ pursuit of benefit (good and right) at both a personal and societal level, i.e. for self and others (cf. Bunge 1989). We assume that the ethicality of business networks aggregates from different features; acts, activities, episodes and structural properties inherent in the structures and processes (cf. Giddens 1984) that drive the networks’ functioning towards the common good of the actors. Since ethics in this research project refers to a mode of behavior on the part of business actors, closely related themes and managerial principles such as ‘sustainable production’ or ‘corporate social responsibility’ are not focused in this article although there may be some references to these popular and widely-spread terms.

This article is organized as follows. In chapter 2, we will shed light on some broad underlying features of business networks which have some ethical implications on the nature of business exchange and interaction. In chapter 3 we will outline the basic dimensions of ethics especially relevant in the business network contexts by briefly looking over the central ethical streams. In the fourth chapter, we will discuss the basic dimensions of business network ethics concept and sketch some possible future empirical research avenues.

2. Ethics implications of some central underlying structural features of business networks

In business networks, exchanges occur situationally in communicative and cognitive processes between interactants (actors) within and between various collective actor configurations. Networks are claimed to be better adapted to knowledge-rich and competitive environments e.g., because of their superior information-processing capacity and flexible governance compared to traditional markets and hierarchical organizations (Achrol & Kotler, 1999, Eisenhardt & Martin, 2000, Möller, 2005). However, in the ethical sense, business networks can also be fairly uneasy arenas of practice. This is mainly due to a certain inherent features or structural properties of business networks.

In business networks, *principles of both social/societal and business life coexist*, and they can be in contradiction in many decision-making situations and activities taking place in the business network contexts. One could even say that balancing constantly between values of “homo sociologicus(politicus)” (altruism, responsibility also for others’ good) and values of “homo economicus” (selfishness, responsibility just for one’s own good, sub-optimization) are in-built features of business networks, having different kinds of emphases in different parts of networks and in decisions/actions conducted by different network actors.

Sociologist Max Weber (1978) referred to this same idea in his classical text by using the concepts of instrumental/calculative rationality and value-oriented rationality. It is, however, to be emphasized that homo sociologicus/economicus and instrumental/value-oriented rationalities are theoretical ideal types. In real life, different kinds of combinations of them are ubiquitous in each individual actor, collective actor/network configuration as well as in each interaction episode within business network structure. In other words, in inter-organizational interaction managers' decisions and organizations' activities are practically always restrained by various internal and external factors (norms/contexts) which may be partly emphasizing calculative, partly value-oriented rationalities (see also Strong & Meyer, 1992). The various forms of sub-optimization behaviors and pure self-interest seeking modes (conflicts of interest) quite clearly reflect the challenging homo sociologicus/homo economicus balance in real-life business networks

Business networks contain also other structural features making ethical issues critical for their functionality. Number, complexity and wideness (internationality) of different kinds of network configuration have considerably increased between companies and various other organizations in general (see Möller & Rajala, 2007). As a result of e.g., the globalization of production and supply networks, both physical and cultural distances between business network actors have increased. In addition, business networks comprise companies of different size and resource repertoire. In sum, it is obvious that various types of *information and power asymmetries* between actors prevail in business networks. Both asymmetries have ethical implications which have been largely identified in the literature.

In the conditions of information asymmetry, formal governance of network exchange becomes more challenging e.g., through formal contracts or other monitoring procedures (on incomplete contracts, see Hart & Moore, 1988). Actors inability to observe and/or verify other actors engagements may pose various kinds of risks, also ethical ones, generally called

e.g. moral hazards and opportunism (principal-agent problem, see e.g., Alchian and Demsetz, 1972; Holmström, 1982; Bergen et al., 1992). For example, global sourcing/networking increases the length and complexity of companies' supply chains, making it almost impossible to monitor the processes used to manufacture the products they buy and to assess their quality (see Roth et al. 2008; Wagner et al., 2009).

Despite the many actual and potential advances produced by networked business contexts – e.g., increase in efficiency in resources and knowledge distribution, reduce search costs, lower the frequency of decisions for single companies, and increase the predictability in operations – business environment entailing networks of relationships also increase the threats and uncertainties of dependence (Wilkinson, 2001; Campbell, 1985; Gaski, 1984) . Complex business networks with different sized and positioned actors may potentially lead to misuse of power, e.g., unhealthy interaction and unfair division of costs and revenues between organizations which often lead to conflicts, feelings of unfairness and distrusting atmospheres.

