BUSINESS ETHICS

(Q1) Tackling Food Waste: An Assessment of Responsibility Along The Chain &

Recommended Actions

(Q2) Buffer's Salary Transparency: Moral Assessment through the normative lenses of

Utilitarianism & Kantian Ethics

(Q3) The Case of Uber: Gig Work Providers' Moral & Anticipated Legal Responsibilities

Course:

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Question 1

Tackling Food Waste: An Assessment of Responsibility Along The Chain and Recommended Actions

When discussing an activity that is part of a large supply chain structure with many actors along the chain, it is important to assess responsibility to assign the duties of each actor along the chain. This would lead to a segmentation of responsibilities and therefore duties and actions to be taken to tackle the larger issue. Leading us to the first question, exploring who is responsible for food waste. We address the issue from the perspective of inherent moral responsibility we all have, and present the concept of the "responsibility chain", in which each actor plays the role for which they are responsible. Next, we stand on the shoulders of previous research to suggest solutions along the responsibility chain. Leading us to the second question, namely what is the solution to food waste? We answer this by accepting the segmented nature of responsibility, as well as understanding that there is not one solution, but a series of efforts, each contributing to solving the wider issue of food waste. Finally, we also explore a possible counter-point to our reasoning, through Friedman's doctrine, which states the only social responsibility companies have is to maximize profits for shareholders. Presumably meaning that the only actors along the "responsibility chain" are consumers or society as a whole.

Seeking responsibility is partly determining who "caused" something to happen (Gibson, 2007). It is inefficient to determine this for such a complex issue, as food waste, where we have an extensive supply chain and thus actors and decisions being made. This is why we will define responsibility by both our actions, as well as the absence of action. In other words, a moral responsibility which is inherent and that we all share. We extend this universality of responsibility to the supply chain and look at it as a "responsibility chain". At

each link, there is an actor that could have done better to prevent food from ending up in landfills.

We begin our journey in the home, the most obvious social actor - the consumer. A study by LEI (2013) conducted for the European Commission found that 31% of food waste across the supply chain happens in households. This single finding underlines the importance of the household in the battle to tackle food waste. There are many reasons for household food waste, as researchers across many fields have showcased (Evans, 2012; Graham-Rowe et al., 2014; Gustavsson et al., 2014), however, these are beyond the scope of our essay. Instead, we focus on what can be done on the household front. Gjerris and Gaiani (2013) argue that to reduce food waste it is crucial to change the ethical view of consumers around food, namely for it to be seen as a "gift". This could be achieved through perhaps NGO-organized advertising campaigns or door-to-door campaigns such as the ones done in the UK (Bernstad et al., 2013). Finally, campaigns although efficient for spreading awareness, usually get consumers' attention only briefly. Therefore it is fruitful to organize education seminars, as these have proven to make households waste less (Williams et al., 2012).

Other actors holding their portion of responsibility are food brands or producers. Researchers found that 20-25% of food waste is caused by packaging factors, such as packages being too difficult to empty or best-before dates (Williams et al., 2012). Packaging is largely the responsibility of food brands as they are the ones with control over it. There is an array of research commonly suggesting a universal labelling system (Labuza & Gunders, 2013) and the avoidance of misunderstood phrases, such as "best before" (Folley & Milton, 2011). For example, instead of "best before", we would suggest packaging to say "freeze before", as most foods are suitable for freezing and it is better to freeze than to waste (Brown et al., 2014).

Other actors along the chain are supermarkets or distributors. Gustavsson et al. (2014) findings have showcased that 10% of Europe's food waste happens in the distribution stage. As mentioned earlier a crucial component of having responsibility is having control. Supermarkets have control over most of the food-buying process. They influence it through pricing strategies, promotions and strategic aisle design (Folley & Milton, 2011). The most obvious in this regard would be to discount about-to-expire foods, however, this is already being done. We suggest a different approach than discounts. That is to bundle these expiring foods for free with a purchase of two full-priced equivalents. Combining this with the labelling strategy mentioned earlier, namely adding a sticker on the full-priced foods with "freeze me by" and changing the label on the about-to-expire food with "enjoy me today".

Finally, the latter two paragraphs addressing the "corporate" part of the responsibility chain could be argued against. Namely with Friedman's doctrine, saying that food brands and retailers are only responsible to make sure their food sells and whatever does not sell is not their responsibility, as long as they dispose of it lawfully. We do not argue directly against the doctrine. Instead, we propose that the above-recommended actions to producers and distributors will improve the bottom line of these companies, for example, by increasing buying behaviour and thereby revenue. Therefore, companies implementing these solutions are fulfilling their duty to shareholders and in fact following the doctrine.

