ISSN 1308-4070
DOI 10.12711/tjbe.2014.7.1.0138

Turkish Journal of Business Ethics • www.isahlakidergisi.com • Spring 2014 • 7(1) • 57-93

Başvuru | 24 March 2014
Kabul | 19 August 2014
OnlineFirst | 10 September 2014

Psikolojik ve Etik Egoizm Açısından Altı Vakanın Değerlendirilmesi

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Öz
Egoizm özellikle psikolojik araştırma literatüründe yaygın olarak araştırılan bir konudur. Etik merkezli araştırmalarda da önemli bir rol oynamaktadır fakat ilgili alanyazında etik ve egoizm ilişkisine gösterilen ilgi azdır. Egoizm literatüründe geniş kapsamda iki ana sınıflandırma vardır. Bunların ilki psikolojik egoizm tanımlayıcı egoizm, ikincisi olan etik egoizm ise normatif egoizm olarak sınıflandırılır. Bu çalışmanın amacı iş dünyasındaki belirli durumları, egoizmin bu iki türü çerçevesinde değerlendirmektir. Yine bu çalışma normatif davranışları egoist eylemlerle/aktörlerle sınıflandırmak, onların hareketlerini yorumlayarak ne yapılması gerektiğini önermeyi de amaçlamaktadır. Bu çalışma iş dünyasında en çok bilinen altı büyük örnek olaydan oluşmaktadır. Bu amaçla, egoist aktörler ve örnek olaylar egoist davranışlar açısından incelenmiş ve ne çeşit normatif davranışın kabul edilebilir olacağı yorumlanmıştır. Çalışma için farklı durumlardan ve farklı bölgelerden, paydaşlar (çalışanlar, müşteriler, hissedarlar, toplum vb.) üzerinde potansiyel etkiye sahip örnek olaylar seçilmiştir. Örnek olayların incelenmesi sonucunda genellikle şirketlerin sahipleri veya CEOları başlıca egoist aktörler olarak belirmiştir ve bunların başlıca egoist hareketleri finansal olaylarla ilgili bulunmuştur. Finansal faktörlerin her zaman etik dışı davranışlara neden olabileceği varsayımı göz önünde bulundurulduğu zaman araştırma sonuçları şaşırtıcı değildir.

Anahtar Kelimeler
Egoizm, Etik, Psikolojik Egoizm, Etik Egoizm.

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ISSN 1308-4070
DOI 10.12711/tjbe.2014.7.1.0138

Turkish Journal of Business Ethics • www.isahlakidergisi.com/en • Spring 2014 • 7(1) • 58-93

Received | 24 March 2014
Accepted | 19 August 2014
OnlineFirst | 10 September 2014

Evaluation of Six Psychological and Ethical Egoism Cases

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Abstract
Egoism has been widely researched in the psychological field. However, while egoism has been recognized as playing a seminal role in ethical research, the relationship between ego and ethics has not been given significant attention. There have been two main research foci for egoism: psychological egoism, which is a descriptive variant and ethical egoism, which is a normative variant. This study evaluates six seminal business cases to examine these two types of egoism, with the aim of classifying the egoistic actions/actors, commenting on the results of these actions, and suggesting the normative behavior that should have been adopted. The six cases have been selected from different sectors and were chosen because of the potential influence on different stakeholders such as employees, customers, shareholders, and society. The results showed that CEOs or company owners were usually the main egoist actors in the cases and the main egoist actions tended to be focused on financial matters. The findings however, were not surprising given that financial matters have been found to often lead to unethical actions.

Keywords
Egoism, Ethics, Psychological Egoism, Ethical Egoism.

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Research into ethical principles is divided into the two main theories of Deontological Ethics and Consequentialist (or teleological) Ethics. Deontological theories argue that we have a duty to perform certain acts not because of some benefit for ourselves or others, but because of the nature of those actions. One of the most famous deontologists was Immanuel Kant. Consequentialist or Teleological theories advocate that the rightness of actions is determined by the goodness of the consequences. Actions are justified by virtue of the ends they achieve, rather than the properties of the actions themselves. The most prominent type of consequentialist theory is utilitarianism, which was originally developed by Jeremy Bentham and John Stuart Mill. The other consequentialist theory is egoism, which has many definitions in associated research. However, in this study we consider only the two most important variants of Egoism: Psychological Egoism and Ethical Egoism, which have two very different approaches. First, ethical egoism has a normative perspective, while psychological egoism is descriptive. *Ethical egoism* is also considered a prescriptive doctrine which claims that people ought to act in their own self-interest.

This study attempts to examine and identify the major unethical scandals in the business world with a focus on the influences of both psychological egoism and ethical egoism. Because of the increase in ethical conflicts faced by famous companies such as Enron, WorldCom, and Ford, business ethics has had a great deal of attention in the last 30 years from academics, the business world, and society in general. The most examined topics in academic studies have been related to the influence of individual attributes such as culture, age, gender, and education on ethical/unethical attitudes. The increasing unethical behavior in the business world has severely affected company stakeholders, forcing legislators in most countries to impose preventative regulations.

This study analyzed the cases from a psychological ethics perspective and identified the unethical behavior, the status and the position of the people involved and how people were affected by the actions in the case. Then, we specified what types of behavior should be adopted in those cases if evaluated from either a normative or ethical egoist perspective. We compared the cases according to what had happened and what ought to have happened. This comparison was based on court decisions arising out of the cases, data collected from company financial declarations and newspaper information regarding the cases. In the next sections of our study, Historical Development of the Term "Egoism," Types of Egoism, Differences between Psychological and Ethical Egoism as well as the influence of the ethical and unethical Actors on the business world is examined and the cases compared in relation to psychological and normative ethics**.** For each case, we examined the historical development, the egoist behavior of the people involved in the cases (especially the egoist actors identified in court decisions) and what normative behavior should have been adopted.

Historical Development of "Egoism"

Because it is at the heart of human rational behavior, attempts to define "egoism" date back to time immemorial. As scholars varied in their examinations of this behavior, classifications are necessary for more in depth research to take place. Thomas Hobbes, for example, has been classified as a psychological egoist because of his book "Leviathan", in which in chapter 14 he stated that "and of the voluntary acts of every man, the object is some good to himself" (Van Mill, 2001). However, Aristotle cannot be totally classified as an ethical egoist because only some of his ideas support egoism, such as "one should always promote one's good to some extent" (Kraut, 1991). In extant literature, Adam Smith described egoism based on the idea that one should give others what they want to get what he/she wants. Egoism in Adam Smith's beliefs is "benefiting others as well as oneself" and "not benefiting oneself at the expense of others" (Yang, 1996). Also a contemporary writer associated with ethical egoism, Ayn Rand, argued in her book *The Virtue of Selfishness* that selfishness was a virtue and altruism a vice, a totally destructive idea that led to the undermining of individual worth (Pojman & Fieser, 2008).

From a contemporary point of view, the term "egoism" is generally used to refer to both a theoretical claim about human disposition and a particular human disposition itself (Peil & van Staveren, 2009). Egoism, in short, involves acting exclusively in one's own self-interest (Jones, Felps, & Bigley, 2007).

