

Business Ethics and the Well-Being of Nations – Is There a Connection?

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ABSTRACT. The aim of this paper is to examine whether and how business ethics is connected with the well-being of a nation. There has been active research in the well-being of nations across the globe in the last two decades, resulting in substantial theoretical progress and a wealth of empirical data on the well-beings of different nations across the globe. Dissatisfied with the conventional measures such as the GDP, well-being researchers have been developing alternative measures that can better capture the true nature of the well-being of a country. The paper begins by examining why the GDP is inadequate as a good measure of the well-being of a country. Major alternative proposals on well-being or similar measures are summarized. Objective well-being of a nation refers to the conditions of well-being of a country. Subjective well-being of a nation is the perceptions of its citizens with regard to their satisfaction with the major conditions of living in that nation. The paper presents two central arguments leading to the conclusion that business ethics is an integral part of the well-being of a country. The first argument utilizes the concept of workplace well-being to establish the linkage. The second argument uses evidence from a recent survey of the perceptions of Taiwanese people on business ethics in relation to the well-being of a nation. The paper also reveals that common values tie the two together at a deeper level.

KEY WORDS: well-being, business ethics, workplace well-being, business well-being, values

Introduction

The aim of this paper is to examine whether and how business ethics is connected with the well-being of a nation. Business ethics refers to the way business

practices its ethics in a country. It involves the complicated processes and relationships business has with its stakeholders and the environment. How corporations deal ethically with their shareholders, employees, customers, communities, society and the environment, among others, constitute the major concerns of business ethics. There are two dimensions to business ethics. Empirical business ethics concerns how business *actually* treats its stakeholders ethically. Normative business ethics focus on how business *ought* to be conducted ethically with respect to its stakeholders.

To address the titled question ‘Business Ethics and the Well-being of a Nation, Is there a Connection?’ the paper argues that business ethics is an integral part of the well-being of a country. The two arguments proceed as follows. First, it is contented that the well-being of a nation includes the business well-being, the desirable conditions for business to operate with respect to its stakeholders. It is argued that business ethics establishes and sustains the ethical connectedness between workplace well-being as a key component of business well-being. Extrapolating from these connections, it is reasonable to view that business ethics is connected with the well-being of a nation. Second, the findings from a survey of Taiwanese people views on the constituents of well-being of a nation are used to argue that business ethics is essential to the well-being of a country. The paper assumes that ethics exist to prevent harm and promote good. The major function of ethics is to promote the good of society and enhance the well-being of people.

Well-being is beyond GDP

There has been active research in the well-being of nations across the globe in the last two decades, resulting in theoretical progress and a wealth of

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empirical data on the well-being of different nations across the globe (Veenhoven, 2005). Dissatisfied with familiar measures such as the GDP or GNP to measure the well-being of a society, researchers have been developing alternative measures that can better capture the true nature of the well-being of a country. It is a common practice to use the Gross Domestic Product (GDP) as a measure to gauge the condition of a nation. However, it has become increasingly clear that this produces a highly distorted picture of the well-being of a nation. This section examines why the GDP is inadequate as a measure of the well-being of a country.

As a general economic measure, the GDP measures the sum total of the goods and services of a nation within a given time frame. The goods and services include products and services for consumption, government services and investment products. Technicalities aside, there are problems using the GDP to measure even the economic well-being of a country. The reasons are the following. In a typical market exchange, the price of a product reflects the marginal cost of the producer and the marginal benefit for the consumer with respect to that product. The price of the product is the money the customer is willing to pay for the product that he or she wants. In contrast, the social benefits resulting from services that government provides for its citizens, among other things, education, law and order and health care, are difficult to measure. However, these are important elements to a country's economy. Besides, many aspects of the well-being of citizens are not captured by the GDP measure. For example, when citizens get sick as a result of pollution and receive medical treatment, the medical expenses incurred are computed into the GDP of a country. As a result, that country has a higher GDP yet the health of its citizens is in bad shape! If there are a lot of home break-ins, citizens install anti-theft devices, repurchase the items that were stolen, and buy more insurance, among others. All these costs will help lift the GDP, while citizens live in fear of the safety of their property and person! Furthermore, GDP does not include other valuable things, like volunteer work, unpaid work and leisure hours, art and culture as well as the natural environment. Thus, it is easy to see why GDP is a poor measure of the well-being of a nation.

There have been attempts to construct the economic well-being, or its related indices, to better

reflect the economic state of affairs of a society. For example, Nordhaus and Tobin (1973) have tried to adjust the GNP to better measure economic well-being by including the value of non-market activities. Others (Sirgy et al., 2006) have attempted to eliminate "consumer costs," government military spending and similar outlays necessary for the economy's functioning; and by subtracting the costs of "disamenities" associated with urbanization and congestion. In a separate effort, in addition to consumption, the Osberg-Sharpe Index of Economic Well-Being includes wealth accumulation, inequality, and economic insecurity (i.e., risk of unemployment, illness, single parent poverty, and old age) (Osberg, 2001; Osberg and Sharpe, 1998). In another attempt (Morris, 1979), the physical Quality of Life (QOL) index is constructed by combining measures of economic output, life expectancy, and education. It inspires the development of today's United Nations' Human Development Index. The next section summaries a selected list of major proposals on well-being or similar measures.

