Business Ethics: An Oxymoron?

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I

It is often asked, even recently on the front page of The Wall Street Journal, if 'business ethics' is an oxymoron -- an apparent contradiction in terms, similar to such phrases as 'round squares' or, perhaps with more jocularity, like 'jumbo shrimp', 'military intelligence', and especially relevant today, 'tax simplification.' In this same spirit the jokes about business ethics are plentiful. When I mention my profession as business ethicist, a typical response is "oh, I didn't know there were any" or "business ethics, isn't that the smallest book in the world?"

But in a more serious vein, this position that business and ethics do not mix has had influential support. For example, we have heard Theodore Levitt say in the prestigious Harvard Business Review:

Business must fight as if it were at war. And, like a good war, it should be fought gallantly, daringly, and above all, not morally.

Such a position usually emanates from a misconception of the nature of business, if not also of the nature of ethics. Business and ethics not only do mix, they must mix if business is to honor its public trust and preserve economic freedom. More and more today society, including business itself, is denying the charge that business ethics is an oxymoron and would find the words of Ralph Waldo Emerson ringing true:

We must hold a man amenable to reason for the choice of his daily craft or profession. It is not an excuse any longer for his deeds, that they are the custom of his trade. What business has he with an evil trade?
II

What is business ethics? Business ethics is perhaps the fastest growing and widest reaching part of a newly emerging field called applied ethics. Applied ethics is the study of moral issues in some specific arena of human activity and, in addition to business, would include such areas as law, medicine, engineering, government, science and technology. The purpose of applied ethics is not to divorce ethics from theoretical investigation, but to bring ethical principles and thinking down into the practical world, thereby allowing theory and practice to mutually clarify each other. To modify an aphorism from the philosopher Immanuel Kant: Theory without practice is empty and abstract, and practice without theory is directionless and blind.

Business is a complex fabric of human relationships -- relationships between manufacturers and consumers, employers and employees, managers and stockholders, members of corporations and members of communities in which those corporations operate. These are economic relationships, created by the exchange of goods and services; but they are also moral relationships. Questions concerning profit, growth, and technological advance have ethical dimensions. Some of these include the effects of pollution on society at large, the quality and character of the work environment, and the safety of consumers. Ethics is the study of what is good or right for human beings. It asks what goals people ought to pursue and what actions they ought to perform. Business ethics, as a branch of applied ethics, studies and pursues what is good and right within the context of business.

The concern for ethics in business is not new. The Code of Hammurabi, written nearly two thousand years before Christ, records the fact that Mesopotamian rulers attempted to establish honest prices. And throughout our civilization from Cicero to Karl Marx and Adam Smith to Ralph Nader, moral issues relating to business have been discussed and fought over -- as witnessed
by the organized labor movement, and more recently, environmentalism and consumerism.

But in a very real sense the field of business ethics is new, probably not more than a decade old. Let me relate this to a couple of personal experiences. In the process of applying for a business ethics grant in 1975, the National Endowment for the Humanities before awarding the grant mentioned that they had never heard of such a thing as business ethics. And in 1977 several major book publishers indicated to me that their market research showed no interest in business ethics. Yet during the latter part of the 70's there was occurring literally an explosion of interest in business ethics. A business ethics bibliography published out of the Center for the Study of Applied Ethics lists over 600 books and 2000 articles between 1976 and 1980. And a study by the Center for Business Ethics reveals that there was a 500 percent increase in the teaching of business ethics between 1974 and 1980. Even corporations were having more interest in ethics. A 1979 Ethics Resource Center survey shows that nearly 75 percent of Fortune 500 companies had established written ethics codes, with over half of those codes having been written or revised since 1975.

During this past decade at least thirty research centers and institutes were founded or refocused for business ethics studies, a national society for business ethics was organized, and two major journals devoted specifically to business ethics were established. Book publishers have brought out numerous texts in business ethics and are still looking for more. The American Association for Collegiate Schools of Business decided to require business curriculums to have an ethics component in order to be accredited. Hundreds of thousands of dollars have been donated by corporations and private foundations for business ethics activities, with several endowed chairs in business ethics already in operation. Corporate business ethics programs, including employee
training in ethics, have grown steadily, especially in the last three or four years, causing business ethics consulting to become a kind of boom industry. And of course business ethics has recently become one of the pet subjects of the national press. As Edward Hennessy, chairman of Allied-Signal Corporation, stated in an October 1986 article on business ethics as a priority for corporate America: "Not since the Watergate era has national attention been so focused on the ethics of business."6