All this considered, food waste could never be fully eradicated. As mentioned earlier, studies show that waste inside the household happens for many reasons, some psychological, others behavioural and third economical. Additionally, we cannot control individuals' behaviour completely. Whatsmore there are other factors besides consumers. As in other industries (e.g. fashion), waste is to a large extent due to unsustainable levels of production. Nevertheless, the above-discussed efforts will bring us closer to preventing food from ending up in landfills. Finally, after addressing most of the actors in the "responsibility chain", it is

clear that we all play a role in food waste. This makes it all the more important for each of us to look at our actions, consumers, producers and distributors, alike, and to actively choose the "right thing to do".

Question 2

Buffer's Salary Transparency: Moral Assessment through the normative lenses of

Utilitarianism & Kantian Ethics

Disclosing salary information has been considered taboo for a long time (Chamberlain, 2015). Research shows this is both due to employee fear of being caught by their employer (Hegewisch et al., 2011), as well as employee personal unwillingness with concern for privacy norms (Gely & Bierman, 2003). The latter is shown to play a significant role in the survey of Cullen & Perez-Truglia (2022), where 80% of respondents prefer to conceal personal salary information. Generally, salary transparency is a sensitive "lever" to pull on, as increased transparency affects employee behaviour and satisfaction (Breza et al., 2018; Card et al., 2012). For example, Breza et al. (2018) found that wage transparency in an environment where employees can see that a higher-paid employee performs better than them, then transparency does not affect the behaviour of the lower-paid employee. However, if it is not apparent, it will negatively affect behaviour.

From our brief literature review on salary transparency, we can see that transparency affects employees and, possibly, employers. To decide whether what Buffer did is a moral decision, we will examine the situation through two normative lenses. Firstly, through utilitarianism, focusing on the net utility for Buffer employees caused by the transparency policy. Breaking down the cost and benefits and arriving at a moral verdict. Secondly, we will dive into Kantian ethics, utilizing both formulations taught to us in the lectures. Specifically, touching upon universalizability, reversibility and autonomy. Finally, in the remainder of our writing, we will combine the two perspectives and add our ideas on the issue to arrive at the final moral conclusion, as well as provide an alternative implementation of Buffer's policy.

As discussed during lectures and tutorials, a major requirement for a situation to be moral, according to utilitarianism, is that the well-being of actors should be maximised. In other words, the action that produces the greatest sum of utility is deemed ethically appropriate. For the scope of our utilitarian moral assessment, we limit ourselves to the implications of Buffer's transparency policy on its internal labour force only.

To begin our assessment of the net utility we quote the income comparison model (Luttmer, 2005), which suggests that individual well-being depends on how an individual's income compares to that of others. Keeping this in mind, Perez-Truglia (2020) found that higher income transparency caused an increase of 29% in happiness and 21% in life satisfaction. However, the study also found that people with lower income tend to experience a negative effect on well-being from income transparency.

Considering the above studies we analyzed salary data provided by Buffer to investigate the proportion of low-paid, average-paid and high-paid employees in the company, to assess the net utility under the paradigm suggested by Perez-Truglia (2020). We relatively classified- 34.15% of employees as low-paid, 42.68% as average-paid and 23.17% as high-paid (see Appendix A). This means 34.15% might experience negative effects due to income transparency. We, therefore, infer that the majority of employees experience a positive effect on well-being, suggesting a positive total net utility.

Before making a verdict, we also need to consider the alternative to salary transparency as part of the 4 stages of utilitarianism. In our case that would be non-disclosure of salary information. Studies have shown that a lack of information can facilitate workplace discrimination, increase employers' market power (Danziger & Katz, 1997; Cullen & Pakzad-Hurson, 2016) and hinder collective bargaining and unionization (Corbett, 2002). These findings suggest a potential negative net utility for all of Buffer's employees in the

case of the alternative. Therefore, considering all of this we find Buffer's salary transparency to be ethical according to utilitarianism.

To complete our moral assessment, we employ Kantian ethics as taught in the lectures and Gibson (2007). While under utilitarianism we chose to focus on Buffer's employees, under Kant and specifically the categorical imperative, we will examine in a way not contingent on circumstances (categorical) and more broadly.

Firstly, we consider the first formulation of the categorical imperative, which includes universalizability/generalizability and reversibility. On generalizability, in Buffer's case, that would imply that all companies follow their example, and make salaries public information. According to research conducted by Chamberlain (2015) interest in workplace transparency has surged, including salary transparency. Moreover that it leads to a myriad of positive effects for both companies and job seekers. These findings suggest generalizability is applicable and would be positive. Next, in terms of reversibility, by nature salary transparency is reversible, since it includes the salaries of all employees, including the decision-makers who are instating the salary transparency policies. Therefore reversibility is also fulfilled.