Well-being measures – some examples

Well-being is not only an idea, but something that can be measured. There have been attempts in the last two decades to construct measures of well-being or related measures, like those on the quality of life, human development, or social progress. Major examples of these measures include the Netherlands Life Conditions Indicators, The German Social Indicator System, the Social Report of New Zealand, the Weighted Index of Social Progress, Happy Planet Index (NEF), Measure of Domestic Progress (MDP), the Genuine Progress Indicator (GPI), the CUHK Hong Kong Quality of Life Index, the Australian Unity Well-being Index and the Canadian Index of Wellbeing, among others. There are measures developed by individual researchers. Notably, Cummins' Comprehensive Quality of Life Scale, Michalos' Quality of Life Indicators, Veenhoven's Happy Life-expectancy Scale and Diener's Basic and Advanced Index, are major examples. I report below the contents of some measures (Hagerty et al., 2001).

The Cummins' Comprehensive Quality of Life Scale consists of seven domains – material well-being, health, productivity, intimate relationships,

security, community and emotional well-being. Each domain has three objective measures and one subjective measure (Cummins et al., 2003). Michalos (1980) in his North American Social Report, developed 126 indicators distributed over 12 domains – demographics, death, disease, health care, crimes and law enforcement, politics and organization, science and technology, education, entertainment, natural environment and resources, transportation and resources housing, economy and moral, and social customs, to report people's quality of life in North America from 1964 to 1974. The Netherlands Life Conditions Indicators System has these domains – housing, health, purchasing power, leisure, mobility, social participation, sports, holidays, education and employment. Each domain has a number of indicators. The German Social Indicator System includes domains like demographics, social economic status and subjective class identity, labor market and work life, income and income distribution, supply and consumption of goods and services, transportation, housing, education, health, participation, the environment, public security and crime, leisure and media consumption. Bhutan's recent attempt to use the Gross National Happiness (GNH) to replace GDP as a measure of national well-being has attracted world attention. It has four domains – sustainable and fair social and economic development, clean environment, preservation and promotion of Bhutan's culture, and good governance.

The Canadian government's recent effort to devise a comprehensive national well-being index as a state effort is another significant sign that nations are taking the well-being measure seriously. A final version of a comprehensive Canadian Index of Well-being (CIW) is yet to be completed. In its earlier version published in the Atkinson Foundation website, the CIW includes seven domains of well-being: (1) living standard – income and employment, the wealth gap, food and security, affordable housing; (2) healthy population – health conditions of ethnic groups, the environment and risks affecting health and diseases; (3) community vitality – social cohesion, personal safety, people's social and cultural identity; (4) environmental quality; (5) citizen's educational level; (6) free time citizens spend on society, family and cultural activities; and (7) citizen's civic activities and government's concern about citizen's needs and opinions.

The idea behind this index is to provide a comprehensive report of important aspects of lives of Canadians (Michalos, 2006). The above examples suffice to demonstrate that well-being or related measures employ notions of well-being that have some major shared similarities with each other. What does the well-being of a nation mean?

What is the well-being of a nation?

Researchers have conceptualized well-being in different ways, yet there are significant overlaps of these conceptualizations. Michalos (2006) sees well-being of a nation, community or a person as a function of two variables – the actual conditions of the person or the community or nation, and what that person or nation makes of the conditions. What a person or nation makes of the conditions is in turn a function of how the conditions are perceived, what the person or nation feels about those conditions and what a person or nation does. Veenhoven (1984, 2000, 2006) distinguishes between four kinds of well-being, resulting from four different perspectives on a system. The well-being of a system can be viewed from the chances of success, or be looked at the outcomes of the system. Furthermore, the well-being of a system can be seen externally or internally. Combining these perspectives produces four kinds of well-being – favorable environment, good functioning, positive external effects and continuance. Different kinds of individual well-being and social well-being can be distinguished respectively under such a scheme. There are four kinds of individual well-being – livability of environment (external-chances), utility of life (external-outcomes), life ability of a person (internal-chances), and long and happy life (internal-outcomes). On the societal level, the four kinds of well-being are – ecological condition, geo-political position (external-chances), burden to eco-system (external-outcomes), contribution to civilization, functioning of the society (internal-chances), and continuity and morale of society (internal-outcomes).

The well-being of a nation can be interpreted objectively or subjectively. Objective well-being of a nation refers to the positive or good conditions of a country, where positive or good is interpreted as life-sustaining and life-flourishing. They are the

good economic, environmental, political, social and cultural conditions of the well-being of the citizens of a nation. Subjective well-being of a nation is the perceptions of its citizens with regard to their satisfaction with the various conditions of living in that nation. It refers to the positive or pleasant feelings people have for the various aspects of their lives. The major aspects of people's life include their health condition, family and social relations, work, standard of living, among other things. In what follows, I argue that business ethics is closely connected with the well-being of a nation through two arguments.

