

Business Ethics Today: A Survey

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ABSTRACT. This essay surveys the state of business ethics in North America. It describes the distinctive features of business ethics as an academic sub-discipline and as a pedagogical topic, and compares and contrasts three rival models of business ethics current among philosophers.

Twenty-five years ago business ethics was not a recognized academic specialty, and few, if any, North American colleges and universities offered courses on it. In both the academic world and the world of business, many would, in fact, have greeted the phrase "business ethics" with a smirk and perhaps a joking remark to the effect that "'business ethics' is an oxymoron" or that "business has no ethics."

Today the situation has changed radically, even if one still occasionally hears wisecracks about business ethics. Almost all colleges and universities now offer courses on it, and business ethics itself has become a recognized academic subject, with its own journals, textbooks, conferences, and academic specialists. I shan't try to explain this evolution, though I shall say a few things about it. Rather, in this talk I want to survey the state of business ethics in North America today.¹ First, I shall describe its distinctive features as an academic sub-discipline and as a pedagogical topic. I shall then compare and critically assess three rival models of business ethics that are current among philosophers – that is, three

different ways of conceptualizing business ethics as a subject of research and classroom teaching.

Courses on business ethics in the university

To begin, it is worth noticing a difference between business ethics and other academic specialties or sub-specialties, such as philosophy of science, world literature, medical anthropology, or finance theory. The difference is that business ethics as an academic field or university specialty emerged because there was a demand for courses on business ethics. More precisely, from the mid-1970s to the mid-1980s more and more institutions of higher education came to feel the need to offer courses on business ethics to their students. Often, such courses were required of students majoring in business, but quite frequently it was an elective open to all students. This trend in the universities reflected, I believe, a larger social perception – in the newspapers, in films, on television – that too many businesses lacked a sense of social responsibility and that businesspeople were too frequently prepared to sacrifice ethical concerns to profitability. Given their generally liberal political orientation, many university administrators and instructors were receptive to two related ideas: first, that courses on business ethics might help prepare their students for the moral decisions and dilemmas they were likely to face in their working lives and, second, that universities had a positive role to play in furthering public discussion of the social responsibilities of business.

In this way, the offering of courses in business ethics preceded its development into a recognized academic specialty. This fact runs contrary to

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what one would normally expect: namely, that it is research and reflection engaged in by those at the forefront of a discipline that lead to the opening up of new areas of study or the reconceptualization of existing areas of research. Once this happens, then these intellectual developments come to be disseminated, first, to graduate students and then to undergraduates. Sometimes, this dissemination takes the form not simply of updating previously existing courses or lectures but rather of new courses or groups of courses, at which point one can perhaps speak of the emergence of a new academic field or sub-specialty. In philosophy, for example, the last decade has been something like this with respect to both feminist philosophy and post-modern philosophy. Advanced work in these areas came first, followed by new course offerings and related curricular changes.

In business ethics, as I have said, the courses came first. In the main, these were, and continue to be, taught by professional philosophers, stationed in departments of philosophy. At my university, for example, all students majoring in business are required to take a course in business ethics, but those courses have almost always been taught by members of the philosophy department. At other universities, however, business and management professors also teach business ethics. Some of these instructors may already teach courses or parts of courses on business and society or corporate social responsibility and don't find it much of a stretch to teach business ethics proper. At still other universities, business ethics is a more interdisciplinary affair involving instructors from various departments. Still, although business ethics is not the exclusive province of philosophers, it is probably accurate to say that most courses in business ethics are taught by philosophers and that philosophy is generally perceived to be the home discipline of business ethics.

Two questions suggest themselves: How did it happen that philosophers, rather than business professors, came typically to teach business ethics? And is this a good thing or a bad thing? Answers to the first question probably vary from university campus to university campus. My suspicion is that, lacking formal training in ethics,

business and management faculty may not have felt comfortable talking about ethics or may have been skeptical about the relevance of academic ethics to business practice. Seeing themselves as having, in any case, other, more rigorous and important subjects to teach their students, they were probably content to let others teach business ethics. Philosophers, of course, are comfortable talking about ethics, but one should not forget that many philosophers viewed with disfavor their departments' efforts to develop courses in business ethics. I have senior philosophy colleagues, mostly retired now, who still believe that we should not teach business ethics because it is not really philosophy. However, at many universities, philosophy departments were (and continue to be) concerned about declining or uncertain students enrollments and probably had an incentive, which business and management programs lacked, to push themselves into new pedagogical areas with fresh and attractive course offerings.