Next, we consider the second formulation of the categorical imperative, which in essence asks us to consider whether autonomy is respected. Crucial building blocks of autonomy are options, understanding and voluntariness. We could not find sufficient information that Buffer's salary transparency policy was the choice of employees (no voluntariness), nor that they had other options (e.g. being excluded from the list). As for understanding, it is harder to assess as certain superficial effects of transparency are obvious, but others are not so obvious as showcased through our review of the literature. There, we argue that autonomy is not respected and that employees are treated as a means to an end. Finally, considering the two formulations separately, Buffer's decision is moral, based on the

first formulation of the categorical imperative, but is not moral based on the second formulation. Therefore it is somewhat up to each of us to decide, but we argue it is immoral, as autonomy is vital.

Concluding, we see that it is crucial to examine complex issues such as Buffer's salary transparency policy from multiple angles. The hard-cut reasoning of utilitarianism may be functional but compared to Kantian ethics overlooks some important nuances. Namely, the issue of autonomy. There is no evidence that Buffer implemented this policy after a company-wide vote or any sort of consultation with the majority for example. This arguably showcases Buffer's treatment of employees as a means to an end. Despite the utilitarian verdict, our bottom-line verdict is that this policy is immoral under the assumption autonomy is not met. However, as we do believe salary transparency is beneficial, we propose an alternative solution which solves the autonomy issue and provides the benefits associated with transparency - non-personal aggregate reporting of salaries (e.g., salary averages, ranges, etc.). We base our recommendation on findings by Cullen & Perez-Truglia (2022) suggesting the most preferred method of salary transparency is aggregate reporting of salaries in a non-personal manner, thereby both respecting the highly-valued aspect of privacy, as well as the desire for information.

Question 3

The Case of Uber: Gig Work Providers' Moral & Anticipated Legal Responsibilities

In the following three paragraphs we will first, explore the theoretical constructs around responsibility relevant to the Uber case. Secondly, we will outline the moral responsibilities Uber has to its employees, as well as strengthen our argument by providing recent regulatory and legislative developments, highlighting the growing legal responsibilities.

Responsibility as we have explored in the lectures, as well as Gibson (2007) is a mixture of cause, control, understanding, and voluntariness. There are also different types of responsibilities, for example, associated with one's position in a hierarchy - role responsibility, and others associated with time - prospective, retrospective and reflective responsibility. In the case of Uber and contract workers until recently we have not been able to speak of legal responsibility, but a moral responsibility to their workers has arguably always been present. In the next paragraphs, we will discuss theoretical constructs around the latter.

A moral responsibility according to Gibson (2007) is inalienable from ourselves even when we have avoided responsibility through a legislative manner. There are several schools of thought on whether a corporation can exhibit moral responsibility. According to Milton Friedman corporations' only responsibilities (through managers) are those in the pursuit of shareholder interests and that moral responsibilities are reserved exclusively for humans. However, Edward Freeman argues two key principles opposing this view. Firstly, corporations must not violate the rights of others, and secondly that they are responsible for the effect they may have on others.

Additionally, when addressing moral responsibilities it is relevant to address rights and duties. In the case of Uber, the most relevant are positive rights, which they claim from their employees - to deliver food, which is their employees' duty. However, as we have learned in the lecture, rights impose a moral obligation binding on all moral agents. This implies Uber has moral obligations, provided we classify them as moral agents based on Freeman's two principles.

Companies such as Uber are not only guilty of misclassifying their employees (Sprague, 2015) but are also of misrepresenting themselves, as mere digital platforms and middle-men, thereby attempting to avert legal, social and moral responsibilities (Leighton, 2016; Huws, 2017; Field & Forsey, 2019). In the remainder of this essay, we will explore and justify the responsibilities Uber has towards its employees.

Firstly, at the most basic level gig workers have human rights, more specifically the right to health and the right to social security (WHO, 2008). Additionally, Uber has moral obligations to gig workers under the rights-duties paradigm mentioned earlier. Therefore as Uber has the right to receive gig workers' labour, it is obligated to ensure gig workers' right to health and social security are not jeopardized within their relationship. Additionally, this claim is supported by Freeman's key principles, more specifically that Uber has a responsibility to not violate the rights of others. By not providing social security and health insurance coverage, they are violating gig workers' basic human rights.

To provide this is not the case, first, Uber should ensure it does not breach this right systematically, for example through the lack of health insurance coverage and social security payments. Additionally, Uber should ensure it does not breach it directly, through the nature of gig work, thereby providing employees with occupational safety and health risk prevention.

In the remainder of the essay, we will strengthen our case for Uber's moral responsibilities through recent legislative and regulatory developments in regards to the gig economy. There is a growing trend of recognizing gig workers as traditional labourers, accelerating since the pandemic (Cherry & Rutschman, 2020).