The first argument

People's well-being is closely affected by their economic and business well-being. People's activities and interactions with others – producing, consuming, working, learning, interacting, entertaining, collaborating – are increasingly mediated and shaped by business transactions and processes. The goods and services provided by business in effect form the infrastructure of a comfortable modern life. What are the effects of business on people's well-being? People may play various roles – employee, customer, shareholder, investor, supplier, competitor, citizens, regulators, state officials – in today's society. How these roles, attached with different expectations and aspirations, are played out have consequences not only for the role-players' well-being, but the well-being of society as well. Are people as employee, as customer, as shareholder, as business competitor, as supplier, as citizen, as members of the communities satisfied with their lives, or the business world as a whole? What is the well-being of the employees in a society? What is the well-being of the customers, shareholders, citizens of our society? What are the components of well-being of these agents with their distinct roles? When the general well-being of people is considered, the well-being of these specific groups should be taken into account. The commonly used concept of economic well-being seems too broad to do justice to the complexity and varieties of the well-being of business stakeholders. Thus, to take full account of this important domain of people's well-being, one should go beyond economic well-being and look closely into the business well-being of a society.

What would the business well-being of a society be like? I conceive business well-being as a desirable state of affairs in business whereby the well-being of its stakeholders are protected, enhanced, and developed, and the stakeholders concerned feel satisfied. Business well-being consists of the domains associated with the well-beings of its major stakeholders – well-being of employees/workers, well-being of customers, well-being of shareholders, well-being of competitors, well-being of communities where businesses operate, and the well-being of the environment, among others. Each of these distinct but connected domains has sub-domains of its own (Figure 1). To present the full content of this complex structure of business well-being is beyond the scope of this paper. For our purposes, I focus on the well-being of employees as workplace well-being and explore through it the relationship between business ethics and business well-being.

Workplace well-being

People spend the bulk of their productive waking hours for paid employment. Therefore, workplace well-being occupies a critical place in their life satisfaction and happiness (Warr, 1999). What are the factors that make employees happy? What are causes of their unhappiness? Has business ethics anything to do with peoples' workplace well-being?

Workplace well-being is often studied as quality of work life (QWL). Research has discovered that the quality of working life is instrumental to an employee's work attitudes and productivity. Measures like decreasing the conflict between the individual and the organization, job enlargement, and participative or employee-centered leadership, are regarded as remedies for low productivity and negative work ethics (Argyris, 1957). How managers treat their employees has been found crucial in having greater productivity and worker's satisfaction (Blake and Mouton, 1964). It is found that QWL is closely correlated with employees' overall quality of life. A measure of QWL (efficacy index) is found to be a strong predictor of life satisfaction (Andrews and Withey, 1976). There is ample evidence showing that lifting the workplace well-being can make employees become more productive and committed, less alienated from work and more satisfied with