Types of Egoism

While there are many definitions for egoism in the both philosophical and ethical literature, overlapping classifications are also found. The dimensions of egoism are generally classified as descriptive and normative and the main types of egoism found in previous research are psychological egoism and ethical egoism. Nevertheless, these types are not mutually exclusive and further academic research may identify new egoist types.

Psychological egoism focuses on motivation and claims that all our ultimate desires are self-directed (LaFollette, 2000). Psychological egoism is a descriptive approach to the study of human psychology and is intended to be an empirically informative and universal thesis purporting to characterize the motives of all human agents on all occasions (Kavka, 1986).

Psychological egoism is the doctrine, whereby the only thing anyone is capable of desiring, or ultimately pursuing as an end in it, is self-interest and people are capable of desiring the happiness of others only when they take it to be a means to their own happiness (Shafer-Landau 2007). According to psychological egoist theory, we have no choice but to be selfish as we are only motivated by what we believe will promote our own interests (Pojman & Fieser, 2008).

Psychological egoism is often confused with ethical egoism. However, ethical egoism theory claims that each person *ought to* exclusively pursue their own self-interest, whereas psychological egoism theory asserts that each person *does* in fact pursue their own self-interest. Further, psychological egoism is not a theory of ethics, but rather a theory of human psychology (Rachels & Rachels, 2007).

Ethical egoism, which has been an issue since the beginning of moral philosophy, is a doctrine which claims that a person should promote their own good (Österberg, 1988). It is considered to be a normative theory of what people ought to do and how they ought to act (MacKinnon, 2010). The moral theory behind ethical egoism does not maintain that every person ought to serve the best interests of *me* specifically, but urges everyone to maximize their best interests (Pojman & Fieser, 2008). When compared to psychological egoism, ethical egoism does not claim that it is impossible to act other than out of self-interest, but that it is a mistake to do so (Nuttall, 2002). Ethical egoism can be classified as weak or strong. Weak ethical egoism is the view that a person is morally obliged to only do something if it serves their self-interest (Shafer-Landau, 2007). Strong ethical egoism, on the other hand, states that the ethical facts that engage a person's will are through a desire for results that do not consider the satisfaction of anyone else's desires (Reeve, 2006). Apart from psychological and ethical egoism there are three other types of egoism discussed in the literature: conditional egoism, rational egoism, and managerial egoism.

Conditional Egoism is a theory which states that egoism is morally acceptable or right if it leads to morally acceptable ends. For example, self-interested behavior can be accepted and applauded if it leads to the betterment of society as a whole, and the ultimate test rests not on acting self-interestedly but on whether society is improved as a result (Moseley, 2005). Adam Smith's *The Wealth of Nations* is an example of conditional egoism, in which Smith outlines the public benefits resulting from self-interested behavior (Moseley, 2005). Also it can be applied as an entrepreneurial theory that advocates that entrepreneurs should be free to maximize business profits if the by-products benefit the whole community. However, this theory has been criticized because there is no guarantee that the accrued benefits are distributed equally in the community (Bowie & Bowie, 2004).

Rational Egoism states that one has a reason to do something if and only if by doing so it serves one's self-interest (Shafer-Landau & Cuneo, 2007). Rational Egoism is a theory about the reasons for an action and states that an agent has a reason to do 'x' in so far as "x" contributes to their own interest, welfare or happiness (Brink, 1989). The main problem in rational egoism is that it appears to be arbitrary.

> "Suppose I claim that I ought to maximize the welfare of blue-eyed people, but not of other people. Unless I can explain why blue-eyed people are to be preferred, my claim looks arbitrary, in the sense that I have given no reason for the different treatments. As a rational egoist, I claim that I ought to maximize the welfare of one person (myself). Unless I can explain why I should be preferred, my claim looks equally arbitrary." (Stanford Encyclopedia of Philosophy).

In rational egoism, the restriction of given ends to only self-interest leads to a further important sense in which the ends pursued are necessarily given, and hence the rationality involved is necessarily instrumental[1] (Ci, 2006).

The final type of egoism identified in the literature is managerial or organizational egoism (Murphy & Laczniak, 2005). According to this theory, managers act exclusively in their own self-interest or in that of their firm; it involves a "consequences for me, benefits for me" principle, so personal self-interest and/or organizational gain is primary. However, this theory has been the target of wide criticism and some academics have questioned whether it is even an ethical theory (Aaker, 2001). Interests of the management of an organization are aligned with the interests of the owners so that the ethical principle underlying managerial egoism is the maximization of shareholder value (Brennan, Canning, & McDowell, 2010).

Differences between Psychological and Ethical Egoism

The main difference between types of egoism is either that it is a descriptive or a normative variant. Psychological egoism has been identified as a descriptive egoism. According to Driver (2006), psychological egoism is descriptive because it is an explanation of how things come into existence. Also Edgar (2002), stressed that psychological egoism was merely descriptive. On the other hand, ethical egoism is a normative theory about what we ought to do and how we ought to act (MacKinnon, 2010). Ethics, similar to religion and law, tries to prevent other individuals from being harmed as a result of our actions by regulating an individual's behavior in society. In psychological egoism, the main concern is "how the individual behavior is developed", whereas in ethical egoism "how an individual should act" as a part of the society is addressed. The differences between these two types of egoism are outlined in Table 1.

1 Instrumental theory: suggesting effective means of achieving common goals (Vedung, 1980).

Table 1
Differences between Psychological and Ethical Egoism

Psychological Egoism	**Ethical Egoism**
Descriptive	Normative
Selfish	Self-interested
Focuses on the person as an individual	Focuses on a person as part of a group
Centers on the effect after it has happened	Debates on action before they it happens
How things are done?	Should (ought to) this be done?
How can it be explained?	Would this action be wrong or right?
How was the action done?	How things ought to be done?
Relies more on empirical scientific research	Addresses philosophical issues and debates

Psychological egoism is the idea that everything human beings actually do is aimed at perceived self-interest and ethical egoism is the idea that human beings always ought to do what is in their perceived self-interest (Continuum Encyclopedia of British Philosophy) and advocates that our only duty is to do what is best for ourselves (Rachels, 1986). Ethical egoism, as opposed to Psychological egoism, is prescriptive in meaning in that it debates on a proposed action before it has occurred and suggests the actions that should be taken (Beyleveld, 1992). So, ethical egoism is a theory about how we "ought" to behave, and psychological egoism is a theory about how we "do" behave as human beings (Pojman & Fieser, 2008). It is possible to say that there is an "is/ought" distinction between two theories (Mizzoni, 2009). If other psychological theories are considered, psychological egoism could be seen to be an empirical scientific theory (Cornman, Lehrer, & Pappas, 1992). Psychological egoism is a doctrine in which the only object of any person's motivation is self-interest while ethical egoism claims that the only good reason anyone has for doing something is self-interest (Van Norden, 2011).

Influence of the Ethical and Unethical Actors on the Business World

When investigating psychological ethics in the business world, it is possible to find many unethical cases, actors, and behavior which can also be evaluated within the scope of ethical egoism.