While discussing Uber's alleged legal responsibilities towards gig workers it is indispensable to highlight the verdict in the Uber v. Aslam case (2021) in the UK. In short, the UK Supreme Court has recognized that despite Uber naming their workers as "self-employed", the way the relationship worked in reality, was much more indicative of a traditional employer-worker relationship thereby granting gig workers all traditional labour rights, such as minimum wage, overtime pay and paid annual leave, among other worker's rights under the Employment Rights Act (1996).

Furthermore, even before this verdict, there have been efforts around reform in the gig economy. This is evidenced by numerous policy initiatives in the EU, most notably in 2019 when a High-level Expert Group (HLG) was commissioned to draft a recommendation for reform related to the impact of digital transformation on labour markets. Although a complex and thorough set of recommendations, for the scope of our essay, we refer to the three recommendations most relevant to gig work: (1) preventing occupational safety and health risks like mental health and stress-related issues resulting from digitalisation and increased volatility, (2) equalizing the administrative treatment of non-standard work arrangements, (3) better-organized dialogue between workers and social partners, especially in the platform economy (European Commission, 2019). These three recommendations clearly outline some expectations of responsibility from companies like Uber, as well as their employees' rights, such as the responsibility to: (1), provide occupational safety and prevention of health risks, including mental health; (2) treat gig workers as employees, not "contractors"; (3) provide

gig workers with the systems to unionize and to have a mutual bottom-up dialogue about their work.

Combining the legislative developments and their resulting legal responsibilities with our ethical theory-based verdict of moral responsibilities, we start to see what gig work providers, like Uber, are expected to be responsible for both morally and legally. Concluding, we consider Uber and other similar gig work platforms morally responsible for: (1) ensuring occupational safety and prevention of health risks, (2) providing at least basic health insurance and social security coverage, (3) paying minimum wage per hour, as well as providing paid leave, (4) facilitate or at the least not hinder unionization efforts.

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APPENDIX A.

Relevant R Code & Output

```
# Results ----
buffer.freq.persalarygroup <- buffer.db %>%
  group_by(salary_group) %>%
  summarise(n.respondents = n()) %>%
  mutate(respondents.percent = formattable::percent(n.respondents / sum(n.respondents)))

print(as.data.frame(buffer.freq.persalarygroup))
#    salary_group n.respondents respondents.percent
# 1 Average Paid            35              42.68%
# 2    High Paid            19              23.17%
# 3     Low Paid            28              34.15%
```

Please refer to Appendix B, for the full R script.

APPENDIX B.

R Script

```r
# Data ----
#Note: buffer salaries manually sourced from buffer.com/salaries

#Creating variables
buffer_id <- 1:82
buffer_salaries <- c(298958,231750,296620,235103,106337,104252,191442,128576,80579,151286,157500,
                     102297,145059,203898,161518,161518,161518,171404,145059,161518,194740,183508,
                     183508,142517,150919,147960,161518,145059,130831,147960,216378,142517,130831,
                     145059,183508,161518,145059,145059,125132,130831,114871,128265,161518,168732,
                     165424,168732,153450,139050,143222,124125,169780,119351,85561,105462,111392,
                     116826,153740,66096,113423,116826,99488,156827,102081,102081,99107,108297,88649,
                     83068,88127,75685,81645,71340,71340,193705,99955,91759,203937,96583,171458,
                     128265,128265,153450)


#Creating dataframe /w Employee ID and Salary Amount
buffer.db <- data.frame(employee_id=buffer_id, salary=buffer_salaries)

#Check the Minimum, Maximum and Mean Salary
summary(buffer.db)
#Minimum salary at Buffer: 66,096
#Maximum salary at Buffer: 298,958
#Mean salary at Buffer: 141,750

#Create Salary Groups
#Low Paid =  66,096 to 121,750 (Minimum Salary to 20000 below the Average Salary)
#Average Paid = 121,751 to 161,750 (Slightly Below Average to Slightly Above Average)
#High Paid = 161,751 to 298,958  (Slightly Above Average to Maximum)
buffer.db[buffer.db$salary >= 66096 & buffer.db$salary <= 121750, "salary_group"] <- "Low Paid"
buffer.db[buffer.db$salary >= 121751 & buffer.db$salary <= 161750, "salary_group"] <- "Average Paid"
buffer.db[buffer.db$salary >= 161751 & buffer.db$salary <= 298958, "salary_group"] <- "High Paid"


# Results ----
buffer.freq.persalarygroup <- buffer.db %>%
  group_by(salary_group) %>%
  summarise(n.respondents = n()) %>%
  mutate(respondents.percent = formattable::percent(n.respondents / sum(n.respondents)))

print(as.data.frame(buffer.freq.persalarygroup))
#   salary_group n.respondents respondents.percent
# 1 Average Paid            35              42.68%
# 2    High Paid            19              23.17%
# 3     Low Paid            28              34.15%
```