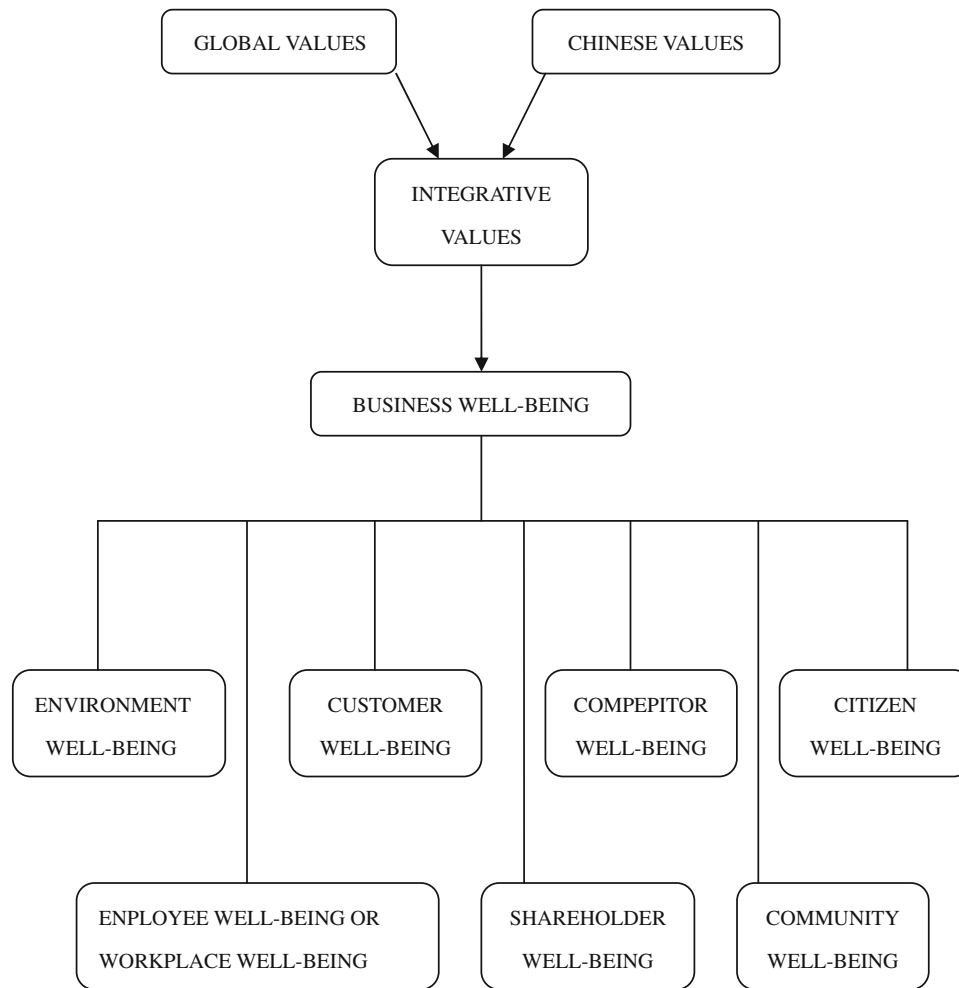


Figure 1. Business well-being in Chinese culture communities. *Source:* Ip (2009, p. 62).

their jobs (Efraty et al., 1991; Greenhaus et al., 1987; Lewellyn and Wibker, 1990).¹

What are the components of workplace well-being? Based on findings in the literature, there are 6 major components of a workplace – job characteristics, organization job roles, organization–person fit, organization justice, work–family conflict and organization citizenship behavior – that can affect the well-being of employees in the workplace (Ip, 2009). Each component comprises sub-components, associated with the workplace or job satisfaction of the employee (Figure 2). The components of workplace well-being are presumably a broad reflection of the underlying values that buttress the workplace well-being as a whole. The set of values that are associated with work and the workplace,

which includes the Chinese elements, will be identified and discussed later.

How ethics are involved in workplace well-being

Of the six components of workplace well-being, I argue that most of them are related in various intensities and ways with business ethics. Obviously, organization justice is basically the core of business ethics. In organizations, employees' concern about fairness may be presented through the following issues: Do people involved in implementing decisions have a say in making the decisions? Are members of my work unit involved in making decisions that