In the business environment, the "one self" most often refers to the company not to an individual person as a company can be defined in terms of the owners and investors, so maximizing stockholder benefits is regarded as "doing the best for one's self" (Dwyer, 2008). Research has shown that some economists, philosophers and social scientists have developed economic and business models which assume that everyone is self-interested (Duska, 2007). However, according to Adam Smith, people in the business world cannot sustain selfish behavior because this can spread to others, thus reducing overall trust (Jennings, 2014). By applying psychological egoism to this point, however, means that everyone is motivated to fulfill their benefits. However, this may not be always fair as when using some standards of goodness or well-being, people do not always aim to benefit only themselves (Machan & Chesther, 2002). Ethical Egoism, on the other hand, is defined as the promotion of one's own good if this is in accordance with morality, and therefore is a more appropriate theory for the business world as it is a normative theory which aims to protect profitability. Yet, if this company self-interest is too great, other people or companies can be affected in a negative way (Roa, 2007).

There are some external and internal factors affecting the ethical or unethical beliefs and attitudes of professionals in the business world. Inflation, globalization, and cultural changes are the most important external factors, while some individual or organizational factors may internally affect behavior and beliefs. Financial difficulties, the organizational climate and the egoist intentions of different level managers and employees can be affective internal factors. The egoist tendencies of professionals from outside the business environment such as external auditors and bank officials can also affect these attitudes.

Different egoist tendencies lead people to behave as an individual or as a member of a group in all issues related to business. Sometimes, financial authorities or decision makers such as officers, managers or auditors behave under the influence of an individual egoist attitude. For instance, corporate audit committees usually meet only a few times a year, and their members typically have only a modest background in accounting and finance. They rely on information from management as well as internal and external auditors. If management is self-seeking and fraudulent, the audit committee may not be able to unveil the financial problem quickly enough (Healy & Palepu, 2003). If the most prominent concern is to make profit, some department managers may behave in favor of the top manager or shareholders in order to appear conciliatory or to maintain their position and may not give overtime payments to employees. Some audit firm's officers or bank officers remain blind to a company's financial embarrassment in order to be employed as a manager in that firm in the future. Government officials or members of parliament can enact legislation to favor some big companies by providing financial benefits. Most stakeholders can be influenced by the results of these egoist attitudes and behaviors. Employees may not receive their due rewards or investors may make wrong investments resulting in these firms going bankrupt with many employees losing their jobs. Furthermore, managers are generally role model for others, so if they behave to serve their own ends, others will follow them infecting the entire organization with an unethical climate.

Method

In this study six business case studies from different sectors which have had a great impact on society are analyzed in terms of psychological egoism (what is the unethical behavior?) and ethical egoism (what -ought to be done- should have been done?). The Enron, Worldcom, Wal-Mart, Parmalat, Ford & Firestone, and Microsoft cases are explained in detail.

All selected cases are focused on very large firms and the egotistical behavior of people working in similar stages and the egotistical behavior resulting from the consequences of the crisis which influenced stakeholders are investigated. We collected data regarding the companies' financial situation before the respective crises and as part of our investigation into the egoistic behavior of these firms, we have highlighted the signals given to the people who caused the crisis, and examined the court decisions against those responsible as well as the size of the damage caused. Post-crisis, we also examined the firms' financial statements to understand the size of the event. Data used to determine the egoistic behavior of the responsible actors in the cases were collected from the firms' financial statements, newspapers, periodicals, and court decisions. The common features of each of the selected cases were that the effect of the crises was huge, the firms were from different sectors, the egoist behavior of the responsible managers was generally similar and the results of this egoist behavior were the same.

The main source for this study was the data collected from newspapers about the cases at the time of the events. Some supporting data were collected from the company' own websites and the court decision reports about the cases were included to elucidate insights into the events. The data were mainly collected through internet searches (such as company websites and court decision websites), books, and newspapers. During the data collection, the repeating data was eliminated. In particular, data about the individual characteristics and behavior of the stakeholders in the companies were considered.

The aim of the study was determine the type of egoist actions practiced during the events. Therefore, the stakeholders of the companies as well the shareholders were analyzed in terms of how they acted and how they were affected. For each case, we generally classified the stakeholders as the CEOs (top management), financial management, external auditing firms/share analyst/rating firms, workers, investors, the media, the government, and politicians. We attempted to classify which parties were the egoist actors and which parties were mistreated. The other aim of the study was to highlight which behavior could be considered a result of psychological egoism and, in reference to ethical egoism, what should have been done.

Analysis and Findings

Case I: ENRON

Brief History of the Enron Case

The deregulation of the US energy markets in 1985 saw the merging of Internorth and Houston Natural Gas to create Enron. Prior to this, Enron's managers had been largely involved in helping make decisions by putting pressure on governments to be first to enter this monopolistic market. To effectively achieve this, they formed close relationships with private auditing firms and the government by frequently changing staff. Most of the workers in an external independent auditing firm were transferred to the Enron and the government staff involved in critical decision making about Enron were then subsequently employed by Enron after they had completed their duties at their respective Government institutions. As a result of these close personal relationships and the liberalization policies of the government, many new opportunities arose for the firm. Enron's growth rate accelerated after the firm enlarged its business activities, which ranged from coal, paper, paper pulp, plastic, to the fiber optic cable sector (Karakaş, 2008, p. 44).

At the same time Enron was the pioneer in selling and hedging energy and water shares and bonds. Enron became a huge *"market-maker"* as a broker for energy products in the US and had the monopolistic power to act alone (McLean & Elkind, 2007, p. 75). Under these circumstances, the company signed numerous agreements with its agents on energy supplies and purchasing volumes. As a result of taking high risks in the energy products market and succeeding, Enron made massive profits in a short time, thus garnering support and prestige. As a result, in just 15 years it metamorphosed into America's seventh largest company, employed 21,000 staff in more than 40 countries, and by the end of 2001 had 40,000 km and 10,000 km of natural gas lines in North America and South America respectively and 15–20 thousand km of fiber optic lines. At its zenith, Enron was valued at 70 billion US Dollars, which after the scandal fell to only 450 million US Dollars (Togay, n.d.).

Evaluation of the previous research reveals that the main reason for the scandal was the ethical climate in and around the company. Earley and Kelly revealed that the "negative aspects of the ethical climate or culture within Andersen played a pivotal role in its demise." (2004, as cited in Koumbiadis, Conway, & Gupta, 2009). Koumbiadis et al. (2009) also stated that an egoistic-individual climate encourages individuals to make ethical decisions mostly in their self-interest. Bowen and Heath (2005) evaluated the Enron collapse as a case example and demonstrated why legal standards should never be used as a substitute for ethical principles. According to O'Hara (2010), recent organizational failures like Enron are a result of management misbehavior, whereby managers are guided by self-interest, and thus use any means to achieve their selfish ends.