Ethics clearly matters in business networks. Previous studies on inter-organizational relationships and network dynamics in a variety of empirical settings have indeed revealed that numerous aspects related to ethicalness and unethicalness seem to associate with the functionalities and non-functionalities of business relationships and networks (e.g., Dyer & Singh 1998; Morgan & Hunt 1994). Many inter-organization and network studies concentrate on emphasizing the importance of 'positive' aspects of business networks, or the more informal, social aspects which compensate e.g. the incompleteness of contracts and other formal monitoring/coordination mechanisms. E.g. the emergence of trust, commitment, satisfaction, co-creation possibilities, fairness, benevolence, mutuality, reciprocity, and social capital is often highlighted (e.g., Dyer & Singh 1998; Morgan & Hunt 1994; Jap & Ganesan 2000; Moehring & Finch 2012). These positive network aspects would not exist without ethical foundation, e.g. trust and commitment as well as cooperative atmosphere are typical psycho-social outcomes of ethical modes of behavior in business networks. The significance of business network ethics (or its non-existence) is also reflected in the streams of research which have focused on the 'dark side' of relationships and networks reflected in conceptualizations such as opportunism, moral hazard, power and conflict, unilateral dependence, dominance, and command, adversarial buyer-seller relationships, and hostile relationships (e.g., Campbell 1985; Grayson & Ambler 1999; Kim et al. 2006; Saunders, 1997; Vaaland, 2004). Continual presence of e.g., opportunism, moral hazard and

adversarialism in network activities indicate in some way a damaged ethical base of a business network.

Despite the versatile understanding resulting from the wide-ranging and diverse research on 'dark and light side' of the business relationships and networks, the current research reflecting ethical aspects of business networks seems to fail to offer a general, summarizing view of business network ethics, i.e. what could it be or how could it be conceptualized and assessed/analyzed. Furthermore, current research on business network ethics lacks explicit links to the various discourses or approaches of ethics.

3. Outlining links between ethical doctrines and business networks

Generally, ethics is about what is good/bad (values) and what is right/wrong (norms). Consequently, studies on ethics usually concentrate on values/value systems (what kinds of outcomes are good and valuable?), norms (what kinds of norms are right and wrong?) and to some extent also human actions (structures and processes) based on certain norms and producing certain values (outcomes) (Bunge, 1989). The field of ethics is broad and there are numerous types of ethical theory which emphasize different contents/moral principles and ways of justifying of those principles. As an example, Bunge (1989, 198) lists twelve ethical doctrines and the primary and secondary values of each of them (see Table 1 below).

Table 1 Some ethical doctrines and their primary and secondary values

<i>Doctrine</i>	<i>Primary values</i>	<i>Secondary values</i>
Agathonism	Everybody's well-being	Peace, environmental protection, equality, freedom, justice, democracy
Christianism	God, afterlife	Faith, hope, charity
Contractualism	Individual interests	Liberty, legal justice
Eudemonism	Personal happiness	Justice
Hedonism	Pleasure	Pleasure
Individual utilitarianism	Happiness	Liberty, legal justice
Libertarianism	Liberty	Legal justice
Negative utilitarianism	Individual interests	Not harming
Secular deontologism	Duty to fellow man	Justice
Socialism	Equality	Well-being, community service
Social utilitarianism	Greatest good of greatest number	Liberty, justice
Stoicism	Peace of mind	Devotion to public interest

According to Table 1 examples of the important values are 'everybody's well-being', 'individual interests', 'personal happiness', 'pleasure', 'liberty', 'duty to fellow man', 'equality', 'greatest good of greatest number', 'peace of mind', 'not harming', and 'justice'. The list shows that there are some variations in the importance of values in different doctrines. However, many central values share similar meanings although named differently. Moreover, 'well-being', 'happiness', and 'justice' are mentioned several times. The plurality of ethical theories points not only to complexity of the phenomenon in real life, but is also a clear indication of the plurality of underlying models of man these theories have adopted. According to Bunge (1989) the adoption of a one-sided model of man — e.g. as being only or primarily homo economicus or homo politicus/sociologicus — is bound to lead to a myopic and impracticable ethical theories, such as e.g., libertarianism being too individualistic/egocentric, socialism/communitarism being too collectivist/sociocentric. Furthermore, according to Bunge (1989) deontologism is too dogmatic or strict with sticking in the right norms not caring about the outcomes, whereas utilitarianism emphasizes mostly the outcomes, not caring about the right means/norms, etc.