III

Why has there been such a rise in interest about business ethics, and for that matter ethics in general? Many would relate this rise to the shocks of Watergate and the revelations of corporate bribery of the 70's. Others might trace it to the Vietnam War and the counterculture revolts of the 60's. Still others might link it to the dominance of technology over the past quarter of a century. I think there is truth to all of these and other connections. But these are all more manifestations rather than the deeper reasons for what could be called a moral crisis. I use the word 'crisis' because it is an appropriate concept to characterize today's critical turning point in the moral development of ourselves as human beings. And to understand this moral crisis and deal with it effectively we must uncover the philosophical ideas which have dominated our culture.

Our present century has been weaned on relativism -- the denial of ethical absolutes, on pragmatism -- the belief that something is right if it works, on positivism -- equating knowledge with observable experience, and on behaviorism -- interpreting human actions as totally determined and predictable. The unifying thread to all this is the reduction of everything considered true and meaningful to material reality or physical experience -- a position sometimes called empirical materialism. With such an ideological framework, science and scientific methodology have flourished and ethics and values have been
relegated to matters of emotion, attitude, and feeling. Such an ideology permits no objective level of significance or reality for the development of the nonempirical, nonmeasurable dimensions of our lives such as freedom, morality, and divinity. There is something about the human spirit, however, that resists this sterile picture and is presently crying out for a different ideology which will preserve our humanity and provide our lives with more richness and value.

I am not saying that science and technology are the only culprits in causing this moral crisis. For far too long scholars in the humanities have managed to talk only to themselves in a language and context which for the most part was and still is totally unintelligible to the world of practical affairs. Using the criterion of empirical materialism, philosophy declared an all out war against claims which could not be verified by way of sense experience, war against what it called ghosts in the empirical machinery. And ethical claims fell into the ghost category. Philosophical ethics focused essentially on analyzing the function and meaning of moral language rather than actually applying ethical concepts to everyday experience -- like a farmer spending all his time sharpening tools, but forgetting to plant any crops to harvest. Little wonder that many see ethics today as an empty discipline -- either as a useless exercise in abstract hair-splitting or as the making of nonrational statements of personal taste and bias.

I see business ethics, along with the rest of applied ethics, as arising out of this moral crisis. It is an attempt, at least in part, to revive the importance and legitimacy of making moral claims for the world of business decision making. But this attempt will succeed or fail depending on the philosophical ideology upon which it grounds itself. Only time will tell if we shift from what I view as a barren empirical materialism and enrich our metaphysical vision. I am optimistic that such a shift is in the making and that business ethics is one of its visible signs.
IV

Let us leave these philosophical speculations behind for now and look at more specific issues for understanding the emergence of business ethics. One need not agree with my analysis of our ideological roots as being so impoverished and misguided, nor even agree that our ideology has had a major part to play in the rise of applied ethics, to recognize that business ethics has emerged during a time of increased public scrutiny and alarm over business activities. We are all aware of the well-publicized accounts and allegations of bizarre business wrongdoings ordinarily ascribed to the imagination of fiction writers: payola; graft; misuse of funds; junkets; illegal campaign contributions; laundered money; favors; commission agents; suitcases filled with cash; payoffs; coverup; under the table bribery; slush funds; conspiracy. Horror stories that have led quite often to the pollution of our environment, the diminishing of our national integrity, and the endangering of our lives.

The public was shocked about ten years ago to learn of the numerous major corporations which made illegal campaign contributions to President Nixon's re-election effort and of the hundreds of major corporations which admitted to the SEC that they paid millions of dollars in bribes to achieve foreign contracts. A 1984 survey by the Center for Policy Research found, based on examination of public records, that roughly two-thirds of the Fortune 500 largest industrial companies have been involved in illegal behavior since the mid-70's. This survey did not even include all unethical acts as judged by prevailing community standards, but rather focused exclusively on illegal acts such as price-fixing, overcharging, violation of environmental regulations and antitrust laws, bribes, fraud, patent infringements, and violations of other market regulations. It is worth noting that the 100 largest corporations accounted for 55 percent of these illegal offenses.
It is, therefore, not surprising that the public has developed such a negative attitude toward business over the past decade. A poll by Yankelovich, Skelly, and White reported that in 1968, 70 percent believed business tried to strike a balance between profits and the public interest, compared with only 15 percent believing so ten years later. A Harris poll reported that in 1966, 55 percent had respect for and confidence in business leaders, compared to only 20 percent approximately ten years later. And in 1977, a Gallup poll taken for the Center for Business Ethics found that big business was rapidly becoming, according to public opinion, the biggest threat to the country's future -- an opinion which had doubled over ten years.