Table 2
Psychological Egoism and the Ethical Egoism Evaluation of the Enron Scandal

Egoist Actor/s (Agent/s)	The Psychological Egoism Egoist Behavior	Patient(s)	Affected Status	The Ethical Egoism Normative Behavior
CEO-1	Fraud, False Statements	Investors, Employees	The outstanding Enron debt wiped out the equity of its shareholders that had been reported as $11 billion as 2001 began. Over 5,500 Enron employees were laid off. The total cost of the scandal was 63.4 billion USD.	Obey the legal rules and legislation
CEO-2	Conspiracy, securities fraud, false statements, insider trading			Comply with the legal rules and legislation
Finance Manager	Conspiracy, wire fraud, securities fraud, false statements, insider trading, and money laundering			Obey the legal rules and legislation
External Auditing Firm	Lack of transparency, mutual relationships, preventing investigation			Conforms with the legal rules and legislation, transparency, professional relationship
Share Analyst's	Lack of independency			Obey the legal rules and legislation, independency
Rating Firms	Lack of transparency, mutual relationships			Matches the legal rules and legislation, transparency, professional relationship
Investors	Greed, lack of analyses			Rationality and gratitude
Media	Confuse public and investors opinion			Honesty
Government	Create supporter			Fair, independent
Government Institutions	Working ineffectively			Working effectively, be powerful and have sanction
Politicians	Conducting mutual relationship			Professional relationship

Source: (Bierman, 2008; Ekodialog, n.d.; Karakaş, 2008; Markham, 2006; Togay, n.d.).

Egoist Actor/Agency(s)

Managers: As can be seen in Table-1, many actors and/or agencies were responsible for the bankruptcy of the Enron, with the main culprits being the CEOs. The psychological egoist theory states that in this case the *CEO's misled investors by fraud related crimes such as false statements, securities fraud and insider trading, and manipulated income*. Both CEO-1 and CEO-2 argued in their fraud and conspiracy trials that no fraud occurred at Enron other than the self-dealing of the Finance Manager (FM). However, the FM linked both CEOs to the fraud as both had either participated in or approved of the fraudulent schemes or lied to investors about Enron's financial strength to maintain an illusion of success (Hays & Fowler, 2006).

***CEO-1 Conviction*:** CEO-1 repeatedly stated that the FM betrayed his trust and helped undermine the company, which had collapsed into bankruptcy proceedings in December 2001 (Associated Press, 2006). However, CEO-1 was found guilty on May 25, 2006 on all six counts related to the Enron fraud, which included conspiracy to commit wire fraud, perpetrating wire and bank fraud, as well as making false and misleading statements to employees at a company meeting, as well as to banks, securities analysts, and corporate credit-rating agencies (Public Citizen, citizen.org).

***CEO-2 Conviction*:** He truly believed Enron was in great financial shape and that they had been duped by the FM and others (Taub, 2006). He was sentenced to prison for 24 years and 4 months. Appealing his conviction, he was found guilty on May 25, 2006, of 19 of the 28 counts accusing him of insider trading, securities fraud and conspiracy. Unfortunately, he died before the court decision.

The second responsible actor was the Finance Manager (FM). The FM was found to be responsible for wire fraud, securities fraud, giving false statements, insider trading and money laundering.

***FM Conviction*:** Enron's now-imprisoned former finance chief testified that many of the banks' transactions were contrived and deceptive deals had been done solely to create a false appearance of profits and cash flow (Glovin et al. n.d). The FM said that he needed to "get as much juice" as he could. Further, the FM recalled CEO-2 saying that they were using the equity to "juice Enron's earnings," in order to "report as much earnings as we want" (Barrionuevo et al., 2006).

Facing 98 counts in January 2004, the FM pleaded guilty to conspiracy to commit wire fraud and conspiracy to commit wire and securities fraud. At his Sept. 26 sentencing, he was sentenced to six years in prison, surprising legal experts and others who expected the mastermind of Enron's financial schemes to get the full 10 years agreed to in his plea bargain. However, with no dissenting opinions from the prosecutors, the U.S. District Judge Kenneth Hoyt said that the FM deserved mercy and handed down a lesser sentence. Before the sentencing, lawyers had praised the FM's cooperation in helping the government build criminal cases against the former Chairman and former CEO (Hays & Fowler, 2006: Togay, n.d.).

External Auditing Firm and the Share Analyst Rating Firms: The external auditing firm and Enron developed a mutual non-transparent relationship despite the fact that an external auditing firm's role is to oversee and advice on the legalities of the finances. Arthur Andersen was charged with and found guilty of *obstruction of justice* for the shredding of thousands of documents and the deleting of e-mails and company files that tied the firm to its audit of Enron (Thomas, 2002). Although only a small number of Arthur Andersen employees were part of the scandal, and the SEC is not permitted to accept audits from convicted felons, the firm was effectively put out of business by surrendering its CPA license in mid-2002, leading to the consequent loss of jobs of many employees (Alexander, Burns, Manor, McRoberts, & Torriero, 2002; Rosenwald, 2007). Even though the Supreme Court exempted Andersen and gave permission to resume operations, the damage to Andersen's reputation was so great that it was not possible to return as a viable business even on a limited scale (FOX News, 2005a).

The share analyst's lack of independence in the issuing of biased reports about Enron misled investors.

The rating firms' non-transparent mutual relationship with Enron resulted in over-optimistic ratings which severely misled investors.

After the scandal, trust for external auditing firms lessened and eventually completely dissolved. Many rules and regulations were put in place by the government to protect the public and investors from misleading information coming out of external auditing firms, share analyst reports and rating firms to prevent the risk of new scandals.

Government: All parties in power wanted to create support but needed money to do so. The mutually supportive relationship that developed between Enron and some members of the Government reflected badly on the perceived government independence.

Government Institutions: The regulatory and supervisory authority of the government Institutions did not work effectively as they did not have enough sanctioning power. Therefore, there were no timely interventions or effective sanctions put in place against Enron.

P**oliticians:** Some politicians and Enron management entered into a mutually beneficial relationship which assisted both parties.

Media: Media bias was also evident in the reporting on the case, which confused people as to the truth. Credible evidence was found that indicated that some highly regarded columnists wrote in favor of the Enron Company, with some receiving high payments for their loyalty. Such media stories confused both the public and the investors.

Investors: Many investors, most of whom were Enron workers, invested most of their savings into Enron shares without any deep analyses. The investment decisions were made according to the image of the firm rather than through any rational evaluation such as an assessment of the firms' physical assets.

Patient(s) and Affected Status of Them

As described above, because of the behavior of the egoist actor(s) or agency(s), the outstanding Enron debt wiped out shareholder equity, which had been reported as $11 billion at the beginning of 2001. The 80 USD per share price began to fall dramatically to bottom out at 0.20c USD by the end of February 2002. Over 5,500 Enron employees were laid off, and since most of these workers had invested their savings in Enron shares, they basically lost everything. Brian Durbin, 38, a Houston electrical engineer who lost several thousand dollars on Enron stock said that he was representative of the little-guy investor and claimed that though he had lost money on other investments, this is the only loss which was a result of outright fraud. (Glovin et al., n.d.). Workers at the court said felt that CEO-2 was a thief and a liar (BBC Turkish.com, 2006).

Total cost of the scandal was 63.4 billion USD. In short, investors and employees were the most negatively affected patients of the egoist's behavior.

Normative Behavior

If the behavior of the egoists involved in this case is examined in the light of the normative behavior ethical egoist theory, if they had behaved ethically, there should have been no harm done to either investors or employees. First of all, the CEO(s), the FM, and the external auditing, share analyst and rating firms should have obeyed the rules and regulation. Independent firms should be transparent and professional in their transactions. Share analysts should be independent and rating firms should be transparent in their dealings with a firm.