Is it a good or bad thing that the teaching of business ethics has by and large fallen to philosophy departments rather than business and management departments? No doubt, I'm partisan, but I believe that if business students are to be required to take courses on business ethics, as they are at universities like mine, then it is best that those courses be taught by philosophers. My colleagues in business and management point out that philosophers teaching business ethics often have little experience of the business world, know little about economics or business and management theory, and have hostile attitudes toward the business system. One can appreciate why business professors might well be distressed to find ignorant and ideologically suspect philosophers treading all over their turf. Undoubtedly, those who are trained in philosophy do typically bring to the teaching of business ethics a perspective that differs from, and is sometimes antagonistic to, the perspective of business instructors. But even if philosophers teaching business ethics could be better informed about business matters, it is nevertheless important to expose students of business to a non-business perspective. One of the main purposes of business ethics courses is to get students to think about

matters of business conduct they would not otherwise have thought about or to think about those matters in a fresh way. And one is more likely to accomplish this goal when business ethics courses are taught from a non-business perspective.

Business ethics as an academic specialty

What I have been saying about the emergence of business ethics as part of the standard university curriculum leads to some observations about the development of business ethics as a specialized area of research and study (as opposed to a course topic). One reason business ethics emerged as a field of academic or intellectual inquiry is simply that university instructors were already teaching the subject. It is probably fair to say that few philosophers think much about business and ethics before they begin teaching courses on it. They will have read and studied, had graduate courses in, and perhaps written dissertations on ethics, political philosophy, or philosophy of law, but they are unlikely to have studied business ethics per se. Indeed, such is the demand for business ethics at some universities that even philosophers who do not consider themselves specialists in ethics or political philosophy end up teaching business ethics (and liking it, too). There are, of course, exceptions: some American universities have centers for applied ethics or business ethics or for philosophy and public policy, and these centers or institutes are frequently associated with their local philosophy departments so that students receiving advanced degrees from those departments might well arrive at their first job with some specialized background in business ethics. But for the vast majority of philosophers who teach business ethics – certainly for those of my generation – the teaching of business ethics came first, the acquiring of an intellectual or academic interest in business ethics second, if at all.

So why then did business ethics emerge as an academic field? In part, it did so for the same reason that universities began to teach business ethics: because of its perceived social importance. But also, I am suggesting, because university

instructors were already teaching it. In other words, some percentage of those teaching business ethics either found themselves sufficiently engaged by what they were doing to want to write about specific issues that came up in their classrooms, or they were reflective enough to ponder what they were trying to accomplish in their courses and thus to address more formally the question of what business ethics is or should be all about. So before long there were professional conferences, newsletters, and academic journals devoted to business ethics. Within the academic world, one could be, and could come to be recognized as, a specialist in business ethics. In the academic world, once a specialty field emerges, it frequently takes on a life of its own. The existence of journals, newsletters, and professional conferences not only provides an outlet for those already working in or thinking about the subject in question. It also encourages others to undertake work in that area. Books, journals, and conferences make a subject respectable, providing new options, possibilities, and scholarly venues for other academics working in neighboring fields.

As an academic specialty, business ethics has several noteworthy characteristics. Whether these features are transitory or whether they will prove permanent is hard to say. The first is that those who publish on business ethics or closely allied topics represent a variety of different academic fields. Although business ethics courses are typically taught by philosophers, there are a surprising number of non-philosophers writing about matters pertaining to ethics and business. To confirm this claim, I glanced through two recent, randomly selected issues of the *Journal of Business Ethics* at the library. This journal is the oldest and best established professional publication in the field, and its editor-in-chief is a philosophy professor. However, none of the thirty authors or co-authors of articles in the two issues I consulted was a member of a philosophy department. One author was the director of a program on leadership and values and may have been a professional philosopher (I couldn't tell), and there was a book review by a philosopher. But the rest of the contributors were members of departments of management, business law,

accounting, economics, marketing, and environmental analysis. This probably reflects the fact that schools of business are larger than philosophy departments, so that even if philosophy is the home discipline of business ethics, there are many non-philosophers with an interest in contributing to it.

