

SOCIAL SYSTEMS ANALYTICS AND ETHICS

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I. SOCIAL SYSTEMS ANALYTICS AND ETHICS

CORPORATE RESPONSIBILITY AND ORGANIZATIONAL ETHICS have been important research and discussion issues in this country's graduate business schools and institutes for the past decade. This discussion has produced a constant question: to whom is corporate responsibility owed? This paper will attempt to answer this question and will propose that the business organization has an ethical responsibility both to itself and to its members. The basic hypothesis behind this answer is that the organization is perceived as a social system.

Getzels and Guba discovered that a social system has *two* major components: the organization and its members. Each of these components has goals and needs. The organization's goals and needs are defined as the *nomothetic* dimension of the social system, and the organizational members' goals and needs are defined as the *idiographic* dimension (429) (Fig. 1).

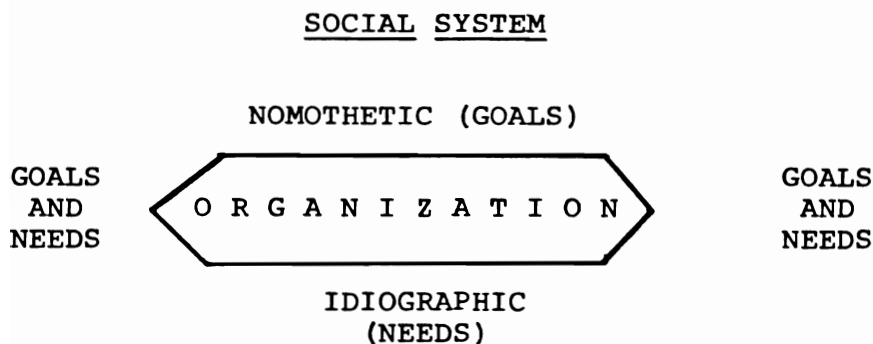


Fig. 1

Therefore, one can conclude that the organization has goals to achieve and needs to satisfy, as do the members of the organization. Conflict or organizational discord result when the nomothetic and the idiographic operate at cross-purposes. Further, conflict and erosion of trust deepen when one realizes that it is the ethical responsibility of the nomothetic to satisfy the needs of the idiographic, while simultaneously it is the responsibility of the idiographic to achieve the goals of the nomothetic, etc. So, social system theory suggests that goal attainment and need satisfaction are achieved only when the nomothetic and idiographic are blended or combined.

In their famous essay published in *Harvard Business Review* in 1970, Morse and Lorsch discuss the social system in another format: contingency. They conceptualize the social system by means of a triangular format (99–106) (Fig. 2):

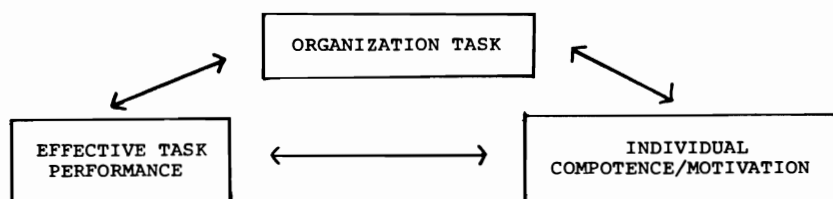


Fig. 2

In the contingency theory the three basic components are the task, the organization, and the people. The organization (nomothetic) has a task to perform (goals to achieve), and there are individuals (idiographic) within the organization who are charged with the responsibility of achieving organizational goals while they are also satisfying personal needs.

If one wished to consider matters in a different way, there is the organization with goals to be achieved and needs to be satisfied; also there are the members within the organization who have their own goals to achieve and needs to satisfy, and they are assigned tasks and responsibilities which will enable the organization to achieve its goals and satisfy its needs. Therefore, the social system becomes an infrastructure of task, organization, and people, and the strength of contingency is that it begins to examine the social system's complexity.

The complexity of the social system's analytics obviously increases when one introduces the variable dimension of ethics. One may here speak specifically of *Values, Attitudes, Needs, and Expectations*—VANE. This VANE forms a frame of reference for one's own self-concept and subsequently aids in eliciting a response from an individual and organization (Fig. 3).¹

¹ This is an adaptation of Allport's VANE model of personality.