Agathonism – which has adopted features from various above mentioned ethical doctrines – is an ethical approach which Bunge (1989) – through the adoption of a scientific model of man embracing the biological, psychological, economic, political, and cultural aspects– has

aimed to develop into practically workable ethical theory, i.e. a model that could be plausibly applied to tackle the complex real-life moral problems. Agathonism refers to middle-way ethics which avoids radical/extremist viewpoints and in that sense bears a resemblance to the reasonableness principles of Aristotelian virtue ethics ('Eudemonism') and especially to 'enlightened egoism' (combining altruism and egoism) (see Pratley, 1995). The basic dimensions of Agathonism, however, are more systematically specified and also more versatile than those of eudemonism or enlightened egoism. Following the thoughtful presentation of Bunge (1989) the basic notions of Agathonism and its relevance/suitability to business network theory/research will be concisely assessed in the following.

Agathonism and monistic/pluralistic division of ethics. Value theories and ethical theories are generally divided into monistic and pluralistic. Value-theoretical (axiological) monism holds that there is a *single* good ('summum bonum') for everyone, whereas axiological pluralism maintains that there are several *independent* types of good. Similarly ethical monism lays down a *single* maximal moral principle, to which all others are subordinated, whereas ethical pluralism holds that there are a number of *mutually independent* moral norms of which any norm is not more important than the other (i.e. norm cannot be compared). When it comes to monistic/pluralistic division the Agathonism formulates a more moderate, hybrid approach called moderate monism/pluralism. The difference between radical pluralism and moderate pluralism, whether axiological or ethical, is that whereas radical pluralism claims that there must be a plurality of mutually independent principles, moderate pluralism posits a set of principles united by a single basic principle. In Agathonism, this main principle is "*enjoy life and help live*" around which an uncounted number of other principles can be summarized e.g. in the following logic: "if you either need or legitimately want x, reach for x; and if others need or legitimately desire y, then help them get y" (Bunge, 1989, 203).

Agathonism and absolutism/relativism division of ethics. According to ethical absolutism moral norms are absolute, i.e. cross-cultural and totally independent of circumstances and contexts. Conversely, ethical relativism sees moral codes as culture-bound and functional (i.e. adapted to the needs of the social systems that adopt them). Furthermore, ethical relativism stresses that no moral code is superior to any other. Agathonism takes neither absolutist nor relativist standpoint but utilizes elements from both extremes. It shares the absolutist's conviction that right is right even if not so approved in a given society, and wrong is wrong even if overlooked in a given society. Also according to Agathonism, not all cultures and moral codes are mutually equivalent. Agathonism also shares the relativist's view that moral

norms coevolve with society. But we do not share relativist belief that *every moral code* is functional in the sense that it facilitates social life. A moral code hampers social life if it is outdated (i.e. if it has not accompanied social evolution) or if it establishes ill-grounded privileges to some actors. To sum up, Agathonism leans on moderate ethical relativism: relativism refers here to the standpoint that there are many different and feasible moral codes, and moderate to the view that these codes have a nonempty intersection, i.e. that there is also a certain core of universal or cross-cultural norms (see Bunge, 1989)

Agathonism and objectivism/subjectivism division of ethics. According to ethical objectivism moral codes and values are objective, i.e. that they are in the natural order of things. On the other hand, ethical subjectivism maintains that morals/norms are just as subjective as values: that they are either an expression of individual feeling or a set of conventions as groundless as e.g., dress conventions. Objectivists accept, and subjectivists reject, that there are moral facts. Agathonism picks the ethical mode of moderate objectivism: objectivism because it accepts some objective values, hence some objective rights and duties, i.e., the existence of objectively right and objectively wrong facts; and moderate because of the approaches insistence on the existence of just *some* rights and duties rather than them *all* being objective facts. Again, Agathonism takes the middle road, this time between radical objectivism (the companion of absolutism) and radical subjectivism (the companion of relativism).