Governments should also be fair and independent, so as to be able to effectively enforce the rules and regulations. Government Institutions should have the sanction power to work effectively and proactively protect patient(s).

Politicians should be professional and independent from other parties. The media, and especially columnists who have great influence over public opinion, should be honest and present the truth. Finally, investors and lot buyers need to approach investment rationally to maintain share price stability, and, rather than focusing on speculative investments and earnings, they should target stable companies which can guarantee earnings.

In this Enron Case, the managers, both CEOs and the FM were responsible for the egoist actions. Other responsible agents were the external auditing firms, the share analyst rating firms, the government and government institutions, politicians, media, and investors. Egoism can be seen to be a common unethical behavior that can damage all stakeholders. In the Enron case we consider the patients to be the shareholders, investors and employees affected by the egoist behavior. In this case, also, the general US economy lost greatly in terms of both material losses and moral trust. The normative behavior of the CEO(s), FM, the external auditing firm, and share analyst and rating firms required them obey the legal rules and regulations. Independent firms, such as share analysts and ratings firms must be transparent and professional in all transactions. Governments should also be fair and independent so as to be able to effectively enforce the rules and regulations. Government Institutions should have the sanction power to work effectively and proactively protect patient(s). Politicians should be professional and independent from other parties. The media, and especially columnists who have great influence over public opinion, should be honest and present the truth. Finally, investors and lot buyers need to approach investment rationally to maintain share price stability and, rather than focusing on speculative investments and earnings, they should target stable companies which can guarantee earnings.

Case II: WORLDCOM

Brief History of WorldCom

WorldCom was established as a small size firm in 1983 and at first operated telephone services. The business policy of the firm was to grow through the signing of profitable joint venture agreements with small or medium companies. As a result, the firm grew rapidly and reported high revenues (Riskekonomi, 2010). However, as a result of rushed infrastructure building based on the internet growth such as fiber optic networks, there was a vast oversupply of telecommunications capacity in the sector, severely affecting WorldCom operations. As a result of reduced demand and the ending of the dot/com boom, the economy entered recession causing WorldCom and others to have problems. For example, revenues declined to below expectations, while the debt taken on through the financial mergers and infrastructure investment grew. As a result, investors in WorldCom suffered major losses, with the market value of the company's common stock falling from about $150 billion in 2000 to less than $150 million in 2002" (Lyke & Jickling, 2002).

The literature about the WorldCom case also outlined that there were unethical practices involved. Koumbiadis et al. (2009) stated that there was an "embarrassment caused by the scandals of corporations and accountants" in regards to WorldCom. According to O'Hara (2010), managers of companies can be self-interested while also working for the self-interest of the company's shareholders.

Table 3
Psychological Egoism and the Ethical Egoism Evaluation of the WorldCom Case

Egoist Actor/s (Agent/s)	The Psychological Egoism Egoist Behavior	Patient(s)	Affected Status	The Ethical Egoism Normative Behavior
CEO	Fraud, conspiracy, filling false documents	Investors, Customers, Employees, Competitors	Total asset value was 107 billion US$. More than 20 million customers. 65 Branches all over the world and 85 thousand workers. Share value dropped to 9 cents from 64 US$ at 1999. WorldCom stated that it would cut 17,000 of its 85,000 employees	Obey the legal rules and legislation, should considered his firm's profitability
CFO/Finance Manager	Securities fraud, conspiracy, filling false statements			Conforms with the legal rules and legislation
Former Controller	Securities fraud, conspiracy, filling false statements			Obey the legal rules and legislation
Former Accounting Director	Conspiracy, Fraud			Complies with the legal rules and legislation
Former Accounting Managers	Conspiracy, securities fraud			Obey The Legal Rules And Legislation
External Auditing Firm	Lack of auditing, mutual relationship			Matches the legal rules and legislation, professional relationship
Bank Managers	Condone profitable subsidiary agreements of the firm			Crediting by investigating Financial Statements
Government	Conducting mutual relationships, prevent regulator authorities to do their task			Operate the legal rules and legislation fairly, be independent
CEO	Fraud, conspiracy, filling false documents			Obey the legal rules and legislation, should considered his firm's profitability
CFO/Finance Manager	Securities fraud, conspiracy, filling false Statements			Tries to fit with the legal rules and legislation
Former Controller	Securities fraud, conspiracy, filling false statements			Obey the legal rules and legislation

Source: (Ackman, 2002; Lyke & Jickling, 2002; Ntvmsnbc, 2002; Radikal Gazetesi, 2002; Riskekonomi, 2010; Vasatka, 2007).

Egoist Actor(s)/Agency(s)

Managers: Managers at all levels were responsible for the bankruptcy of WorldCom. The most responsible actors were the CEOs. According to psychological egoist theory, the CEOs misled the investors by fraud related crimes, such as conspiracy, filing false documents (statements), and securities fraud (See Appendix 2 for Southern District of New York commitments against the managers).

External Auditing Firm: The external auditing firm and WorldCom developed a non-transparent mutual relationship as in the Enron case. Despite the auditing role of the external auditing firm, they also offered financial advice to WorldCom.

After the scandal, many rules and regulations were passed against external auditing firms to prevent a recurrence of the risk of new scandals. As a result of the Enron and WorldCom cases, trust for external auditing firms decreased significantly.

Bank Managers: The ordinary credit procedures of banks are to deeply analyze a firm's financial statements and evaluate the assets and liabilities before issuing credit. However, in this case, WorldCom signed many agreements with its subsidiaries and the bank management approved credit for these seemingly profitable subsidiary agreements.

Government: All parties in power want to rally support, which needs financing. By mutually supporting WorldCom, the Government broke their independence and preventing the regulatory authorities from carrying out their tasks effectively.

Affected Status of Patient(s)

As outlined in Table-3, the total cost of the bankruptcy was $107 billion which was the largest failure in U.S. history. After the June 25th announcement, WorldCom stated that it would cut 17,000 of its 85,000 employees. WorldCom employees who held company stock in their retirement plans also suffered losses. The results of the accounting irregularities led to a massive decrease in share prices. As the scandal was exposed, when the WorldCom share prices fell, those of competitive companies were also negatively affected.

Normative Behavior

According to the ethical egoist normative behavior, the egoists cannot create harm for investors, customers, workers or competitors if they were behave ethically. First, the CEO, CFO, the Former Controller (internal) of the firm, the former Accounting Director, the former accounting managers and the external auditing firm should obey the legal rules and regulations. The CEO should also consider the firm's profitability instead of their own profitability. At the same time, the external auditing firm should have a professional relationship with customers like WorldCom.

Banks, as a main financer of companies like WorldCom, should conduct more in-depth investigations of financial statements to ensure financing is being given for rational investments.

The government should independently oversee the legal rules and regulations to proactively protect the patient(s).

For WorldCom managers, the external auditing firm, the bank managers, and the government are responsible for the unethical egoist behavior. The patient(s) and the affected were mainly employees and competitive companies. According to the ethical egoist normative behavior, egoists should not cause harm to investors, customers, workers or competitors. First of all, the CEO, the CFO, the former controller (internal), the former accounting director, the former accounting managers and the external auditing firm should obey the legal rules and regulations. The CEO, instead of their own, should consider the firm's profitability. At the same time, the external auditing firm should have a professional relationship with customers like WorldCom. Banks, as the main financers of companies like WorldCom, should conduct more in-depth investigations of financial statements to ensure financing is being given for rational investments. The government should independently oversee the legal rules and regulations to proactively protect the patient(s).

