

A Quick Justification for Business Ethics

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ABSTRACT. The article examines the question of whether business ethics courses ought to have an impact. Despite the still common attitude among students and some business professionals that ethical considerations are less pressing in business, I argue that moral obligations are just as important there as elsewhere. The emphasis on profits in business is related to other realms (e.g., hobbies and seeking and education) in which, though private goals are dominant, moral limits remain in force. Business ethics courses can play a crucial role in emphasizing the necessity of ethical analysis in business.

There definitely are days when one wonders whether business ethics courses have an impact.¹ About the middle of the first semester that I ever taught a business ethics course, one of my students reported a conversation he had had with his marketing professor. When the student asked about the ethical aspects of a certain policy, the response was quick: "In marketing, you don't have the time or the need to worry about ethics."

Such comments, though generally flippant, remind us of a key point. Teaching business ethics is a subversive activity. It threatens long-standing attitudes and practises in business. We cannot forget this as we consider whether business ethics courses should or do have an impact.

The standard ideology of business, as reflected in the marketing professor's comment, leaves little room for ethical analysis. Even more, on the traditional and still dominant business

ideology, ethical analysis is to be avoided in business. This raises a serious dilemma for business ethics courses. While many disciplines spend time explaining why rational beings should bother studying the material, practitioners of business ethics must go further. They must show why the whole enterprise is not completely wrong-headed, why the discipline is not illegitimate. Why should valuable time be spent analyzing the ethical dimensions of business decisions?

If business ethics courses are *appropriately* to have an impact, the challenge to their legitimacy must be met. As usual, the normative question comes first. To meet the challenge is to answer the question, 'Should business ethics courses have an impact?'. If the challenge can be met, then it is quite appropriate to undertake the subversive activities associated with teaching business ethics.

I expect that most of us here consider the discipline of business ethics to be legitimate. Further, those of us in academia (at least) are generally surrounded by persons who are also committed to injecting values into business decision-making. The marketing professor I spoke of earlier is no longer at Lake Forest College. I suspect the reason is not so much that I managed to convince all of his students that ethics is important, but that his outlook simply did not fit the educational ideals of a liberal arts college.

The situation beyond the classroom is, as we all know, somewhat different. There is the constant pressure for profits and the emphasis on monetary success which, coupled with the basic survival instincts of individuals in business, tends to push other considerations (like ethics)

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to the background. I suspect (though I am no expert on these issues) that the avoidance of ethical analysis in the day to day operations of business is not something that individuals do consciously. Rather, profit-making pressures simply leave little room for other factors – and there is no countervailing pressure to include ethical analysis.

I do not wish to imply that *every* business person wholeheartedly endorses the traditional ideology. Many do not. But it is not enough for some individuals to question or reject an ideology. It remains potent as long as it continues to define the framework from which persons (perhaps grudgingly) operate. In discussions at this conference, we have seen evidence that the traditional business ideology still retains such control. Kenneth Goodpaster noted that though many executives would like to expand the role of moral analysis in business decision-making, they feel trapped in an environment that makes such efforts terribly risky.² Rance Crain, though forcefully protesting against it, admitted the excessive emphasis in American business on making profits.³ At present, though there are substantial pockets of resistance, the standard ideology from which business decisions are made tends to eliminate moral analysis.

While the emphasis on profits is questioned by many persons 'in the field', it is often embraced, without much thought, by students. Other business people have reconciled themselves to the traditional ideology. There will be twinges of conscience, but these can be suppressed with the knowledge that business is *meant* to operate independently of morality. We have often been bombarded with the claim that business people do not have to worry about morality because, as every capitalist knows, an economy works best when everyone is simply out to get the best (or the most) for himself or herself. Once again, the standard ideology of business, supported by numerous theoretical arguments, makes its presence known.

How can this traditional ideology be questioned, or, to raise once again our normative issue, should it be questioned? This is a simple matter for philosophical analysis. And this analysis provides both the rationale for and the

heart of business ethics courses.

Experience indicates that the traditional economic ideology does capture a basic truth. A system that operates on the basis of individuals seeking personal gain can efficiently generate a large supply of goods. This is, however, a rather limited claim. Difficulties arise when it is expanded to imply that morality is to be avoided or, at least, overlooked. The traditional ideology has tended to broaden the claim in this inappropriate way and, thus, has masked the fundamental role of morality in business.

A commitment to private gain does not necessarily imply a commitment to immorality – or to an absence of moral analysis. Even the staunchest adherents of free enterprise would find it difficult to condone deliberate cheating on contracts or selling defective brakes as first quality. So far, there is nothing controversial. A business system cannot function unless agreements are kept and deception is not practiced. Such limitations amount to what Friedman is fond of calling the "rules of the game". If business ethics were no more than this, the subject would be severely restricted.

Unfortunately for the traditional economic ideology, appeals to rules of the game are still misleading – implying as they do that business activities occur in a vacuum, with their own separate (and extremely limited) rules. In fact, business activities are just one part of the broader pattern of social interactions. In a variety of ways, business relies on the morality that ties society together. Investments in plants and equipment would not be made if there were no general commitment in the community to respect the property of others.