More recent polls have revealed similar results. A CBS poll reported in 1985 that 55 percent think most U.S. corporate executives are not honest. And the Opinion Research Corporation's 1985 survey reported that 75 percent agreed that business neglects the problems of society and 65 percent believed that business executives "do everything they can to make a profit, even if it means ignoring the public's needs." This same survey by ORC found the public ranking large companies sixteen out of nineteen institutions on the basis of trust and confidence and corporate executives fourteenth out of twenty, well below members of Congress, lawyers and news reporters. A New York study I read about several years ago demonstrates how pervasive this cynicism toward business goes. Over 400 students were asked to fill in the blank in the statement "Business is ____." The results were devastatingly negative. High school students used words such as dishonest, exploitive, abusive, destructive. Even kindergarten children responded with almost no exceptions that business is bad.

The recent rise of business ethics correlates directly with this increased public distrust of business. Perhaps the latter has, in part, caused the former, but more probably they both are a part of a change that is occurring in
the relationship between business and society. I doubt that business is less ethical today than it has been in past decades — especially when you consider the period of the Robber Barrons. But society is demanding, more so now than ever before, that business be more ethically and socially responsible. In fact, sociologist Daniel Bell prophesied in his 1973 book *The Coming of Post-Industrial Society* that the question of social responsibility would be the crux of a debate that will serve as a turning point for the corporation in modern society. It is the ideas of this debate which carve out the very foundation of business ethics.

V

What is this question concerning the social responsibility of business? It really is the issue about the nature of business and of ethics and of their relationship. A long prevailing view of business has been that its only proper function is to provide goods and services for society and make profits for its investors. In fact, according to this view, it is irresponsible for business to take on tasks relating to moral decision making; that is the job of other units of society, the accepted decisions of which business must obey. Business is structured into formal organizations, usually called corporations, which are deliberately designed to seek specific goals that are neither moral nor immoral, but rather amoral. Therefore, corporations can only be evaluated in terms of how well they have met their amoral goals, not in terms of ethics. As John Ladd has put this, if one asks business

to conform to the principles of morality, he is simply committing a logical mistake...organizations are like machines, and it would be a category mistake to expect a machine to comply with the principles of morality. By the same token, an official or agent of a formal organization is simply violating the basic rules of organizational activity if he allows his moral scruples rather than the objectives of the organization to determine his decision.13

Understanding the nature of business in this functionalist way is not just impractical, it is unintelligible to bring ethics into business.
Milton Friedman, the Nobel Prize winning economist, draws on this same thinking in his analysis of the fiduciary relationship of corporate managers to their stockholding owners. He states the traditional capitalistic position in the following well known statement:

There is one and only one social responsibility of business -- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud.

Even though operationally it may be a fact that stockholders no longer operate like owners and that managers actually control the corporation, nevertheless, Friedman argues, it is still true that managers have accepted the job and the accompanying responsibilities of serving the interests of the owners, which is to increase corporate profits. Business executives cannot be expected to factor ethical concerns into their decisions; in accepting a business role they have in effect relinquished their character as autonomous moral agents in favor of carrying out the purposes of the organization. Like the attorney who takes on the role of getting the best deal possible for the client, the business executive is an organizational 'gamesman' responsible for getting the best deal possible for the shareholders -- as long as the rules of the game set out by society are not violated. Any other notion of responsibility is, according to this view of business, subversive to the game, to the free enterprise system, and ultimately to society itself.

A perfect example of this position is captured in the correspondence between Lammot du Pont, President of E.I. du Pont Company, and Alfred P. Sloan, Jr., President of General Motors, around the turn of the century. This correspondence was kept secret until a lawsuit brought it out in 1952. Du Pont was trying to convince GM to equip its lowest priced cars with safety glass, arguing that Ford had been using safety glass for years. Sloan replied:
That is no reason why we should do so. I am trying to protect the interest of the stockholders of General Motors and the corporation's operating position -- it is not my responsibility to sell safety glass...You can say, perhaps, that I am selfish, but business is selfish. We are not a charitable institution -- we are trying to make a profit for our stockholders.15

This view of the relationship of business and ethics is, I believe, fundamentally mistaken. It could be referred to as the myth of amoral business.16 Corporations are not rule and goal static entities. They should be seen move developmentally, not like machines with fixed characters, but more like organisms capable of evolving in response to their environments. As such, they can and do build new rules and goals into their formal structure, and this includes moral goals. Business ethics is attempting to discover what these moral rules and goals should be.