A second, closely related feature of business ethics as an academic specialty is that the interesting mix of academic writing one finds in the professional literature cannot accurately be described as interdisciplinary. "Multi-disciplinary" would be more apt because the writers each bring to their research the standards and methodology of their home disciplines. In the professional literature on business ethics, one finds philosophy professors, marketing professors, social scientists, and others writing on similar, related, or overlapping topics but without a common intellectual approach or research goal. In particular, there tends to be a fairly large divide between philosophers writing from their armchairs on ethical issues in business or on the nature of business ethics and the more empirically oriented studies contributed by non-philosophers. These studies concern, for instance, the social and organizational facts that affect the values expressed by business people as captured by various social scientific measures and instruments. These empirical studies are often interesting in the own right, but philosophers tend to see them, correctly or incorrectly, as at best only tangentially related to the questions that they (the philosophers) find significant. An important question, which cannot yet be answered, is whether work from these different disciplinary perspectives will eventually interpenetrate in a way that creates an integrated and unified academic paradigm or research program.

A third characteristic of business ethics as an academic field is that when it comes to business ethics in the narrower, non-empirical sense that concerns most philosophers – that is, to discussions of the nature and character of business ethics or of the ethical or philosophical dimensions of topics like workplace privacy, whistle blowing, insider trading, and so on – one finds that work on business ethics has had little impact

on the larger discipline of philosophy. As I previously noted, the study of business ethics typically plays no role in graduate-level training in philosophy. And moral philosophy itself has been largely unaffected by the emergence of course offerings in business ethics or the development of business ethics as an academic specialty.

This fact may not seem surprising to non-philosophers. If, for example, sociologists or anthropologists study the norms of people in business, we do not expect such study to affect the doctrines or methodology of those academic fields. The sociologist or anthropologist simply brings his or her distinctive training and skills to bear on a new topic. Likewise, there might seem little reason to anticipate that business ethics should have an effect on the larger field of ethics. After all, business ethics is sometimes thought of as a form of applied ethics or applied philosophy, and if one is simply applying an established discipline to the topic at hand, then one shouldn't expect such work to have an impact on the parent discipline. But I don't think this can be the whole explanation.

For one thing, I'm not sure that business ethics is best thought of as applied ethics, or even what it means for something to be considered applied philosophy as opposed to philosophy simpliciter. Is philosophy of religion or philosophy of science applied philosophy? In any case, philosophers do not usually think of philosophy as a discipline in which an established methodology or approach is brought to bear on a new problem or some previously unexplored arena of human endeavor without any reciprocal effect on our understanding of philosophy itself. Indeed, it is more the rule than the exception that philosophical work on fresh topics and problems has repercussions and ramifications for other areas of philosophy, even areas that initially appear entirely unrelated.

In the last couple of decades, more and more philosophers have turned their attention from metaethics to concrete normative issues like abortion, animal rights, or affirmative action, and this trend has had an impact on ethical theorizing itself – on discussions of the nature of ethics, its purpose, and the possibility of justifying ethical claims. And it may be that advanced work in

business ethics will have a similar effect on moral philosophy. But this seems not yet to have happened. No one can deny that philosophers have produced good and useful work on various issues in business ethics. But, unfortunately, professional philosophers do not perceive work in business ethics, however interesting it may be in its own right, as having had a reciprocal influence on ethics or social and political philosophy in general – that is, they see it as fundamentally parasitic on theoretical developments elsewhere in philosophy. And this perception, whether fair or not, probably keeps business ethics out of the graduate-level curriculum and reinforces the tendency to treat it as a poor stepchild of moral and political philosophy proper.

Rival approaches to business ethics

I turn now from these reflections on the character of business ethics as a university course offering and as an area of advanced academic research, and describe three rival approaches to, or ways of thinking about and doing, business ethics: I call these the *standard model*, the *politics model*, and the *virtue model*. These can be seen, in the first instance, as rival orientations to the teaching of business ethics. But because these models, perforce, offer answers to the question of what business ethics is supposed to be about, they also function as rival research foci. I should make it clear that I am describing different philosophical orientations toward business ethics, and my remarks do not apply to work by social scientists or other non-philosophers on matters that pertain to business and ethics. Second, in describing them as rival approaches, I do not mean to imply that in practice these three models are perfectly distinct or that they are necessarily incompatible. Indeed, I believe that a good university course on business ethics can combine elements of each approach. Rather, what I am presenting are three idealized models or conceptions of how one should go about doing business ethics.