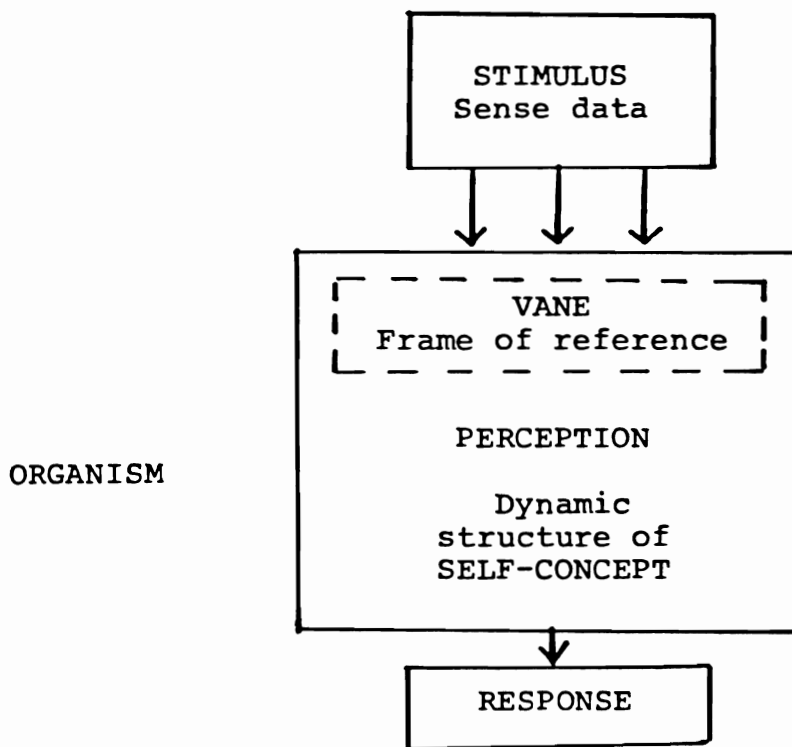


Fig. 3

Now, organizations and group members both have personalities, and these personalities (based on VANEs) will dictate a perception of a common stimulus, and this perception will consequently elicit a response. Here then is the crux of the issue. A problem exists within the organization. Because of different VANEs, the organization (nomothetic) and its members (idiographic) perceive the problem differently, and these problems may lead to discord. Hence the organization and/or its members may become "unethical" in an attempt to resolve that discord favorably on their behalf.

Therefore, what can be done to halt the conflict before it begins, and what can be done to prevent unethical behavior as a result of the conflict? It is not so much *what* can be done as it is *what happens*. Therefore, we must return to the personality model presented in Figure 3 because the essence of the model is central to what is being discussed in this paper: self-concept, response, and perception (the latter will be discussed fully)—all relative to social system theory. The suggestion is basically this: the organization has its own *Values, Attitudes, Needs, and Expectations*. The people within the organization who are assigned the responsibility of achieving organizational goals and satisfying organizational needs also have their own VANE.

Conflict results between the nomothetic (Figure 1) and the idiographic when a common stimulus is presented to both and is perceived differently by both because different VANEs are operative within both. The organization views the situation from its own perspective (VANE), and the individuals in the organization view the situation from their own perspective (VANE). The result is a potential for conflict, and when a conflict does result there is additional potential for "unethical" behavior by both parties in the conflict in order to win.

II. PERCEPTION

According to Joseph Kelly perception is "the process whereby an individual becomes aware of the outside world and himself" (249). We behave, therefore, in a manner which is consistent with our perceived reality. Hence, it is not really unusual for a manager to perceive a common problem in a different manner from the rank-and-file employee because there is no uniform way of perceiving the identical situation or stimuli. However, a certain uniformity may exist among group members who share a common experience or bias, but commonality and agreement do not necessarily produce disputes. Therefore, difficulty usually occurs when group members have agreement regarding *their* perception of a situation, but disagreement occurs between groups.

Therefore, it should be quite evident that the perception process is a multidimensional and complex one, and for one to understand that process one must begin with the subprocesses, which can be categorized into five modes: 1) the *stimulus* or situation where perception begins; 2) *registration* of the phenomenon through the senses; 3) *interpretation*, which is probably the most significant subprocess in that one's interpretation is dependent largely upon one's motivation, personality, and learning; 4) *feedback*, which is the response returned to the organism after the organism has interpreted and acted; and 5) *response*, which is the overt or covert reaction on the organism's part to the feedback (Luthans 165).

R. Stagner and J. Rosen found that we are constantly assaulted by millions of bits of stimuli; how and why, then, do we choose the "bits" that we do? What is the process? The process is *perceptual selectivity*, which can be subdivided into what are commonly referred to as *external* and *internal attention factors*, and these are some of the factors which influence the manner in which we select and what we select as stimuli. The external factors are concerned with the outside environmental influences, such as intensity, size, contrast, repetition, motion, novelty, and familiarity.