However, although it may be possible to build in moral goals, is it the proper task of business to do so? Do such moral goals interfere with the primary task of business? For example, the above functionalist position might argue that Ford Motor Company should not be held morally responsible for manufacturing the Pinto. It is true that it did not withstand rear-end collisions of over 20 MPH without fuel tank rupture and that it could have been made safer, but Ford violated no federal safety standards. Ford lived up to its function -- it made a product desirable to consumers, earned profit for its stockholders, and played by established game rules. To ask Ford to set such game rules for competing in the market conflicts with the primary function corporations were charged to carry out. As a private citizen I might vote for higher rear-end collision standards, but as Ford manager or engineer, it is not a part of my job description and would even be counterproductive to my duties in my assigned role.
Although the Ford Pinto case is extremely complicated, it raises relevant questions concerning business and society. In contradistinction to the above functionalist view, recent business ethicists have focused on the notion of a social contract implying that business corporations exist to serve the welfare of society. This is their reason for being. If society perceives that this contract is not being fulfilled, it has the right to change the corporation, even eliminate it. The fundamental obligation of a corporation is not to its stockholding owners but to its ultimate creator and judge -- society.

Robert A. Dahl has put the point this way:

> Today it is absurd to regard the corporation simply as an enterprise established for the sole purpose of allowing profit making...Every corporation should be thought of as a social enterprise whose existence and decisions can be justified only insofar as they serve public or social purposes.

If seeking profit maximization as the sole good serves the best interests of society, then the functionalist's corporation is operating within the bounds of its contract. But this is exactly what society is questioning, especially in the last decade or so.

Even Henry Ford II stated in a 1969 speech to the Harvard Business School:

> Now we are being asked to serve a wider range of human values and to accept an obligation to members of the public with whom we have no commercial transactions.

This view demands that corporations assume responsibilities which go far beyond just those of efficiency and legality. They must adopt goals for establishing ethical responsibilities toward employees, customers, suppliers, competitors, host communities, host countries, and society as a whole. Obligations of corporations are not just to stockholders but to stakeholders -- all those affected by corporate activities. Furthermore, these ethical goals are not simply to be imposed on corporations; rather corporations are being asked to work with society, or better yet to see themselves as a part of society, in developing and institutionalizing ethical goals.
VI

How do we go about developing the moral corporation? The only way is for corporations to do it themselves, or at least participate actively and freely in its development. Corporations consist of individual human beings. And to try to force a human being to be ethical violates the necessary criterion of morality itself -- namely, freedom or autonomy. One can force a person or a collection of persons to do what is perceived to be the good or right thing to do, but to act ethically one must freely adopt a moral point of view and act out respect for its commands. In no other way is moral responsibility intelligible. Christopher Stone has linked this point to corporations perfectly:

If people are going to adopt the terminology of 'responsibility' (with its allied concepts of corporate conscience) to suggest new, improved ways of dealing with corporations, then they ought to go back and examine in detail what 'being responsible' entails -- in the ordinary case of the responsible human being.20

Corporations cannot be ethical unless the human beings who comprise it are ethical. And human beings cannot be seen as mere cogs in a machine if they are to preserve their humanity and in turn their morality. Corporations can institutionalize moral goals and be ethically responsible only if the individuals who make them up are autonomous agents, because ethics requires autonomy. When the essential freedom of the members of a corporation is eclipsed or alienated, so too is the ability of the corporation to develop a moral character and act ethically.