The standard model

The standard model might also be called the individual moral decision model. It reflects the approach to business ethics that comes most naturally to philosophers; it is the framework they are likely to adopt without thinking about it. Because the other models can be seen as alternatives to or reactions against the standard model, I shall have more to say about it than about them.

A defining feature of the standard model is that it focuses on the individual and the moral choices, dilemmas, and decisions that can confront individuals in a business or organizational context. For example, suppose one learns of wrongdoing inside the company. Under what circumstances is it morally permissible to blow the whistle? When, if ever, is one not only permitted but morally required to blow the whistle, and at what cost to oneself? Some teachers of business ethics focus classroom discussions almost exclusively on the moral decisions that face managers and CEOs. "If you were the manager," they ask their students, "what would you do in this situation? What if X were not a factor? What if Y was?" It is easy to slip into this orientation. Managers are, by occupation, decision makers; they often face clear-cut decision situations, and the moral choices they make or fail to make can have an important, even dramatic impact on people's lives. Still, in principle, the standard model encompasses the moral difficulties and choices that any person in the business world or any employee, however humble, can encounter.

The other defining feature of the standard model is that it addresses these business-related moral decisions by reference to moral principles. Because of their training in ethics, most philosophers find this a very natural and congenial way to proceed. First, one tries to identify the various moral principles that appear relevant to the issue at hand. One can do this in part by analyzing the implicit or explicit arguments of others who have discussed the issue. One then attempts to clarify and assess those principles, retaining, refining or discarding them as necessary. Finally, one shows how the principles one is left with, when applied

to the circumstances or problem at hand, justify one course of conduct rather than another. The process of analyzing moral principles and applying them to particular issues is, of course, not a mechanical three-step procedure, and in the professional literature, discussions of relatively concrete issues like whistle blowing, company loyalty, insider trading, and bribery in foreign countries are often subtle, intricate, and intellectually challenging.

In the classroom, case studies are a popular pedagogical tool. Students examine and discuss the various factors bearing on the moral decisions individuals must make in different situations, described in more or less detail. Because moral principles are supposed to be universalizable, however, the answer one arrives at about a specific situation will typically have broader implications. For example, study of an individual case might lead one to the general conclusion that "if the situation is not potentially life-threatening, then while engineers are required to notify their superiors of safety problems, they have no moral obligation to pursue the matter further."

Instructors who adhere to the standard model do not try to teach students definitive answers to the various business related moral problems they study. Rather, their pedagogical goal is to get students to begin to think in the above way about moral matters – that is, to think about moral issues in what philosophers take to be a clearer and more sophisticated way. Many business ethics instructors understand their task as teaching their students a few basic normative theories and helping them see how one might address cases, situations, or moral problems from those different ethical perspectives. Thus, students may be asked questions like, "What would a utilitarian (or an egoist, or Kant, or W. D. Ross) say about the marketing of infant formula in poor countries, about Ford and the Pinto, or about cigarette advertising?" In this way students are supposed to demonstrate the facility with which they can handle certain basic ethical concepts, principles, and theories.

The standard model has clear strengths. First, it makes business ethics congruent with ethics generally. The problems business ethics addresses

concern matters that arise in business and organizational contexts, but these matters are first and foremost ethical problems, to be resolved by reflection on the moral principles and ethical considerations appropriately brought to bear on any moral problem. Business ethics, on this model, is not a separate type of ethics; it is simply ethics in business and related contexts. By analogy, what is sometimes called sexual ethics is not some special sphere of ethics, distinct from ethics generally; rather, it is the application of general moral principles (involving things like promise keeping, truth telling, and exploitation) to matters of sexual conduct.