Agathonism and individualism (egocentrism)/collectivism (sociocentrism) division of ethics. Both individualist and collectivist ethics are based on obsolete conceptions of society. The former is scientifically weak because social scientists do not study individuals but social groups: society is not an aggregate of mutually independent atoms but an "organization of organizations" (Miller 1976 p. 303). And the far-reached collectivist approach too is inadequate because social scientists analyze every society into its subsystems, and they also take individual needs and interests into account. Therefore, yet again, Agathonism takes the combining way called systemism, for focusing on the *individual-in-society* rather than on either the *individual* or *society*.

Agathonism and consequentialism (utilitarianism)/deontologism division of ethics. Consequentialism assesses all actions and norms by their consequences: to a consequentialist the actions/norms are right only if their consequences are good (Pratley, 1995; Panula, 2000). Deontologism, on the other hand, considers a state of affairs as good only if it results from a right actions/norms (see Kant, 2002; Bunge, 1989). The consequentialist disapproves of rules

of conduct that generate the devastation of wished outcomes/values, whereas the deontologist is ready to sacrifice wished outcomes/values at the altar of right moral norms. In short, when faced with moral difficulties one must take into account principles, real situations and feelings as well as with possible consequences. Therefore, according to Agathonism, a pure (or naive/radical) consequentialism is inadequate. In similar vein, one-sided deontologism as a dogmatic approach not taking the complex practical circumstances into consideration does not work either. Therefore, Agathonism opts for a “hybrid mode”, namely qualified or moderate consequentialism. Moderate consequentialism requires that the means (actions/norms) employed to attain a goal do not harm others, not at least without adequate compensation (see Bunge, 1989).

Agathonism and conservative/reformist division of ethics. Conservative ethics hangs on to traditional/customary values and moral norms, whereas reformist ethics sees that some values and norms have to change along with society and its sub-systems. According to ethical reformists moral norms are made for humans and other beings, not vice versa, in the sense that rights have to be protected and duties discerned only as long as they help achieve worthy goals by clean means. According to Bunge (1989), from this follows that ethical principles should be flexible, allowing for the changeability of values and norms e.g., in the light of new or decreasing resources, new objectives, and new knowledge. Hence ethical criticism and reform should go together with criticism and reform linked to social systems. Each time either is silenced the other does not take off, and social stagnation, as well as moral corruption or cynicism, prosper (Bunge, 1989). The real-world problem is how to start a moral reform in a socio-economic system. Whereas individualists advise to start it by individuals improving themselves, and holists/collectivists wait until society just somehow changes, ethical systemists suggest that both have to be mobilized at the same time, i.e. according to systemist principles moral and social change are originated by a group of individuals with new ideas and a solid willpower, who succeed in gathering up a large enough number of supporters to have the outdated moral institutions reformed (Bunge, 1989).

Agathonism and its central postulate - ‘enjoy life and help live’- seems to be fairly compatible with many notions of business networks containing complexity, various types of heterogeneous actors with various kinds of interests and resources. Furthermore, actors’ ability to mutual collaboration is long understood to be the cornerstone of functioning business networks (see Håkansson & Snehota, 1995). It has to be stressed here, however, that the term collaboration does not automatically contradict with competition e.g., competitive

biddings, which are activities common to most business networks. Competitive biddings can in fact have a collaborative spirit: Ethically sound competitive biddings must be steered by certain reasonable principles, for instance: They should be open, enough time should be guaranteed for all bidding companies to prepare a bid, invitations for bids should be clear, bidding companies should be open and honest in their bids, etc. According to Agathonism, moral actors must not be thoroughly uncalculating, on the contrary: Since every company's resources are limited they must combine moral principles with some calculation in order to be *efficient moral actors* (cf. Bunge, 1989). For example, the well-known concept of corporate social responsibility (CSR) and other closely related terms (corporate responsibility, corporate citizenship, social enterprise, sustainability, sustainable development, triple-bottom line, corporate ethics, and corporate governance) address how companies manage and try to balance their economic, social, and environmental impacts.