Case III: WAL-MART

Brief History of the Wal-Mart Case

Wal-Mart commenced business in 1962. The main growth strategy of the firm was to decrease operating costs and sell products at a lower price. To achieve this goal, the managers underpaid employees and/or had high staff turnover.

Wal-Mart had business enterprises in 28 countries and had more than 9.759 retail units. In 2010, the total sales volume was $405 billion, with around 2.1 million employees around the world (Wal-Mart Corporate, n.d.).

Over the last decade or so, Wal-Mart has been involved in thousands of lawsuits. The majority of the suits have been "class-action lawsuits" in which employees are suing for unpaid wages" (The Affiliate Millionaire, n.d.). Some of the suits have also gravitated towards racial tendencies as well as gender discrimination. For example, two African-American truck drivers filed federal lawsuits against Wal-Mart Stores in Arkansas, arguing that the company had discriminated against them by denying them jobs because of their race. The discrimination claims were the latest employment-related legal problems confronting the company. Wal-Mart is also contesting a sex discrimination class-action suit filed in 2001 (Glater, 2005). According to T.A. Frank (2006), the company keeps its payroll costs down by paying women less than their male counterparts for performing the same work. Evidence also exists that it failed to promote women at the same rate as men. In 2000, a female employee at a California Wal-Mart who found herself denied promotions filed a sex-discrimination suit. That case now involves nearly two million women, and, in 2004, it was certified by Judge Martin J. Jenkins, of the United States District Court in San Francisco as a class action. Discrimination is a difficult thing to prove, but the figures in the case do not look good. According to numbers compiled in 2003 by the plaintiffs, female store managers averaged slightly under $90,000 in annual income, while their male counterparts averaged slightly over $100,000. While women make up 79 percent of the store's department heads (an hourly position), only 15.5 percent are store managers. Judge Jenkins offered a strongly-worded assessment of the evidence: the plaintiffs present largely uncontested descriptive statistics which show that women working at Wal-Mart stores are paid less than men in every region, that pay disparities exist in most job categories, that the salary gap widens over time, that women take longer to enter management positions, and that the higher one looks in the organization the lower the percentage of women. Wal-Mart has argued that most of the decisions about hiring and promotion are decentralized. The plaintiffs contend, however, that a company in which the headquarters chooses to regulate certain regional minutiae, such as individual store temperatures, also has the capacity to keep an eye on gender issues (Frank, 2006).

Table 4
Psychological Egoism and the Ethical Egoism Evaluation of the Wal-Mart Scandal

Egoist Actor/s (Agent/s)	The Psychological Egoism Egoist Behavior	Patient(s)	Affected Status	The Ethical Egoist Normative Behavior
CEO-1	Sex discrimination, mobbing	Workers	Inequality, become low-spirited, low payment	Be fair to workers
CEO-2	Sex discrimination, mobbing, use illegal immigrants as workers			

Source: (CNNMoney, 2003; Frank, 2006; Glater, 2005).

Egoist Actor/Agency(s)

Managers: From the beginning of Wal-Mart history, the firm had many complaints, such as class action lawsuits, racism, and sex discrimination. The main reason for such behavior was to keep operating costs low by having a low wages policy so they could sell products cheaper than the competitors. Both CEO-1 and CEO-2 were accused of discriminating against women. Women were denied the training and promotion opportunities offered to men. In addition, women were underpaid compared to men. Further, Wal-Mart was under investigation for the use of illegal immigrants. According to CNNMoney (2003), Federal officials raided Wal-Mart stores across the United States and arrested about 250 illegal immigrants working as cleaning crews at 61 stores in 21 states. Federal agents picked up undocumented workers from Mexico, Eastern Europe and other countries who were employed by several contractors used by the world's largest retailer. Many of those arrested in the crackdown, which officials called "Operation Rollback," were coming off night cleaning shifts at various Wal-Mart stores. Businesses that employ undocumented workers often pay low wages and offer few or no benefits (CNNMoney, 2003).

Wal-Mart Stores Inc. (WMT), the world's largest retailer, escaped criminal charges when it agreed to pay $11 million, a record fine in a civil immigration case to end a federal probe into its use of illegal immigrants as janitors. Additionally, 12 businesses that provided contract janitor services to Wal-Mart will pay $4 million in fines and plead guilty to criminal immigration charges Wal-Mart's shares edged down 73 cents, or 1.4 percent, to $51.60 on the New York Stock Exchange (FOX News, 2005b).

The largest employee class-action lawsuit in U.S. history will not go forward, the Supreme Court ruled Monday, marking a major victory for Wal-Mart Stores while frustrating the plaintiffs, who were trying to include as many as 1.6 million females in the sex discrimination case.

The court agreed unanimously that the litigation could not proceed as a class action in its current form, reversing a decision by the 9th U.S. Circuit Court of Appeals in San Francisco. The court split along 5–4 lines over whether the group presented a common claim in seeking an injunction that would have forced the retailer to change its employment practices (FOX News, 2011).

Patient(s) and Their Affected Status: The vast inequalities in the running of Wal-Mart resulted in low-spirits as in the case of the sexually discriminated women and low performance because of the low wages. Employing immigrant workers also caused the wages of ordinary workers to drop or they lost their jobs. One of the reasons for Wal-Mart low wages was they wanted to cut operating costs and they wanted to continue offering low prices.

Normative Behavior: According to the Ethical egoist normative behavior, the egoists would not cause harm to workers if they were behaving ethically. First of all, both CEOs should be fair to their workers and try to pay appropriate wages instead of using cheap immigrant labor.

In the Wal-Mart Case the egoist actor/agency(s) were the managers. The patient(s) and the affected suffered from low-spirits as in the case of the sexually discriminated women and low performance because of low wages. Also employing immigrant workers caused the wages of ordinary workers to drop or they lost their jobs. According to the ethical egoist normative behavior, egoists should not cause harm to workers if they were behaving ethically. First of all, both CEOs should be fair to their workers and pay appropriate wages instead of using cheap immigrant labor.

Case IV: PARMALAT

Brief History of Parmalat

Parmalat is a multinational Italian dairy and food corporation. Parmalat was one of the leading companies in the production of ultra-high temperature (UHT) *milk* in the world. The company collapsed in 2003 with a €14 billion deficit in its accounts (BBC, 2003), the biggest bankruptcy in European history (BBC, 2008). For years Parmalat had concealed its true financial conditions from investors and financers by preparing false revenue statements, manipulating the share price, hindering auditing and preserving accounts at its offshore companies. In the literature, the Parmalat case was shown to be the result of unethical tactics to cover the debts by using other entities and false documents (Winkler, 2008).