So understood, this model of business ethics is hostile to the view that the world of business has its own distinctive ethical norms, different from those of ordinary, everyday morality, and that business conduct should be assessed only by these own norms. Almost all philosophers oppose the relativist view that right and wrong are simply a function of what a society says is right and wrong, and most teachers of ethics see the undermining of relativist inclinations among students as one of their prime pedagogical tasks. Likewise, philosophers who teach business ethics on the standard model universally resist the thesis that the world of business has its own distinctive moral standards and that it is inappropriate to judge business by any other standards. Albert Carr defended the thesis of business relativism in a famous article thirty years ago. He has since become a favored whipping boy of teachers of business ethics, who often begin their courses with a critique of his essay. This is not just because Carr's arguments are easy to criticize, but because he states a position, against which the first model defines itself.

A second strong point of the standard model is that it highlights the fact that individuals are moral agents, that they inevitably face business situations with moral dimensions, and that they bear responsibility for both their decisions and their failures to decide, for both their actions and their omissions. Corporate wrongdoing frequently results from the fact that the people involved do not see themselves as being in a situation that involves moral choices. Business or financial factors come to define decision situa-

tions, the ethical component of which gets overlooked. Accordingly, a standard goal of business ethics courses is get students to see the moral dimension of different business situations and workplace decisions and to appreciate the relevance of various moral principles and ethical considerations to the making of those decisions.

Despite these strengths, the standard model has its critics. First, some doubt that traditional moral theory has much to offer students beyond intellectual exercise. Let's look at it from the point of view of students in a business ethics classroom. Typically, they are not philosophy majors, and this may well be their only philosophy course. What do they learn? They learn that moral philosophy is complicated, that there are lots of different theories about right and wrong, and that even an apparently simple theory like utilitarianism quickly gets complicated and splits into a number of varieties. They learn that it is difficult to derive specific recommendations for conduct from any general ethical theory and that it is surprisingly hard to answer textbook questions like "What does Mill's theory (or Kant's theory, or Ross's theory) imply about pre-employment honesty tests?" Students learn further that among moral philosophers there is no consensus about which moral theory is best – indeed, that moral philosophers disagree among themselves about almost all aspects of their field. Students learn, or think they learn, that plausible looking arguments can be given for many different positions, but that none of these arguments is conclusive. They may even come to believe, contrary to what their teachers are likely to think, that choice among competing moral theories is ultimately arbitrary, an existential commitment that one is free to make or refrain from making.

Like other non-philosophers, students may have unrealistic expectations about what moral theory can deliver; they expect it to give one the right answer to questions of conduct – after all, that's what it is supposed to do, isn't it? To professional philosophers this expectation is naive, but they should not be surprised when their students end up confused about the relevance of moral theory to everyday practice. The burden is on business ethics teachers to show that there is some reason to initiate business majors into the

intricacies of moral philosophy as opposed, say, to allowing them simply to rely on the commonsense morality with which they came to class the first day of the semester.

This line of criticism can be pushed beyond the classroom to advanced work by philosophers on moral issues in business. How can one hope, it may be asked, to resolve some moral dilemma in business by reference to particular moral principles when there is no general agreement on the theories underlying those principles? As we shall see, some of those who make this criticism want to change the character of moral philosophy, to free philosophers from the enchantment of ethical principles. Others, sympathetic to principles, take the criticism as showing that the proper business of moral philosophy is to address the unresolved questions of metaethics and normative theory. Otherwise, how can philosophers hope to guide businesspeople or anyone else to sound answers to the practical moral problems they face?

A second criticism raised against the standard model is that by focusing on individual decision making, it ignores the socioeconomic context in which those decisions occur as well as the institutional forces that shape those decisions. In other words, by treating business decision makers as abstract moral agents, the model is blind to the context that creates those dilemmas in the first place, putting too much weight on individual choice as opposed to the institutions, organizational frameworks, and socioeconomic context that structure those choices. For those teachers of business ethics who tend to focus on managerial decisions, moral considerations are sometimes presented as simply one more set of factors for the competent and efficient manager to consider. True, those who take this approach acknowledge and even emphasize the non-moral factors managers must weigh and the profit-making context in which they make those decisions, but the emphasis is still on the individual, his or her conscience, his or her moral principles, and only derivatively on the institutional environment that places the individual in a situation that requires a hard moral decision.