Various network approaches are based on multiple theoretical backgrounds (see Iacobucci, 1996; Möller, 2013). E.g., research within the Industrial Marketing and Purchasing (IMP) Group (e.g., Anderson et al., 1994; Håkansson, 1982; Easton 1992; Håkansson & Snehota, 1995) which views business exchange as embedded within networks distinguished by dynamic but relatively stable interactive (mainly) long-term relationships, draw partly on resource dependence theory, partly on social exchange theory, and partly from economic efficiency stressing perspective (e.g., transaction cost theory of Williamson, 1985). Hence the social viewpoint is emphasized in the network research but the economical or resource linked issues are not neglected: According to Johanson and Mattsson (1987) it is important to keep in mind that the relationships between organizations are established and developed in order to perform business related activities between organizations. The effect of transaction cost economics can be seen in the view that in network approach the reduction of exchange costs of interorganizational relationships is accepted as an explanator for establishment of interorganizational relationships and networks. This is completed with elements from resource dependence theory (Pfeffer and Salancik, 1978; for example, interorganizational relationships can promote knowledge development, learning and obtaining access to external resources) as well as social exchange theory (e.g. Blau, 1964; Thibout and Kelley, 1959; cf. the mutual orientation, norms, values, trust, commitment) (see Johanson and Mattsson, 1987 and 1994).

Also Powell (1990) has built an argument for the network form as a distinct organizational arrangement between the extremes of pure markets and pure hierarchies. He defined

networks by a set of descriptive characteristics and critical components. They are distinct from market or hierarchical arrangements in their heavy reliance on reciprocity, collaboration, complementary interdependence and an informal climate oriented toward mutual gain. In contrast, market governance arrangements rely primarily on price for control, and hierarchical structures rely heavily on administrative authority. Both the transaction cost (governance) and resource dependency perspectives have been claimed to suffer from "undersocialization" (Granovetter, 1985) when explaining the formation and existence of interorganizational relationships and networks. As Granovetter (1985) states there is evidence all-around of the extent to which business networks are mixed with social ones, and he argues that most economic behavior is closely embedded in networks of interpersonal relations. IMP-related network research has at least to some extent aimed at an integration of economic- related and social approaches in describing and explaining the formation and the existence of interorganizational networks.

All in all, IMP-related network research aims to avoid theoretical myopia and increasing practicability by not sticking on just one perspective but by employing different, complementing background approaches. In similar vein, as we see above, Agathonism oscillates between the extremist endpoints of ethical theories. Therefore, in a logical sense, network research and Agathonism could well go hand in hand if one wishes to conceptualize and study business network ethics.

4. Conclusions

In this article we have forged a general link between business network research and ethical theories. This was done by (1) describing the central structural features of business networks distressing on one hand and safeguarding on the other hand the right and good inter-organizational exchange and interaction process in general; (2) unfolding Agathonism as a middle-way mode adopting moderate viewpoints from central ethical doctrines (extremes); (3) considering the suitability of Agathonism to analyzing business network ethics. At this moment it is time to think of next steps, i.e. discuss about possible upcoming research avenues in order to cultivate research on business network ethics both conceptually and empirically.

As stated in chapter 3, Agathonism (Bunge, 1989) and more or less the same approach called ‘enlightened egoism’ (see Pratley, 1995; Panula, 2000) appear to be suitable ethical approaches to be applied for business network research. Business networks are first and foremost structural arrangements/means for network actors to achieve their business exchange related ends. However, in addition to economic rationalities also value-oriented rationalities should be involved in business network structures and processes (actions/activities). In business networks business and morality should not be mutually disjoint, i.e. meaning that business is business, and there is no point in subjecting ways of doing business to moral criticism. On the contrary, there should be a vigorous interaction between morality and business, hence between ethics and business philosophy as well. The practical advantage of the business-morality interaction view is that such interactions probably contribute to moralizing the business exchanges and institutionalizing morals while keeping both evolving along with the business network and acceptable business culture.

In this theoretical paper we have examined matters of ethical approaches and their connectivity to network research on a general level, rather than developed a specified content for a conceptual model business of network ethics. Postulating a systematic framework for analyzing business networks ethics will be hence the next step in this research endeavor. Agathonism as an ethical-theoretic starting point should be connected to core concepts of business networks. Since Agathonism combines the two central ethical doctrines – to a lesser extent deontology (what is right/emphasis on norms) and to a greater extent consequentialism/utilitarianism (what is good/emphasis on outcomes) – and the action theory (on which norms is action based?, what kinds of outcomes does it produce?), there is a sound prospect to connect the Agathonist ethical approach to the concept of network structures (norms on various contextual levels of the network), interaction process (action/interaction; the contents and form of interaction) and outcomes (valued ends; business-related/economic and psycho-social).

