

Chapter 4

Should We Publish That?

Managing Conflicting Stakeholder Expectations in the Publishing Industry

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ABSTRACT

As the responsibilities of modern business expand to multiple stakeholders, there is an increased need to understand how to manage conflicting normative expectations of different stakeholders. Corporate responsibilities to stakeholders are based on the need to minimize or correct harm from operations (respect negative injunctions) while contributing to the social welfare of communities the firm operates in (engage in positive duties). By comparing multiple decision scenarios in the traditional and online publishing industry, the chapter explores the tensions that arise between these imperatives. Based on these tensions, the chapter outlines a framework and a practical industry-independent heuristic decision making process, embracing normative expectations, the consequences to a company and to stakeholders, and potential mitigating actions. The proposed heuristic approach allows balancing the tensions among stakeholder expectations to ensure selection of the appropriate alternative. The discussion is finished by pointing out the usefulness and applicability of the proposed heuristics in other industries and settings of the contemporary business environment.

INTRODUCTION

Corporations that fail to respond to stakeholder pressures risk losing goodwill and damaging their public image and reputation (Julian, Ofori-Dankwa, & Justis, 2008). Numerous frameworks

have been suggested for managing stakeholder relations (Agle, Mitchell & Sonnenfeld, 1999; Doh & Guay; 2006; Mitchell et.al, 1997; Peloza & Falkenberg, 2009), with the underlying assumption that a company should focus on the most threatening, urgent or visible stakeholders,

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or where they have the greatest capability (Julian, Ofori-Dankwa & Justis, 2008). We suggest there are times when the focus of analysis should shift from stakeholder management to managing the tension between competing normative responsibilities: the negative injunction and positive duty imperatives.

Since the 1960s a dominant doctrine for prescribing business responsibilities has been manifested in the libertarian views of Milton Friedman: the goal of a corporation is to optimize its performance in terms of augmenting shareholders' wealth, with laws setting the boundaries for unacceptable actions. Contemporary understanding of these ideas – referred to as the “moral minimum” – require the managers to avoid, minimize and correct self-caused harm to stakeholders or communities (Wettstein, 2010), or respect *negative injunctions* (Simon, Powers, & Gunnemann, 1983).

Another view of responsibilities to stakeholders is based on a *positive duty* of making the world a better place. Mulligan (1993) notes “the moral mission of business is not fulfilled simply by doing what is required in order to survive in the social environment... a business must deserve to survive as a result of its honest choices and deliberate accomplishments” (p. 70). The assignment of “positive duties” to businesses has also been labeled “affirmative duties” or “positive obligations” by business ethicists (Simon et al, 1983; Wettstein, 2010), and integrated into traditional profit-oriented strategic management theories (e.g., Porter & Kramer, 2011). The extreme version of positive duties imperative stems from the premise of consequentialism, which treats all negative events a company fails to prevent as equal to those it causes directly, by this means making business morally responsible for all social problems it had nothing to do with in the first place (e.g., Scheffler, 2001).

Therefore, throughout the text we are referring to the business's moral minimum of not hurting stakeholders as negative injunctions; the

contentious imperative of improving the society well-being will be labeled positive duty. Conflicting normative responsibilities occur in situations where expectations of different stakeholders are based on these two different premises – doing no harm (i.e., respecting negative injunctions) and contributing to the improved welfare of a community or stakeholder group (i.e., engaging in positive duties). For example, the editors of the Danish newspaper Jyllands-Posten were concerned about a growing trend of self-censorship and chose to publish cartoons critical of Muslim religious dogmas, and hurting some of Muslims by depicting the Prophet Muhammad. The editors anticipated a negative reaction from the stakeholder groups, but still chose to support the principles of free speech by publishing the cartoons. The cartoons led to an increased awareness of the important role social commentary has in supporting the free speech (i.e., positive duty), while they also led to demonstrations and loss of life and moral harm (i.e., violation of a negative injunction).

BACKGROUND

Little has been written about how to effectively manage competing expectations based on the normative responsibilities of negative injunctions and positive duties. This paper explores the tensions created by these two normative corporate responsibilities through a series of illustrative vignettes (i.e., descriptions of stakeholder expectations, reactions and consequences to stakeholders and the company) of controversial publications in the publishing industry. The paper begins with a review of normative responsibilities that arise from negative injunctions and positive duties, followed by a discussion of the specific responsibilities associated with the role of publishers in supporting freedom of speech. Next a series of vignettes that illustrate competing stakeholder expectations in the publishing industry, and the consequences that have occurred when publishers responded

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