The politics model

The second model of business ethics can be seen, in part, as a response to these criticisms of the standard model. The *politics model* treats business ethics as applied political philosophy rather than applied ethics, and it appeals strongly to philosophers with an interest in social theory or a background that is more in political and legal philosophy than in ethics. Although the model can take different forms or be given different emphases, all versions of it focus on the business system as a whole – its overall morality, its institutional norms, and its organizational structures and imperatives. The model concerns itself only secondarily with the moral or immoral conduct of individuals. Rather, what is important is to understand, assess, and perhaps modify the socioeconomic context or organizational structures that frame the moral choices that confront individuals.

The politics model sees business ethics courses as appropriately focused, at least in the first instance, on the question of economic justice and the moral debate over capitalism. Determining whether a particular society or a general type of society is just or unjust is a profound and difficult philosophical issue, and in addressing it the business ethics instructor will likely compare and assess the utilitarian, libertarian, and Rawlsian approaches to distributive justice, discuss the moral arguments for and against capitalism, and spend time analyzing such basic political-philosophic concepts as liberty, equality, and property rights. What happens next will depend on the instructor's political and philosophic orientation. If one adopts a Marxist perspective or maintains that capitalism is inherently immoral, one will probably spend the rest of the semester illustrating the inequities of the business system, attempting to show how the various issues raised in most business ethics textbooks – working conditions, health and safety, personnel policies, employee privacy, conflicts of interest, environmental problems, sexual harassment, discrimination and affirmative action – are interrelated and reveal systemic socioeconomic injustices.

On the other hand, if the instructor either takes the more liberal view that capitalism can be

just or believes that, whether it is or can be just, one should proceed from the premise that capitalism is here to stay, then the instructor is likely to turn to the debate over corporate social responsibility. This debate looms large in most courses on business ethics (and lies in the background of most general discussions of business ethics) because it raises the question whether a corporation's sole obligation is to make money for its stockholders or whether it has other, additional social responsibilities. Does a corporation have an obligation to avoid legally permissible harms to its work force, its community, and the natural environment? Is it obligated to attempt to find ways to contribute actively and positively to the well-being of society? One pole of this debate is represented by Milton Friedman's contemporary restatement of Adam Smith's idea that in the long run we best promote the social good by permitting corporations to focus as exclusively as possible on doing what they do best, namely, making money. By contrast, Friedman's critics do not deny that corporations are and should be profit-oriented, but they advance various arguments to support their belief that businesses have other responsibilities as well. They argue, for instance, that social power brings with it social responsibility or that there is an implicit contract between business and society that demands more of business than the blind pursuit of profit.

This debate leads naturally to more detailed discussion of the responsibilities of firms, of the social expectations that can legitimately be placed upon business corporations, and of how the distributions of rights and responsibilities within and among various institutions might be modified to better promote society's goals. This public policy orientation seeks to understand how society can best structure the legal and economic environment in which corporations act. It seeks to determine what social or legal guidelines should govern everyday business decision making. Such an orientation seems the appropriate perspective from which to address a number of business ethics topics. For example, affirmative action, comparable worth, environmental protection, health and safety standards all raise social and moral issues that are better seen as matters of public policy than as individual moral dilemmas.

But even issues that are usually seen as personal moral choices can be looked at from a political philosophy-public policy perspective. For example, one might explore whether feasible laws can be designed to protect whistle blowers so that individuals no longer face the anguished dilemma of whether to follow their conscience at the cost of their career. At the very least, many issues like drug testing, employee privacy, and trade secrets can be illuminated by understanding their larger socioeconomic context. The politics model asks one to step back from the immediate choices that can confront us as individuals and ask, first, how it happens that the problem, question, or choice arises and, second, how the organizational context, the economic environment, or the legal or social rules might be redesigned to alleviate the problem.

The strengths of such an approach are obvious, both in the classroom and as a research orientation. However, with regard to socioeconomic justice and the nature of capitalism, the politics model is obviously parasitic on more general debates in political philosophy. Even the question of corporate social responsibility seems unavoidably to lead back to larger questions in social theory or political philosophy. On the other hand, when it comes to the discussion and analysis of specific, concrete matters of public policy – for example, how to define sexual harassment or what rules, if any, should govern insider trading – the characteristic intellectual skills and argumentative training of philosophers enable them, I believe, to contribute fruitfully to the discussion. But it isn't obvious that in contributing to these practical discussions philosophers are doing anything distinctively philosophical.