What may be called the Agathonist principle states that every actor in the business network should do - without overly harming anybody, at least without a compensation - her/his/its best to bring about the best possible outcomes to her-/him-itself and her/his/its network partners of her/his/its action. This principle does not tell us what the best possible consequences or the most adequate means for producing them are. One may choose to fill the schema by specifying the good consequence e.g., as a combination of technical and operational quality, division economic result/profit and socio-psychological issues

(satisfaction, positive feelings, e.g. feeling of being respected, possibilities to self-actualization in the network activities, general well-being in the network, etc.) In short, consequentialism (as a part of Agathonism) has no special content for business networks: it is only skeleton frame for building moral codes that can be evaluated by the consequences of the network activities they rule. The same goes for (Agathonism's) moderate ethical pluralism, moderate ethical relativism, moderate ethical objectivism, ethical systemism, ethical reformism, and all of their rivals: neither is alone sufficient to formulate moral norms, whether right or wrong ones. But every action, activity, and structure of a business network have some kind of - intuitive/spontaneous or planned - moral code or principle behind them, and they can be classified into the above categories. This may help researchers to evaluate the network activities and structures in terms of various "ethical isms" (cf. Bunge, 1989). For example, in the business network research and practice, the adoption of consequentialism is expected to be necessary (though not sufficient) to avoid sheer dogmatism (i.e. where all kinds of norms, also obsolete ones, are overly emphasized, doing things right is more important than doing things in a way producing the best possible outcomes); of systemism, to navigate between the end points of egocentrism and sociocentrism; of (cognitive) reformism to realize the importance of moral apprenticeship and improvement, and so on (cf. Bunge, 1989).

Complexity and at partial opaqueness of business networks poses challenges for empirical studies on network ethics. Ethical/unethical behavior in business networks manifests as a multifaceted phenomenon and is embedded in complex business interaction, and seems to remain unclear even to business actors themselves. Prevalent shared beliefs and norms of the network and its context detected and they often steer interaction in business networks either in an unethical or in an ethical direction, affecting in the long term positively or negatively to the performance of the network and its sub-systems. Network activities and norms/value structures behind them are therefore not necessarily easily detected. Furthermore, all ethical doctrines – including versatile and hybrid theory of Agathonism – pose consistency problems in application, for none can possibly anticipate in all detail the clashes between the rights, duties, norms and consequences of every single individual, collective actor, and group of collective actors in business networks. Seller's responsibilities may conflict with some of his buyer's rights or at least wishes; similarly with the company/manager/employee, Seller's seller's employees/seller/buyer/buyer's buyer/end consumer, and uncounted other combinations. All such conflicts and many more are sources of moral as well as practical

problems, and the solution to at least some of them calls for constant consideration/negotiation and maybe scientific research can be of help, too (see Bunge, 1989).

In the spirit of classical notions of Simon (1955; 1957) on bounded (economic) rationality of organizational actors, one could also say that organizations are also inevitably restrictedly ethical in their network actions ('bounded ethicalness' or 'bounded morality'). Since business networks are essentially formed by process factors (interaction processes) which, in turn, are affected by their structural properties and outcome factors, business network ethics and its progress or lack of it could be analyzed as a structuration (Giddens, 1984) of socio-economic systems, i.e. by studying the modes in which ethical and/or unethical matters in such systems are produced and reproduced in interaction. This could be done by focusing on how the various actors in the different types of networks perceive and attach meanings to the ethical state of affairs in the network under investigation. Furthermore, leaning to relevant theories explaining the existence and evolvement business networks one could make an interpretation on the combinations of actual and potential explanative mechanisms producing ethical/unethical behaviors in the business network contexts (cf. Sayer XXXX). These kinds of critical realist case studies in various empirical contexts would help to define and further develop the theoretical starting points into more specific framework. In the next stage, on the basis of robust theoretic-empirical case studies, empirically testable measures on the degree of business network ethics ought to be constructed and utilized in the empirical studies. Most of the studies might eventually help practitioner to think what kinds of managerial blueprint can be developed in order systematically to implement ethical aspects in everyday business network management in various industries.

5. References

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