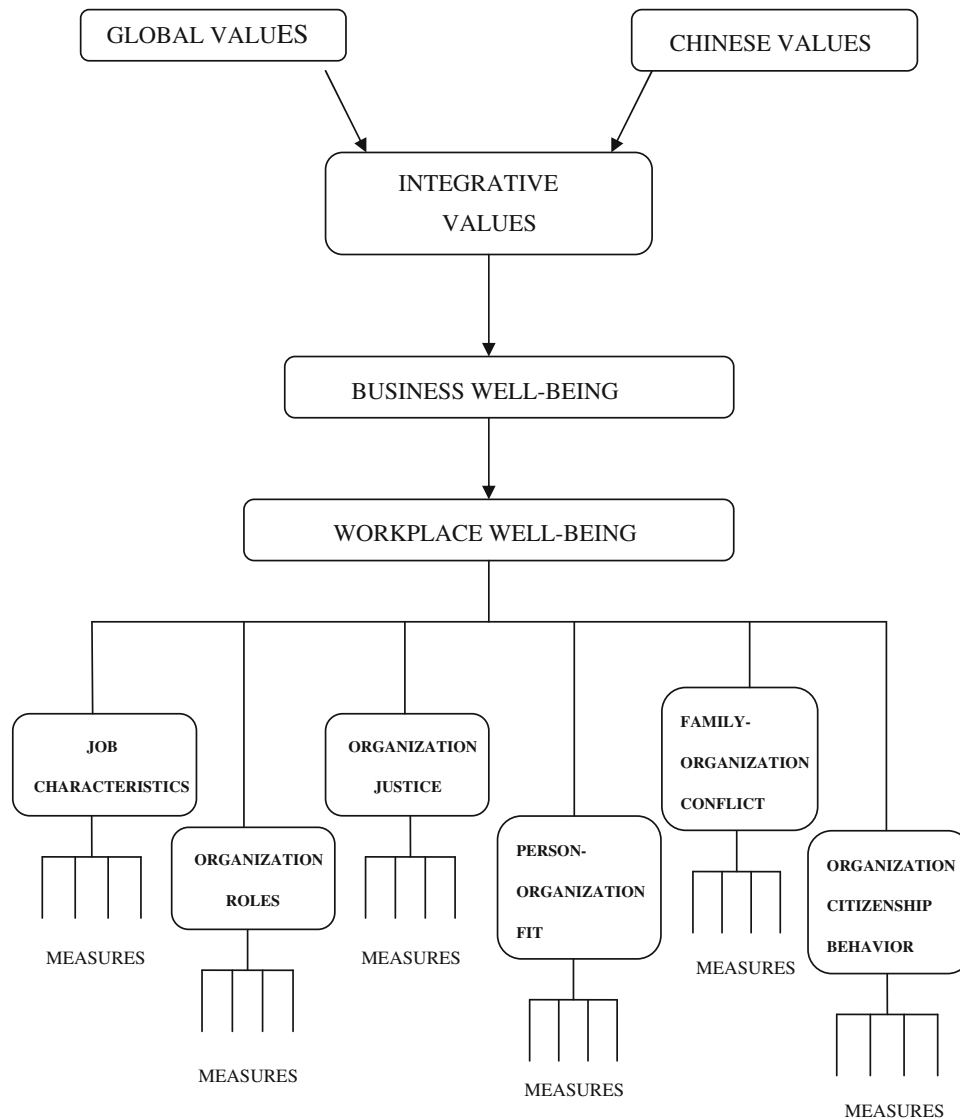


Figure 2. Workplace well-being in Chinese culture communities. *Source:* Ip (2009, p. 64).

directly affect their work? Are people with the most knowledge involved in the resolution of problems? If a worker performs well, are there appropriate recognition and rewards (Parker et al., 1997)? Organizational fairness consists of two kinds – output fairness and procedure fairness. Output fairness refers to the fairness of the results of their work input in comparison with those of their co-employees. It concerns justice in compensation and awards. Procedure fairness concerns the justice of decision making processes or other managerial procedures. Both positive output fairness and procedure fairness favorably affect the work behavior and performance

of employees (Ball et al., 1994; Korsgaard et al., 1995). Perception of output unfairness lowers employees' pay satisfaction which harms job satisfaction. Perception of procedure injustice erodes organizational commitment and breeds distrust in organizations (Folger and Konovsky, 1989).²

For the remaining components, I argue that they are also closely connected with business ethics. Job characteristics, for its apparent mundane nature, are ethics related. Hackman and Oldham (1974) have argued that a well-designed job can bring employee's experienced meaningfulness of the work, experienced responsibility for the outcomes of the

work, and knowledge of the results of the work. Some studies have found that a well-designed job is positively correlated with job satisfaction (Renn and Vandenberg, 1995; Taber and Taylor, 1990). Clear job roles enable employees to better understand their responsibilities and the tasks demanded of them. Normally, unclear roles often lead to role conflict, job tensions and disharmony, thus affecting employees' performance and well-being. Role conflict, role ambiguity, and overload create stress that may affect employees' well-being. Role conflict and role ambiguity both are correlated with employees' job dissatisfaction (Jackson and Schuler, 1985). It is easy to see the job design as well as the job itself, has a deep ethical content. Ethics demand managers to design jobs that enhance workplace well-being of workers.

Person-organization fit refers to the compatibility between the attributes of the employees and those of the organization. A good fit of attributes will produce more harmonious working relationships and behavior that generate positive results. Of all the various kinds of fits, value and purpose fit represent the two most critical to the success of the organization and the well-being of the employee. Work-family conflict refers to the conflict between the role responsibilities in the workplace and those in the family (Kossek and Ozeki, 1998). As a result of this conflict, people's level of job and life satisfaction suffers. They are also responsible for behaviors including absenteeism, tardiness and turnover (Aryee et al., 1998).

Organization citizenship behaviors (OCB) refer to beneficial behaviors undertaken by employees in the organization that contribute to the success of the organization by creating mutually supportive and cooperative relationships, trust, and active engagement in the workplace. These behaviors include traditional in-role job performance behaviors, organizationally functional extra-role conducts, among others (Sagia, 1998). There are three kinds of OCB: (1) organization compliance behaviors which include the acceptance of the necessary and desirable rational rules and regulations of the organization; (2) organization loyalty which includes allegiance to the organization as a whole without succumbing to parochial interests of individuals, groups and departments; and (3) organization participation which includes showing interest and involvement in organization affairs, guided by standards of reason-

able ethics, principle of voice and informed consent, and good governance. Not many organizations sustainably have OCB among its members. Thus it is a highly valued asset for organizations. Ethics require that managers should encourage and promote OCB for the benefit of both the organization and its members.

From the above discussion, it is fair to say that business ethics is intimately connected with workplace well-being, and hence deeply entrenched in people's business well-being. Based on what we have found about the ethical connectedness within components of workplace well-being, we have reasons to expect similar ethical connectedness in other domains of business well-being. Therefore, we can say that business ethics are generally involved in the components of business well-being. A case can then be made for the claim that the well-being of a nation has a close connection with business ethics. This completes the first argument.