On the other hand, it has been argued that focusing on the morality of institutions depersonalizes the issue, obscuring this primary role of individuals. Corporate wrongdoing happens only because certain individuals committed wrongful acts; hence we should focus our attention on developing individual
integrity which will lead to institutional integrity. Although there is some truth to this claim, it nevertheless overlooks the essential dynamics and reciprocity between individuals and organizations. Individuals do not operate in a vacuum. Just as organizations are made up of individuals, individuals are dependent on organizations. Individuals gain meaning, direction, and purpose by belonging to and acting out of organizations, out of social cultures that are formed around common goals, shared beliefs, and collective duties. As the philosopher John Dewey has put it, "Apart from ties which bind [the individual] to others, [the individual] is nothing." Corporations, like other social organizations, can and do influence individual decisions and actions. Corporations are social cultures with character -- character that can exercise good or bad influences, depending on goals, policies, structures, strategies, and other characteristics that formalize relations among the individuals who make up corporations. Therefore, when 60 to 70 percent of the managers of major corporations feel pressure to sacrifice their own personal ethical integrity for corporate goals, as several polls have shown, it is necessary and appropriate that business ethics direct its attention to issues of corporate integrity as well as individual integrity.

I am convinced that a major reason why we have witnessed outbreaks of corporate wrongdoing, recently as well as in the past, is not that business people are less ethical than others, but rather that business gives so little thought to developing a moral corporate culture within which individuals can act ethically. Causes of unethical actions are quite often systemic and not simply the result of rotten apples in the corporate barrel. Ethical people can be brought down by serving in a bad organization, just as people with questionable ethical integrity can be uplifted or at least held in check by serving in a good one. Corporations should examine themselves to see if their structures and relations, which systematically bind and move their employees,
are compatible with ethical behavior. And if they are not, then certain steps ought to be taken to change or supplement them.

I realize this creates serious challenges to corporations in every facet of their productive activities, especially responsible decision making and goal formation. It will require creativity and sensitivity on the part of corporations in order to meet these challenges; but most of all it will require a willingness to seek a new vision of themselves as an evolving collection of human beings working toward a synthesis of business practice and ethical values -- the true goal of good business and of business ethics.23

VII

Has there been any progress by corporations to incorporate ethical values into their operations? One might think not, especially in light of recent questionable corporate activities. Such activities include the check-kiting scam in E.F. Hutton, defense contract fraud by such companies as General Dynamics and General Electric, failure by the Bank of Boston to report large cash deposits made by reputed leaders of organized crime, failure by Eli Lilly to report deaths of patients who took Orasol, alleged cover-up by A.H. Robins of the dangers of the Dalkon Shield, cyanide poisoning of employees within Film Recovery Systems, unfair takeover tactics by Texaco, possible lack of adequate safety standards by Union Carbide leading to the tragedy in Bhopal, and the insider trading scandals that have shaken the financial investment world.

Nevertheless, many corporations are trying to institutionalize ethical values, partly, I suspect, because of these and other such scandals. The Center for Business Ethics asked about this in a lengthy questionnaire to the 1984 Fortune 500 industrial and 500 service companies. Of the 279 responding companies, 223 (almost 80 percent) indicated they were taking steps to incorporate ethical values into their organization. Furthermore, the goal of
being a socially responsible corporation was listed more often than any other as the primary reason for building ethics into the organization, by far taking precedence over the goal of simply complying with state and federal guidelines. Cautiously generalizing from this survey and from other information that has come into the Center since the survey, I am convinced a truly significant number of America's major corporations are initiating steps to develop ethical cultures.

However, the survey also indicates that most of these corporate attempts need to go much further before they will be successful. Although 93 percent of the responding companies taking ethical steps have written codes of ethics, only 18 percent have ethics committees, only 8 percent have ethics ombudsmen, and only three companies said they have judiciary boards. It is difficult to understand how codes can be adjudicated effectively and fairly without a board committee for that purpose. Furthermore, according to the survey, the communication of the codes seemed suspect. Almost all the companies communicate them to their employees through printed materials, but only 40 percent do so through advice from a superior, 34 percent through an entrance interview, and 21 percent through workshops or seminars. Only 11 percent post them in the workplace. Writing a code of ethics is an important first step, but it is just that -- a first step. To be effective, it must be backed up by other kinds of support structures throughout the organization to insure its adequate communication, oversight, enforcement, adjudication, and review.

The employee must believe that the corporation will stand behind the code and individual decisions made out of respect for the code. The code, therefore, should have clear support from the very top of the corporation, preferably from the board of directors. In fact, a corporate ethics committee should probably be chaired by a member of the board. Equally important is that everyone in the corporation should be brought into efforts to develop the
ethical corporation. Unfortunately, the profile of the relatively few ethics committees suggests that they are strongly oriented toward upper management, designed without much input or representation from lower-level employees. Only 23 percent have managers below the level of the board or executive officers as members of the ethics committee, and only 8 percent have non-managers as members. Most of the members are appointed; only 8 percent have any elected members. Furthermore, only 40 percent of these ethics committees handle infractions of the code, and only 23 percent respond to employee complaints. A corporate code of ethics lacks overall effectiveness if it is simply handed down and run from on high, so to speak. Corporations must find ways for all their members to feel they have played and continue to play some role in the on-going design and maintenance of the code.