Table 5
Psychological Egoism and Ethical Egoism Evaluation of the Parmalat Case

Egoist Actor/s (Agent/s)	The Psychological Egoism Egoist Behavior	Patient(s)	Affected Status	The Ethical Egoism Normative Behavior
Owner	Financial fraud, false statement, manipulating, autocratic leader, non transparency	Suppliers, Employees,	Suppliers were not able to get their money back. Over 15.000 Parmalat Employees laid off.	Obey the legal rules and legislation
Board of Directors	Mutual Fraud	Investors	Lost the savings of about 135,000 shareholders, savers, and investors. Total cost of bankruptcy was €14 billion.	Comply with the legal rules and legislation
External Auditing Firm	Misleading, mutual relationship, preventing investigation			Obey the legal rules and legislation

Source: (BBC, 2003; Hooper & Milner, 2003; Sverige, 2004a, 2004b)
Egoist Actor(s)/Agency(s)

Owner / (CEO): The first and most responsible egoist actor in the Parmalat scandal (Ntvmsnbc, 2003) was the owner of the firm. There were thirteen people on the board, ten of whom were members of the family. The management regime was not transparent and the other three board members were ineffective in the decision process. The actors that had decision making privileges in the company went to trial in Milan and the owner (CEO) were sentenced to 10 years in prison for fraud (BBC, 2008).

Board of Directors/Senior Managers: The other senior managers were not able to take the necessary actions against the autocratic management regime. As a result of their silence, many people lost their savings (Sverige, 2004a, 2004b).

External Auditing Firm: The firm was not auditing the accounts sufficiently. They did not realize the problem at the beginning nor take proactive action (Fluendly, 2008).

Patient(s) and Affected Status

Suppliers: The raw material supplier firms were negatively affected by the scandal because they were not able to receive payment for the raw materials they had already delivered (Hooper & Milmer, 2003).

Employees: As 15,000 Parmalat workers lost their jobs, they were the main negatively affected patients (Sverige, 2004a, 2004b).

Investors: More than 135,000 shareholders, savers and investors were cheated and their stock became worthless and at least 40,000 were seeking compensation (BBC, 2008).

Normative Behavior

Owners should obey the legal rules and regulations. Every member of the board should have equal voting rights and the decisions should be transparent. A well-coordinated auditing mechanism, both internal and external, should have been established. The board of directors should have been democratic and made decisions for the benefit of the all stakeholders rather than the owners only.

In the Parmalat case the egoist actor(s)/agency(s) were the owner/(CEO), the board of directors/senior managers, and the external auditing firm. The patient(s) affected were the suppliers, employees, and investors. Normative behavior owners should obey the legal rules and regulations. Every member of the board should have equal voting rights and the decisions should be transparent. A well-coordinated auditing mechanism, both internal and external, should have been established. The board of directors should have been democratic and made decisions for the benefit of the all stakeholders rather than the owners only.

Case V: FORD-FIRESTONE

Brief History of Ford-Firestone

Ford Motor Company, an American automaker company, is the world's fourth largest automaker firm based on worldwide vehicle sales. Bridgestone/Firestone, Inc., which is a company based in Nashville, Tennessee, has been in the business of making tires since 1900. Harvey Firestone founded the Firestone Tire & Rubber Company in Akron, Ohio in 1900.

According to the mutual agreement between the two companies, Firestone had been producing tires for Ford for years. In 2000, the Ford Explorer's rollover accidents attracted attention and the NHTSA (National Highway Traffic Safety Administration) started investigations against Ford-Firestone. When the investigation started both firms blamed each other (Bisnar, 2007). By the end of 2000, 500 incidents had been associated with the "defective" Firestone tires on the Ford Explorers. The death toll was estimated at more than 100. The consequences of these accidents resulted in Firestone recalling 6.5 million tires in the United States.

According to Naughton and Hosenball (2000, as cited in Schwartz & Carol, 2003) Firestone as well as Ford, appeared to be operating on a purely economic basis regarding the tire blowouts and rollovers. Schwartz and Carol (2003) defined purely economic activities as having a direct or indirect economic benefit, being illegal (criminally or civilly) or passively complying with the law, and are considered amoral or unethical (other than those based on egoism, i.e., the corporation's best interests).

Table 6

Psychological Egoism and Ethical Egoism Evaluation of the Ford-Firestone Case

Egoist Actor/s (Agent/s)	The Psychological Egoism Egoist Behavior	Patient(s)	Affected Status	The Ethical Egoism Normative Behavior
CEO and Owners of the Ford	Greed, conceal problem, lack of transparency.	Customers,	By the end of 2000, 500 incidents had been associated with the "defective" Firestone tires on the Ford Explorers. The death toll was estimated at more than 100 people.	Tackle the problem in initial stages. Be transparent
CEO of the Firestone	Insensitivity against employee's problems.			Should respect the workers' rights.
Government Institution	Working Ineffectively	Society,	More people died because of the late start to the investigation.	Working effectively, be powerful and have sanction
		Environment	The consequent burning of the tires produced hydrocarbons and black adversely affecting the environment.	Should respect the environment

Source: (Levin, 2000; Public Citizen and Safetyforum.com, n.d.; Venette, Sellnow, & Lang, 2003).

Egoist Actor(s)/Agency(s)

CEO and President of the Ford: Ford's CEO concealed the problems to continue operations and failed to find solutions when initially advised of the problem (Public Citizen and Safetyforum.com, n.d.). The CEO of Ford claimed that he did not know about the problem until a few days prior to the announcement of the recall because "tires are the only component of a vehicle that is separately warranted." He insisted that his company had "virtually pried the claims data from Firestone's hands and analyzed it." Ford had failed to obtain the tire warranty data as they had done for the brakes, transmissions and other parts of a vehicle (CNNMoney, 2000).

CEO of the Firestone Firm: Firestone firm's CEO also profited by not preventing a prolonged strike and hiring unqualified non-union workers (Levin, 2000). Further, they failed to protect their tire quality.

National Highway Traffic Safety Administration (Government Institution): The NHTSA did not react or take the necessary steps to prevent the high rate of fatal accidents. Instead, of being proactive, they only acted after the event, which resulted in higher deaths and injuries (Venette et al., 2003).

Patient(s) and Affected Status of Them

Customers/Society: As a result of the mistakes of the responsible parties such as the late investigation and the hiring of unqualified non-union workers to assemble the low quality tires, customers had many accidents (Nathan, 2000). By the end of 2000, 500 incidents had been associated with the "defective" Firestone tires on Ford Explorers. The death toll was estimated at more than 100 people (www.ford.com 2000).

Environment: When Firestone recalled its tires they burned them, which caused excessive pollution, damaging the environment. Burning tires produces hydrocarbons and black smoke which not only affects air quality but also contributes to ozone layer damage. (Kentucky New Era Newspaper, 2000).

Normative Behavior

The Explorer had had many technical problems but Ford did not postpone the launch date. The owners should have first resolved the Explorer's technical problems before the launch to ensure the customer safety guarantee. Both firms should have tackled the problem in the initial stages. Firestone should have focused on quality to produce safe vehicles for customers. At the same time both firms should have respected the environment. Further, the National Highway Traffic Safety Administration (NHTSA) should not have waited until a TV program to launch the investigation, but should have acted proactively.