The second argument

The second argument is based on evidence gathered from a recent empirical survey of Taiwanese people's view on business ethics as a part of the well-being of a nation. The survey ($n = 1,100$) was conducted in May 2007 on residents of Taiwan regarding their perceptions of the well-being of a nation.³

The sample characteristics of the survey are as follows:

1. Gender: male – 572 (50.4%); female – 564 (49.6%)
2. Age: 18–29 (18%); 30–39 (24%); 40–49(32%); 50–59(20.9%); 60–65(4.59%)
3. Marital status: married 726 (64%); single 321 (28%)
4. Education: primary (14%); high school (27%); vocational (35%); university (19%), graduate school (3.8%)
5. Region – core city (26%); city (29%); new city-township (28%); traditional industrial township (7.6%); village and township (8%); senior and remote (1.3%)
6. Income – <\$10K (11%); \$20K–\$30K (45%); \$30K–\$60K (37%); \$60K–\$100K (4.5%) (in Taiwanese currency)

7. Religion – no religion (22%); folk religion (21%); Taoism (17%); Buddhism (32%)
8. Occupation – managerial (2.7%); professional (including engineer) (8.2%); assistant and professional (technician) (12.7%); administrative and technical-related(10.4%); servicing and sales (12.5%); farming, forestry and fishing (2.6%); technician and related(11.9%); mechanical operators and related work(6.1%); non-technical and manual work(6%); unemployed and not employed (5.4%); retired(3.2%); student(3.9); housewife(13.9%)
9. Ethnicity – Taiwan Fujianese (77.1%), Taiwan Hakka people (11%), Mainlander (10.6%), Aborigines (1.2%).

Five questions in the questionnaire were designed as proxies for components of business ethics. The questions posed to the interviewees with regard to business ethics are of this form: “To what extent do you agree that a nation’s well-being consists of companies that are [features of business ethics]...” The five questions asked, respectively, five different features of business ethics – having good corporate governance and compliance with business ethics; respecting employees’ rights; respecting customers’ rights; contributing back to society and protecting the environment. Interviewees were asked to indicate their agreement or disagreement on a scale of 0–10 on degree of agreement scale, where ‘0’ represents ‘strongest disagreement’ and ‘10’ ‘the strongest agreement’, and ‘5’ as ‘having no opinion.’ Score ‘6’ and upwards indicate ascending degree of agreement, while score ‘0’ to ‘4’ signify ‘disagreement’ of on a descending order. A majority of

people surveyed regarded nations with companies having good corporate governance and compliance with business ethics (84%), respecting employees’ rights (91.7%), respecting customers’ rights (90.3%), contributing back to society (87.7%), and protecting the environment (89.9) as integral to the well-being of a nation (Table I). As these components are key constituents of a decent business ethics, it is clear that Taiwanese people regard business ethics as vitally important to a nation’s well-being.

These findings are to be read in conjunction with other findings about (a) Taiwanese perception of the contents of the well-being of a nation (Table II), and (b) those of their personal well-being (Table III). With regard to the well-being of a nation, people regard the following as its constituents:

1. Having no wars or threat of war
2. Having good law and order, and people’s life and property are protected
3. Having the economy in good shape, and people’s standard of living improved
4. Having harmony between ethnic groups
5. Having equality for all, and human rights protected
6. Having clean and effective government that cares for people’s livelihood
7. Having a judiciary that is fair and independent
8. Having no big gap between the rich and the poor
9. Having a good health care system, people’s health are taken care of
10. Having a good education system with equal opportunity in education
11. Having the natural environment protected
12. Having social trust.

TABLE I
Taiwanese perception of business ethics

Business ethics	Frequency ^a	Percentage ^a	Mean	SD
Companies having good corporate governance, in compliance with business ethics	954	84	7.95	2.013
Companies respecting basic rights of employees	1,042	91.7	8.53	1.792
Companies respecting the rights of customers	1,024	90.3	8.50	1.803
Regularly making contribution to society	996	87.7	8.29	1.979
Protecting the natural environment	1,021	89.9	8.42	2.063

^aCumulative numbers from scores 6 to 10 on agreement scale

TABLE II
Taiwanese perception of contents of national well-being

Content of national well-being	Frequency ^a	Percentage ^a	Mean	SD
No wars or threat of war	913	80.4	7.90	2.314
Law and order, life and property protected	1,052	92.7	8.71	2.008
Good economy, life improved	1,053	92.7	8.58	1.861
Ethnic harmony	1,030	90.7	8.49	2.009
Equality and human rights	1,043	91.8	8.66	1.973
Clean, effective and caring government	1,036	91.1	8.75	2.003
Judiciary fair and independent	999	88.1	8.51	2.215
Rich and poor gap narrowed	952	83.8	7.83	2.312
Good health care system	1,094	96.5	9.04	1.529
Good education with equal opportunity	1,060	93.4	8.81	1.721
Environment protected	1,061	93.4	8.67	1.777
Social trust	986	86.8	8.11	2.070

^aCumulative numbers from scores 6 to 10 on agreement scale

TABLE III
Taiwanese perception of contents of personal well-being

Contents of personal well-being	Frequency ^a	Percentage ^a	Mean	SD
Body mind health	1,098	95.9	9.22	1.436
Good family life	1,082	95.2	9.11	1.584
Good social relationships	1,020	89.7	8.06	1.878
Good job	1,051	92.5	8.27	1.807
More wealth more happiness	736	64.8	6.16	2.189
Satisfactory sex life	942	83.1	7.43	1.921

^aCumulative numbers from scores 6 to 10 on agreement scale

On the level of personal well-being, people perceive the following as contents of personal well-being – health in body and mind; satisfactory family life; good human relationships; satisfactory work; and satisfactory sex life, among others (Table III). With regard to the question whether having more wealth makes one happier, less than 65% of those surveyed agreed.