These latter do not need discussion here, but the *internal set factors* do because they are a bit more complicated in being psychologically based; standing out among the internals are the individual's needs, motivations, personality, and learning abilities. For example, if an individual has a

compelling psychological need, he or she will be motivated principally by any factors in the environment which will aid in satisfying that need. Therefore, the individual will screen and perceive favorably those stimuli which will help to achieve a need satisfaction.

Further, with respect to personality, individuals tend to perceive favorably those whose personalities are more consistent with their own personalities. Likewise, most people tend to perceive favorably those individuals whose educational level and achievements are compatible with their own. Therefore, the typical blue-collar worker often views his or her superiors as being typical college types who do not know what the "real" world is; obviously, this is an example of bias and stereotyping.

The overall process proceeds from a perceptual selectivity to the subsets of *emotional influences* and *social roles* and their effect on the organism's ability to perceive correctly uncontaminated stimuli. That is, all individuals tend to project their self-image onto one group or another, with the result that the group which acts most like themselves is perceived as the favored one. Therefore, in any organizational environment, one's emotional identification with one group—one side in a labor dispute, for example—will certainly have an effect on the image which one holds of the specific group.

Certainly, research has demonstrated that society's current needs and past experiences influence somewhat the subprocesses of perceptual behavior. One of these influences is the *social role*. That is, to what extent does our role or position within a society (organization) affect our perception of the activity taking place within that society? Frequently, our role behavior is affected by our functions within the unit, which subconsciously cause us to stress the particular dimension of the problem or situation with which we have become familiar.

Now, perceptual selectivity deals mainly with the external and internal factors which demand our attention. The next step is to examine what the organism does with this information once it is received; this is *perceptual organization*, the organizing of the incoming data (stimuli) in order to arrive at a determination of what the stimulus is.

One basic example of perceptual organization is *perceptual grouping*, which is the ability to "group" several pieces of data (stimuli) into a recognizable form. There are three subsets to the grouping dimension: 1) *Closure*, in which we perceive a whole when none actually exists. Thus a department head may perceive some form of agreement among his department members when there may be disagreement in fact. 2) *Proximity*, a principle which states that the proximity or nearness of stimuli that are close together will be perceived as an entire pattern of parts belonging together. For example, several employees in an organization may be identified as a single group because of their physical proximity, and if their output is low and the foreman reports a number of grievances from the group, management might perceive that all workers in that group are low producers, thus producing a stereotyping effect by management. 3) *Similarity*,

which is closely associated with proximity and which states that the greater the similarity of the stimuli, the greater is the tendency to perceive the stimuli as a common group.

So, the similarity principle, like the proximity principle, has definite implications for stereotyping behavior. An example of this would be an organizational setting where all blue- or white-collar workers are perceived as a group, when the workers are in reality unique individuals. Thus, individuals who belong in a particular ethnic group or organizational unit are perceived as one, and the positive qualities of the individuals within that group are ignored. The social and organizational implications of stereotyping are quite serious, and such behavior foreshadows prejudice, bias, and discrimination, which foreshadow social and organizational discord.

These brief introductory comments can obviously not cover all aspects of perception. For example, one's socioeconomic status and how that role affects one's perception with respect to politics, unions, or management can only be suggested. However, we have established the major role which perception plays in our psychological process.

R. Stagner and H. Rosen have furnished thought-provoking conclusions regarding the role of perception in understanding union-management relations: 1) differences in perceived reality may precipitate organizational disputes; 2) the cumulative effect of the various sources of uniformity in perceiving will operate to exaggerate the differences between managers and nonmanagers; 3) a proper understanding of the perceptual problem is indispensable in ending futile discussions like many union-management arguments in contract negotiations (11).

Finally, a major point about perceptual differences is that *no one* perceives with really complete objectivity, and the determinants of perception are operative at all times. For administrators and managers, an understanding of perceptual differences which exist between people and group is vital in understanding their behavior within the organization.

Let us now see how VANE affects ethics and the business curriculum. Of course, the truly great need for teaching business ethics derives directly from society's increasingly expectation and assumption that ethical considerations will be specifically addressed in determining business decisions. However, a very substantial problem is the great variety of expectations; not only do these expectations often differ from each other, but they are often formulated and articulated incoherently, or are logically inconsistent.

Now, whether the business student feels that business is inherently logical or has inherent ethical problems, he or she will be best equipped to convert feelings into definite positions which buttress his or her view if the student is acute in perception and trained in ethical reasoning. The ever-increasing demand by accrediting bodies in the United States for ethical and moral education adds impetus to the university movement.