In the Ford-Firestone case the egoist actor(s)/Agency(s) were the CEO and President of Ford, and the CEO of Firestone. The patient(s) affected were the customers/society and the environment. Normative behavior owners should have first resolved the Explorer's technical problems before the launch to ensure the customer safety guarantee. Both firms should have tackled the problem in the initial stages. Firestone should have focused on quality to produce safe vehicles for customers. At the same time both firms should have respected the environment. Further, the National Highway Traffic Safety Administration (NHTSA) should not have waited until a TV program to launch the investigation, but should have acted proactively.

Case VI: MICROSOFT

Brief History of Microsoft

Microsoft Corporation is a multinational corporation headquartered in Redmond, Washington, USA that develops, manufactures, licenses, and supports a wide range of products and services. Microsoft controls 90% of the software market in the world and thus is virtually a monopoly. With this monopolistic power, it did not allow other firms to develop in the market and they limited the development of the rival companies such as Apple, Java, Netscape, and Google. There were many cases against Microsoft which focused on their monopolistic behavior. On November 5, 1999, a federal judge issued findings which declared that Microsoft had indulged in monopolistic behavior and had used this power to harm consumers and crush competitors (Petechuck, 2005).

In previous literature some evidence is reported about Microsoft's egoistic practices. O'Hara (2010) stated that the "Microsoft Corporation is reportedly lobbying at local, national, and international levels against laws supportive of open source software" which it considers as a major threat to its sales of desktop Windows operating systems.

Table 7
Psychological Egoism and Ethical Egoism Evaluation of Microsoft

Egoist Actor/s (Agent/s)	The Psychological Egoism Egoist Behavior	Patient(s)	Affected Status	The Ethical Egoism Normative Behavior
CEO and Chairman of the Microsoft Firm	Unfair competition, monopolization opportunism	Competitors	Used its monopoly power to sabotage competition	Fair competition.
Politicians	Conducting mutual relationship, accepting unfair donations.	Customers	Financial loss	Professional relationship
Government Institutions	Working ineffectively			Working effectively

Source: (Brinkley & Lohr, 2001; CNET News, 1998).

Egoist Actor(s)/Agency(s)

CEO: The CEO of the firm was the first egoist actor as he used his power to encourage unfair competition. He did not allow other companies to write programs for Windows. This egoist behavior made Microsoft into a monopolistic power in the computer world, from which it richly profited.

Politicians: The second egoist actors in this case were the politicians as they accepted legal bribes (CNET News, 1998) to cover-up Microsoft's unethical trials. According to Edward Roeder, Microsoft had contributed heavily to the Republican Party's election campaigns, even contributing 75 percent of its 56 million dollars a year to promote an unprecedented campaign to influence antitrust policy and escape from the trial (Velasquez, 2006).

Government Institutions: However, even though the European Union had commenced investigations in 1997 into Microsoft's monopoly power (Velasquez, 2006), generally government institutions neglected to prevent the monopolistic actions of Microsoft.

Patient(s) and Affected Status of Them

Competitors: Rival firms were harmed financially because of the unfair competition. If a free market system is to work effectively competitors must be able to compete equally.

Customers: Monopolies mean that customers have to pay more for the unique products. In a free market system consumers wants to use their "right to choose" when purchasing goods and services.

Normative Behavior

The CEO and Chairman should have acted according to the rules of a *Free Market System*. They should have had a responsibility to their customers to sell well made, reasonably priced products. Microsoft should have acted fairly and allowed rivals into the market for the good of the customers. Politicians should never accept bribes and should be honest with everyone.

In the Microsoft case the egoist actor(s)/agency(s) were the CEO, politicians and government institutions. The patient(s) affected were the competitors and customers. Normative behavior is that the CEO and Chairman should have acted according to the rules of a *Free Market System*. They should have had a responsibility to their customers to sell well made, reasonably priced products. Microsoft should have acted fairly and allowed rivals into the market for the good of the customers. Politicians should never accept bribes and should be honest with everyone.

Discussion

It is possible to generalize that all egoist behavior is driven by psychological egoism and is most often found in the firms' top management. Generally, top management involves the responsible actors indulging in unethical egoist behavior. In these cases it can be seen, however, that normative egoism was not present as there was insufficient auditing and regulation by the government and its institutions. In all cases, the common patients were the customers and the workers who were affected through loss of money or loss of their jobs.

The Enron, Worldcom and Parmalat case results were similar in terms of the egoist behavior and the consequences. However, Walmart, Ford-Firestone and Microsoft displayed different egoist behavior with different consequences. In the Enron, Worldcom and Parmalat cases the common characteristics were greedy managers and mutual interest relationships between some stakeholders such as the government, media and auditing firms. Most of the cases examined in this paper occurred in the world's most advanced economy, the United States, with the ethical values of the managers dominated by selfishness and self-enrichment. In high-income economies selfish behavior can be seen more often.

Conclusion

Egoism is an individual motive and a deployment of this motive depends on a weakness and infirmity in the person's free will and also the existence of suitable conditions. These conditions may include legal gaps, a suitable organizational climate, the lack of auditing and control, or social infirmity. The evaluation results of these cases are not really surprising. Managers at all levels who have certain powers over the tangible and intangible assets of the company as well as management power can use their force to favor themselves. Managers are assumed to be representatives of the shareholders of the company whose real interest is to earn profit from the company's actions. In this sense, managers as well as shareholders can be self-interested and motivated to gain the best out of the company. However, egoism can be considered an individual motive, as it can be initiated and supported by an unethical environment both inside and outside the company and also backed by internal and external forces.

On the other hand, organizations or individuals who have certain supervisory power over management through legal, contractual or social responsibility may also use their power to favor themselves. Politicians, as the citizens' representatives, are responsible for maintaining and protecting the rights of society. The media, which have the responsibility to objectively enlighten the society, have the ability to also wield influence. To reach their egoist aims, managers and/or owners use unethical behaviors against auditing units and parties to legalize their own acts by letting these other parties benefit from the company's resources.

Finally from our study of ethical egoism, we need to state what *could* have been done and what is ethical behavior. Firstly, the CEOs/owner/chairman and other senior level or department managers could have obeyed the legal rules and regulations and acted accordingly, and the financial managers and accounting managers should have maintained transparency. Also the investors and share buyers *could* have been rational to ensure stable share prices rather than indulging in speculative investments. External auditing firms and politicians should have had only a professional relationship with the companies and government, and government institutions should have been working effectively to apply the laws and regulations to use their power to regulate the situations rather than act as an intermediary to the egoist actors.

As egoism is an individual motive, legal arrangements and control mechanisms may not be sufficient to prevent exploitation in the business world. Additionally, people who are the pillars of the society should be raised with individual ethics and, to achieve this, the family and educational institutions need to play an important role.

Limitations and Recommendations

This study had some limitations. First of all, the study covers only six famous business scandals and only evaluated unethical cases. Further research needs to examine more cases from different companies. Secondly, the research analysis was conducted using only secondary data collected from previous literature. Questionnaires or interview methods were not used in this study, so the required analysis data were obtained from academic articles or books, magazines and internet resources. More in-depth research could be performed using different research methods. Lastly, this study is related and limited to only two types of egoism (psychological and ethical egoism). Further academic research may uncover other egoistic conditions such as conditional egoism, rational egoism, and managerial egoism.

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Notes

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