The perceived contents or constituents of well-being on a national and personal level presumably also represent the conditions many people regard as basic to national and personal happiness. On the national level, the 12 components listed above stand for the key elements of a decent society. A happy nation is peaceful and secure. It has the basic infrastructure of a well-ordered society – independent and fair judiciary, effective and clean government,

functioning and productive economy, decent health care and education system, citizens' rights protected, and people enjoying a decent standard of living. It is also a society of social harmony and mutual trust, with a narrow gap between the rich and poor. Also, the natural environment is well-protected. Similarly, the components of personal well-being represent many of the basic ingredients of a good life.

The ethical connections

What are the connections between these constituents of well-being (national and personal) and business ethics? Apparently, there are many direct and indirect connections between them. On the personal well-being level, one can readily see that the connections

between business ethics and personal well-being are pretty direct. For example, people regard satisfactory work as a constituent of a happy life. Ethics-based workplace well-being generates job satisfaction, and hence enhances positive personal well-being. Furthermore, positive workplace well-being also produces positive effects on people's health (mind and body) via a healthy and safe working environment, and a well-designed job arrangement. And, it not only contributes to a balanced family-work life by minimizing job-family conflict, but may highly correlate with good human relationships. Directly or indirectly, workplace well-being buttressed by ethics apparently has an overall positive impact on people's personal well-being.

On the macro level, there are connections between business ethics and the well-being of a society, many albeit indirectly. Perhaps short of having causal relationships, the correlations between the two seem apparent. With regard to national well-being impact on business ethics, the correlation seems obvious. Presumably, many of the 12 components of national well-being are conditions of a stable and safe environment for political, social and business activities. A peaceful and secure nation with good law and order, and a good economy to provide people with gainful employment to improve their lives, key basic institutions for a functioning democracy are the basic elements of a stable, fair and free environment for business to operate and function, especially acting ethically. To see this, take corruption as an example. Corruption creates inefficiencies in the economy and exacts a heavy social cost in society by systemically violating social justice. Corruption indeed reflects the failure of government, society and business to safeguard efficiency and justice. A good society with its effective and clean government, independent judiciary system, effectively enforced laws, and law-abiding citizenry, and compliant business world can control, if not eliminate, corruption. These conditions substantially reduce the political, economic and social costs that are caused by corruption. The benefits of efficiency and social justice of an uncorrupted political, social and business environment are returned to society, thereby enhancing its well-being. Furthermore, trusting and harmonious social relationships and people's rights being respected and protected have a lot to do with how a state is governed. Creating and sustaining harmonious and trusting social relationships, and pro-

tecting people's rights and freedoms are largely the responsibilities of the state, and are key indicators of good governance. These are also crucial conditions for organization and companies to perform effectively and ethically. In sum, a nation with these positive elements enhances its business to act ethically. A nation that scores favorably on its well-being conditions will likely have companies that respect and consistently practice business ethics.

With regard to the impact of business ethics on a nation, I argue that business ethics can facilitate the well-being of citizens. This can be seen in several aspects. In areas like corruption, competition, respecting rights of employees and customers, and protecting the environment, the connections are clear. A nation that has companies which consistently observe business ethics in these aspects will contribute positively to its efficiency and social justice, employee's rights and customer's rights, fair competition among competitors (leading to competitor's well-being, and customer's well-being), and a protected and sustainable natural environment. These are common goods of any society which enhance its citizen's well-being. Strongly ethical companies not only compliantly observe business ethics, but autonomously conduct business with its stakeholders in ethical ways. It means that such a company not only will not cause harm to its stakeholders, but will promote their respective well-being, as well as the common good of society. Such ethically autonomous acts will surely bring happiness to all stakeholders, and in their wake, society's well-being as well. If the number of ethical companies is large enough, the well-being of a nation can be achieved and sustained. If these things do happen in a significant number, a virtuous circle of influence will be created. Good state and society helps promote and sustain business ethics, good business ethics in turn promotes and sustains good nations. The second argument is based on perceptual data and not on objective data about relationships between business ethics and conditions of well-being. However, it reasonable to expect the real world largely exhibits similar relationships.

Values that link

Notwithstanding the various connections between business ethics and well-being of a nation, I think

both are connected to values at a deeper level. It seems that well-being is intimately connected with human values. This should be the case, as the concept of well-being represents the desirable states or ideals informed and inspired by basic values. Values refer to those entities that give meanings and assign significance to things and behaviors. People's beliefs, goals, preferences, choices, decisions, overt behaviors are shaped and motivated by values they possess and endorse. People's values also help them to select goals or courses of action and behaviors, as well as develop and maintain relationships, jobs and alliances.