There are other steps corporations should take and, in some cases, have been taking to institutionalize ethics. One is the implementation of an ethics training or development program for corporate employees. The Center's survey revealed that 44 percent of those corporations taking ethical steps have some form of ethics training, with 53 percent of those stating that they use a workshop as one method. But again these training programs primarily include upper management; only 35 percent of those companies engaged in ethics training involved hourly workers.

Another corporate step toward institutionalizing ethics is the social audit or report, which analyzes the firm's activities in a number of ethically sensitive areas. Such a report can help in determining where the most important ethical issues and problems are in one's business and serve in measuring progress in such areas. The Center's survey showed that 43 percent of those corporations taking ethical steps perform a social audit including such areas as equal opportunity employment, community involvement, safety, quality of products and service, protection of the environment, and conduct in
multinational operations. Unfortunately, only 22 percent disclose their social audits to the general public and to shareholders. Most of the audit information is located in internal memoranda and circulated only at the highest levels of the company. Wider dissemination of such information would strengthen the commitment and performance of a corporation's ethics program and provide opportunity both from within and without for suggestions for improvement.

Finally, a corporate program for institutionalizing ethics would seem to demand certain internal structural changes that would clearly create and define the appropriate ethical role and make-up of the governance system -- especially that of the board of directors, which is ultimately responsible for the ethical integrity of the corporation. The Center's survey discovered that almost 80 percent of the companies taking ethical steps have made no changes in corporate structure to accommodate their ethical efforts. And of the 20 percent that have, only 39 percent have made changes in the role of the board, with only 2 percent initiating an ethics officer on the board. Furthermore, of the 20 percent that made structural changes, only 24 percent moved toward worker participation in decision making and only 7 percent introduced an employee bill of rights.

I am convinced that certain structural reforms need to be made in most corporate organizations to insure that there is appropriate ethical focus, information flow, and oversight, starting with the board and proceeding down through the corporate hierarchy. Boards need to be more informed, more representative, and more independent of the influence of corporate officers. Only then will they effectively discharge one of their primary responsibilities, namely, the establishment of a corporate ethical culture. Changes also need to be made in the traditional reliance on hierarchial top-down chains of responsibility and decision making. Flatter organizations and bottom-up structures allow for increased responsibility and participatory decision making.
at lower levels of the organization. In all areas of the organization, ethical responsibilities and guidelines should be clearly stated, communicated, and overseen with participation from all affected parties. And such responsibilities should be complemented by equally important statements of rights for all employees. Only when such corporate structural changes are initiated will a foundation be laid for the development of the ethical corporation.

I am convinced that corporations are paying more attention to ethics. Partly because of the tremendous costs in not doing so. But it would be unfair and naive for anyone to believe that most people working in the corporate world are not themselves morally concerned, even outraged, about the unethical practices occurring in their profession. I am also convinced progress is being made. But, as the Center's survey reveals, more work is needed toward building ethical corporations. It is impossible totally to prevent unscrupulous people from committing wrongful acts in any organization, but by working toward the development of the ethical corporation, we can lessen such acts and strengthen individual integrity.24

VIII

To meet these challenges and to accomplish this goal, work in business ethics has been and still is indispensable. Business ethics attempts to lay out issues crucial to the institutionalization of corporate moral goals -- issues such as the role and structure of corporate power, the integrity and quality of corporate work, and the criteria for responsible corporate interaction with its many environments and stakeholders. It is also an effort to sensitize people to moral values and to provide tools of ethical analysis by which to work through the issues.

Furthermore, business ethics contends that many, if not most, of the ethical problems in business do not result from immoral people, but rather from
systemic failures which require recognition, analysis, and correction. But most fundamentally business ethics is dedicated to the maturation of our moral dimension -- a dimension which demands the actualization of one's moral responsibilities. Only when business people see themselves first and foremost as autonomous individuals with ethical responsibilities will society see the emergence of a moral corporate culture. Business ethics, therefore, is not a contradiction, but rather a necessity for a good society.