On the other hand, as one type of social interaction, business can either reinforce or threaten the morality that maintains society as a whole. The rules of the game for business are not just those related to it as a specific activity but the rules necessary for a stable social structure in general. Because the traditional ideology of business is, as Goodpaster explained, a practical framework for deciding specific problems, its scope is narrow, and it misses some of the big picture. A consideration of business' place in the social setting as a whole yields a more

extensive role for morality in business affairs.

For a stable community, the rules emphasized by Friedman (honesty and respecting agreements) are necessary but not sufficient. Honest people can still kill, steal, and otherwise threaten the welfare of persons. A community of honest murderers would not exist long. A community whose business people kept agreements but had little concern for the well-being of persons would be equally threatened. Such difficulties are not mere idle speculations, unlikely occurrences given the magical workings of the free market. The problems raised by exploding Pintos and improper dumping of hazardous wastes do not arise from a lack of honesty but from a lack of concern for the long-range health and safety of persons. A skyrocketing death rate from hazardous business practices can be just as unsettling as a skyrocketing murder rate in the population in general.

Other problems emerge when basic freedoms are threatened. The difficulty with subliminal advertising is not a matter of lying or failing to keep agreements. Rather, such techniques seek to bypass the deliberative process and, as a result, alter drastically the way persons interact and treat each other. One can only speculate (as George Orwell did) as to the serious alterations in our society and ourselves if such techniques were in constant and widespread use.

The need to respect the freedom and to protect the welfare of persons – as well as being honest and fulfilling agreements – is as important in business as in any other realm. It does not matter that the basic goal of persons in business is self-interested as opposed to moral. In many realms, one's explicit goal is non-moral. In pursuing hobbies, I am primarily concerned with self-gratification. I seek an education for personal enrichment and gain. In all of these realms, including business, personal goals must be pursued within the limits posed by morality. I should not pursue photography by shooting unsuspecting neighbors while they shower; I should not gain admission to college by cheating on entrance exams; I should not make a profit by stealing from suppliers.

Here, finally, we see the point I have been seeking. Business ethics is just ethics. Professor

Goodpaster made this point with respect to the questions covered in the study of these two disciplines. I am making the point with respect to the demands placed on individuals as actors. The moral rules for business people are not significantly different from the rules of proper conduct for persons in general. In all realms, morality provides limits on appropriate action. Morality serves as a vetoer, rejecting goals and means that violate the basic rules of the all-encompassing social game.

Once again, the subversive role of business ethics courses surfaces. Such courses must seek to expand the scope of moral analysis while the traditional ideology (which most students enter courses with) attempts to block out ethical deliberations. In other areas of practical ethics, e.g., medical ethics and contemporary issues courses, it is not as necessary to defend the very legitimacy of morality. Ethics has a long-standing and respected role in medicine (even if specific practitioners sometimes forget this). And it is well recognized that there are significant moral dimensions to issues such as the proper treatment of animals and the acceptability of capital punishment.

In business, the role of ethics is not as well-accepted, and so the relevance of moral analysis must be established at the outset. This is not to say that as a teacher of business ethics, one must convince students to accept a particular moral outlook (e.g., utilitarian or deontological) or specific judgments about difficult cases (e.g., the legitimacy of preferential treatment programs). As in other practical ethics courses, the examination of specific issues in business ethics ought to improve the students' understanding of issues and ability to deal with problems. I am not advocating making difficult decisions for students. I am saying that, given the unique situation with respect to business, students must first be convinced of the need to do moral analysis at all.

To the extent that the traditional view of business activities clouds the importance of morality, it is imperative that business ethics courses have an impact. As educators, we need to remember – and to remind those in and headed toward business – that even an eco-

conomic system emphasizing competition and personal gain is still, ultimately, a system of and for cooperation. Individuals gain by working and trading with others. Since the economic framework is basically social, it, no less than any other, requires morality.

Here is the ultimate justification for business ethics. Not only is the discipline appropriate, it is necessary. Not only *should* business ethics courses have an impact, they *must*. As practitioners of business ethics, we can wholeheartedly embrace our subversive role. If such courses have the effect of reinforcing the importance of morality in business, they will be doing their job.

Notes

¹ These comments were presented as part of a panel discussion on the question 'Do/Should Business Ethics Courses Have an Impact', at the Workshop on Business Ethics (at DePaul University, July 30, 1983), sponsored by the Society for Business Ethics and DePaul University.

² From Goodpaster's, 'Ethical Aspects of Corporate Policy: Business Ethics, Ideology, and the Naturalistic Fallacy', Conference on Business Ethics, DePaul University, July 25, 1983. Other references to Goodpaster are from this session.

³ From Crain's talk, 'Enriching the Corporate Community: A View from the Front', Workshop on Business Ethics, DePaul University, July 28, 1983.

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