It is important to find out the values that shape and sustain well-being in a nation. I identify a set of values in Chinese cultural communities, and a set of universal values that may provide ground to both business ethics and the well-being of a nation. I examine a set of values that are identified as core in the workplace for employees in both China and Taiwan. In relation to business ethics in the Greater China region – China, Taiwan, Hong Kong and Macau, I suggest this set of values could strengthen and sustain the connection.

The sources of the universal values are from famous and respectable declarations, principles, and instruments promulgated by global organizations, among others. They are universally accepted by the global society. These sources include the Universal Declaration of Human Rights of the United Nation, the Fundamental Principles and Rights at Work of the International Labor Organization, the United Nation's Global Compact, and the World Values Survey, among others. The sources of the Chinese values are from the results of research on values in Taiwan and China (Chang, 2002; Cheng et al., 1998; Chu and Ju, 1993; Guan and Wang, 2005; Ip, 2002, 2003a, b; Ip et al., 2000; Wang, 1998).

A set of universal values that include the generic values and the work-related values is identified (Hampden-Turner and Trompenaars, 1993; Hofstede, 1980; Sullivan III, 1991). This set of values, referred to as terminal values, includes generic and work-related values (Rokeach, 1973). The generic values include peace and prosperity, equality, freedom, rights, harmony, love, security, self-respect, friendship, knowledge, wisdom, family, love, social recognition, sense of accomplishment, prosperity, independence, safety, relationship, and transcen-

dence. Meanwhile, the work-related values comprise – job security, role clarity, leisure, safe and comfortable work environment, interaction, stimulating, creativity, career development, social contribution, meeting professional and personal interests, sense of accomplishment, task variety, advancement, fair compensation, respect, independence, chance to take risks, learning, and fun. It is easy to see that this set of generic values forms the foundation of the concept of well-being of a nation. For example, there are considerable overlaps between these universal values like peace and prosperity, safety, relationships, rights, harmony, equality with the contents of well-being of a nation in the survey, as well as those contained in major domains of other major well-being measures introduced earlier in the paper. It is also interesting to see that many of the latter set of values fashion and support basic concepts of business ethics and work-place well-being. For example, the values of family, harmony, relationships, respect, sense of accomplishment are shared among these domains. In addition to the set of terminal values, there are instrumental values: hard-working, aspiring, open-minded, competence, effective, cheerful, courageous, clean and tidy, forgiving, helpful, honest, imaginative, intellectual, rational, loving, obedient, courteous, responsible, self-controlled, tolerant, prudent, humble, patience, collaborative, agreeable, and patience.

Recent studies on organization in Chinese communities have revealed the work-related values of Chinese workers. Wang (1998) has identified 16 work-related terminal values and 24 instrumental values of Chinese corporations. The terminal values include values of a stable and secure life, harmonious human relationships, self respect, sense of achievement, self growth, developing personal talent, independence and autonomy, meeting personal interests, realizing one's ideal, creativity, wealth, truth and knowledge, serving society, development of the nation and its people, power, as well as fame and social status. It is interesting to observe that there are sufficient overlaps between the values endorsed by workers in Chinese cultural communities and the universal values cited above.

In today's increasingly globalized world, nations are more and more interconnected with each other, and sharing more values and norms. Every nation is a member of a global society. It is necessary to inte-

grate the universal values with the local or particularistic ones to form a coherent set for guiding and binding actions and decisions, as well as for grounding beliefs and other values. One key problem in integrating the universal values with the particularistic ones is whether they are compatible with each other. If the universal values and particularistic values stand incompatible with each other, the result is a set of conflicting values-norms that is unable to guide action or to provide reasonable grounding of beliefs. This problem can be solved by selecting only those particularistic values that are compatible with the universal values (Donaldson and Dunfee, 1999). In sum, the integrative values have to be a coherent set of values comprising the universal values as the legitimate core that compatibly meshes with local values. This set of integrated values forms the basis that links business ethics and concepts of well-being.

Conclusion

On basis of the first and second argument, it is not difficult to see how business ethics is connected with the well-being of a nation, directly or indirectly. Thus, business ethics is highly relevant to the well-being of a nation. The discussion has shown that business ethics and well-being of a nation are both connected to values on a deeper level and these values further sustain the connections. Though Chinese values have been used as an example of particularistic values, it is conceivable that other sets of particularistic values (from a different culture) can coherently mesh with universal values to form an integrated set of values. It is also conceivable that such set of values can equally provides ties that bind business ethics and the well-being of a country.

Notes

¹ For details, see Sirgy et al. (2006, pp. 422–429).

² The discussion benefits from Fields (2002, pp. 168–169).

³ The survey employed computer-assisted telephone interviewing (CATI) system. A stratified systematic sampling was used to collect the samples. The first stage of the sampling took the 326 villages and counties for

stratification. The survey was carried out from April 23 to May 9, 2007. The number of completed interviews is 1,136, with confidence level at 95%, and margin of error at $\pm 2.97\%$.

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