While one cannot deny that business ethics touches on important questions of political philosophy and public policy, one may wonder whether too exclusive a concern in the classroom for questions of political economy, social policy, and legal reform runs the risk of insufficient attention to the individual person who is doing a job, building a business, or pursuing a career while at the same time, we may assume, trying to fashion for himself or herself a decent, ful-

filling, and meaningful life. As citizens both we and our students should have informed views about important matters of public policy and about the role of business in our society, but few of us are in a position to exercise much of an influence over social policy or legislation, let alone to reshape our country's socioeconomic system. While discussions of public policy and political philosophy undoubtedly broaden one's perspective, they do not address what many philosophers have seen as the central question of human existence: what sort of life should I strive to live?

The virtue model

The effort to situate business ethics within the context of this larger question has led to what can be called the *virtue model*. This model of business ethics reflects a recent resurgence of interest among moral philosophers in Aristotle and the tradition of virtue ethics. Philosophers sympathetic to virtue ethics are critical of contemporary moral philosophy's characteristic emphasis on rationalistic theories and abstract moral principles. They doubt that such theories and principles do or could guide anyone's moral life. Furthermore, they are critical of the tendency of contemporary moral philosophy to view moral agents as abstract, rational deliberators – as noumenal, Kantian selves – shorn of commitments to particular communities, projects, or people. Thinking of moral agents this way allegedly strips the human beings who are those agents of the identities that make them who they are. Instead, proponents of virtue ethics put the question of character and context to the front. Instead of trying to identify and conform to abstract moral principles, we need to ask ourselves who we are, where our attachments and commitments lie, what kind of persons we want to be, and what sort of excellence we are trying to achieve in our lives. Feminist ethics has further reinforced this neo-Aristotelian trend. Although to my knowledge, feminist writers have said little about business ethics per se, the leading currents within feminist ethics stress moral particularity, the thickness of moral agency, and the centrality

of caring – themes which resonate with those of virtue ethics.

According to the virtue ethics perspective, then, moral principles are unable to give complete or completely satisfactory guidance. Both within and without business, the situations and choices we face are too complex to be handled by the moral rules devised by philosophers (even aside from the glaring fact that philosophers do not agree among themselves on the rules). Moral sensitivity, practical wisdom, and a commitment to certain core human values are what is needed, along with a willingness to tolerate moral ambiguity and an appreciation of the irreducible moral complexity of our lives. For our students just as for Aristotle's students, morality is a matter of character, a product of habit and social training. At the heart of morality are not rules and theories but the kind of person we are trying to be and the kind of life we are trying to achieve. People come to be virtuous by doing the virtuous thing, and our students, like Aristotle's students, will benefit more from an exposure to moral exemplars than from moral theory, more from great novels than from being taught the argumentative ins-and-outs of various philosophical theories. Students need to be made to realize that what life is all about is the endeavor to shape for oneself a good and fulfilling human existence within the larger historical and culture context to which one is born. What matters, at the end of the day, is not who has the most marbles, nor even how the game was played, but who one is.

It is easy to see why the virtue model appeals to those who are unhappy with both the standard model and the politics model. The politics model has little to say to the individual as opposed to the policy maker; in a sense, it leaves the "ethics" out of "business ethics." The standard model, however, stands accused of resting on an abstract and unrealistic picture of our moral lives. It might be charged with leaving the "business" out of "business ethics" because it overlooks our need to make sense of work, business, and career in our lives – to understand their appropriate place in the larger human project of trying to achieve a meaningful and good existence.

The virtue model of business ethics is attrac-

tive. Its emphasis on moral judgment, on moral ambiguity, and on the importance of practical reason as opposed to moral principle seems realistic. Its insistence that business is a practice within which one can develop particular virtues is relevant. And its determination to approach business ethics with a guiding concern for character and for the type of life one is trying to construct is refreshing. Still, there is room for doubt. Although virtue ethics is enjoying a resurgence, many moral philosophers believe its criticisms of standard moral philosophy are exaggerated and that the choice between principles and abstract reasoning on the one hand and virtues and practical wisdom on the other is a false dilemma. Even if Kant is guilty of excessive rationality and moral abstraction, contemporary moral philosophy seems capable of accommodating both principles and a concern for virtue and character, both rational deliberation and a sensitivity to community and context, both universal commitments and an appreciation of particularity and identity. In addition, philosophers more favorably disposed toward mainstream ethics are skeptical whether the virtues approach will prove of much value in helping us to resolve specific problems. It is one thing to stress character and context, and another to give puzzled individuals some reasonably specific guidance in handling real dilemmas in the workplace.

In fact, all but the most extreme adherents of the virtue model concede some role for principles in business ethics and are unwilling to repudiate such non-virtue concepts as moral rights and due process. And, clearly, the corporate or bureaucratic context of many business ethics issues gives them a public and interpersonal dimension that cannot be entirely reduced to individual virtue and character. So where, then, does that leave us?

Conclusion

These three models of business ethics represent rival philosophical priorities and perspectives, among which there is no easy way to adjudicate. Although the standard model faces challenging criticisms, my own view is that it can and should

be expanded to accommodate the concerns of its two rivals. On the one hand, business ethics is both applied ethics and applied political philosophy. It cannot avoid addressing larger, systemic questions of economic justice and corporate responsibility, nor can it ignore the fact that moral issues and public policy issues frequently intertwine. Intelligent analysis of the moral problems and choices that confront real people requires us to understand and analyze those problems and choices in their larger legal, economic, and organizational context. On the other hand, business ethics cannot lose touch with the fact that the choices we make are not simply a function of the general moral principles we find most plausible, but of our personal values, our ideals, the identity we are forging for ourselves, the life we aspire to live, and our understanding of our communities, of history, and of the goals and potential of human existence.

As a practical matter, it is not hard to expand the standard model in these ways in the classroom. Although obviously eclectic, such an approach can be pedagogically valuable because it exposes students to quite different but equally important areas of philosophical and moral concern. But where does this eclecticism leave business ethics as a discipline, as an academic research orientation? That's a hard question to answer. Earlier I drew attention to the methodological divide between philosophers and social scientists interested in business and ethics. Whether the future will bring an integration of the three models I have been discussing or a larger integration of philosophical and social-scientific perspectives and concerns is hard to say. Given the distinctive institutional history of business ethics that I sketched at the beginning of this talk, it is hardly a forgone conclusion that further research and dialogue will result in a unified academic paradigm. On the other hand, as a field of inquiry business ethics is young, so we will have to wait and see. One should not be disappointed, however, if it turns out that business ethics never solidifies into a coherent discipline or academic specialty, remaining instead an umbrella sheltering a variety of competing academic interests, orientations,

and methods. Many areas of human endeavor (religion is an example) are too rich for any one form of intellectual inquiry to capture, but that hardly diminishes their importance or the value of various studies of them. Whatever happens, business ethics labels an area of great practical relevance, pedagogical importance, and intellectual significance, and interest in it is unlikely to diminish.

Note

¹ This essay was originally presented at the Third Annual Conference on Management and Philosophy in Taipei, Taiwan, June 1994 (sponsored by the Graduate Institute of Philosophy, National Central University).

Bibliographic notes

As explained in the text, philosophers tend to gravitate toward the *standard model* without explicitly identifying and defending it. Although many business ethics textbooks do discuss economic justice and some political issues, they typically focus on individual decision making; see J. R. Boatright: 1993, *Ethics and the Conduct of Business* (Prentice-Hall, Englewood Cliffs, N. J.); N. Bowie: 1982, *Business Ethics* (Prentice-Hall, Englewood Cliffs, N. J.); M. G. Velasquez: 1992, *Business Ethics: Concepts and Cases*, 2nd ed. (Prentice-Hall, Englewood Cliffs, N. J.); and W. H. Shaw: 1991, *Business Ethics* (Wadsworth, Belmont, CA). The following three textbooks address mainly the dilemmas and decisions facing managers: R. W. Clark and A. D. Lattal: 1993, *Workplace Ethics* (Littlefield Adams, Lanham, Md.); K. E. Goodpaster: 1984, *Ethics in Management* (Harvard Business School Publications, Cambridge, MA); and J. B. Matthews, K. E. Goodpaster, and L. L. Nash: 1991, *Policies and Persons: A Casebook in Business Ethics* (McGraw Hill, New York).

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