Today, society has many obvious problems which disturb people as individuals and which convey the general feeling that business and govern-

ment cannot be trusted. It is important here to stress how recent is the change in what is expected of business. Tom Beauchamp and E. Bowie point out that only in the 1953 case of *A. P. Smith vs. Barlow* were corporate officials given "something approaching legal permission to undertake acts designed to promote the public good" (126). The stockholders maintained that a corporation could use its funds only for business purposes; however, the court ruled that the gift was an extension of goodwill which would directly and indirectly reflect upon the firm.²

Now, one might ask how the latter case is an ethical issue. If ethics is by definition that which is "concerned with actions directed to improve the welfare of people,"³ and if one accepts the idea that society has institutionalized business on the presumption that its activities will benefit society, then business ethics and perception do indeed concern themselves with how well business can and does fulfill its presumed purpose. For example, Charles Powers and David Vogel define ethical business activities as those which "implement a norm which the actor is free to carry out when it is appropriate or fitting to do so" (2).

However, this approach is somewhat vague and derives from the belief that management has no real or direct moral imperatives which relate to human welfare. Obviously, doctors are expected to heal and teachers are supposed to teach, but managers are supposed to maintain the success of business enterprise. Today, however, a manager's job is greatly complicated by the need to integrate the variety of expectations which society focuses on business without losing sight of the fact that if the enterprise does not remain successful, it cannot possibly survive to accomplish anything beneficial for anyone.

It would be obviously erroneous to state that people who choose teaching and medicine have no ethical motivations for their choices. Correspondingly, one cannot assume that only individuals without ethical motivations select management over other professional choices; of course, managers differ from teachers and doctors in that they do not practice their professions directly on the public, but indirectly through a medium.

Now, Beauchamp and Bowie observe that business ethics has two main components: 1) The teleological, which is the utilitarian view that competition provides the greatest good for the greatest number, interacts with 2) the deontological, which holds that to work well business must operate by a number of principles, including honesty and the sanctity of contracts (22).

Powers and Vogel, in a quite theoretical approach, equate the teaching of ethics with the teaching of moral judgment. For accomplishing this end they propose a skills framework, which encompasses the various abilities to perceive moral issues, to rank and assess the relevance of moral claims, to

² Stein 134-5.

³ Powers and Vogel 1, partially quoting Warnock.

make inferences from principles which tolerate moral ambiguity, and to articulate issues clearly (40–45). In order to practice these skills, they suggest case studies and a text which examines moral issues likely to arise in the 1980s.

Beauchamp and Bowie have developed an approach which covers a much broader base than that of Powers and Vogel. After examining the fundamentals of ethical reasoning, they present a number of selected readings which explore a wide variety of views. Their most interesting omission occurs in their discussion of ethical decision making, which makes no reference to decision making itself. However, since apparently most people's difficulties with applying ethics to business decisions derive from problems of making business decisions rather than from an application of ethical considerations, it would be beneficial to direct our attentions to the process of decision making.

Thomas Keen and Scott Morton, in a review of the literature on decision making, arrange actual decision making into five categories which they feel range from the completely normative to the completely descriptive (77). *Rational view*, their first category, is the view of an individual decision maker; unfortunately, very few business decisions are made rationally.

Sacrificing is the second category; this is the strategy of an individual decision maker, which can be described as the rational view's first compromise with reality. Sacrificing occurs when the choices are too numerous to consider, and the goal of the decision maker then shifts from locating the best solution to locating one that sufficiently or adequately satisfies (Keen 63–5).

Organizational process review, the third category, underscores the fact that organizations are composed of subsections and that each subsection evolves its own standard operating procedures and routines for decision making. An awareness of such factors makes clear the practical difficulty of making changes. Now it is quite easy for Powers and Vogel to state that “managers do not belong in—and should not allow themselves to be placed in—contexts where they do not have the ability to shape—rather than be morally shipwrecked by—decisions that violate their ethical standards” (21). However, the abilities of business-school graduates to influence organizational processes will be limited at best.

A fourth category would be decision making as a *political process*. A firm's ideal goal might be its betterment, but managers generally compete with each other, and a failure to take organizational politics into consideration can very easily doom a proposed change or its implementation.

Individual differences would be the fifth category, and this category embodies the recognition that there are many individual idiosyncratic styles of decision making. Some variables here would be the degree to which an individual is an analytical or cognitive thinker, and what exactly it is that he perceives as information (Keen 69–70). The existence of idiosyncratic differences in decision making obviously implies that educators either must

recognize and teach students about them, or teach students alternative methods of decision making.

Successive limited comparisons, a term coined by Charles Lindblom to describe a common method for making decisions which involve conflicting social values, would be another category. In this method one achieves a simplification by limiting policy choices to those which differ from current policy by just small degrees. This method rather deliberately relies on public special-interest groups to correct any errors of judgment; then, if no complaints are received, policies and consensuses which were not considered can be assumed to be unimportant (84). An important point here is that with this method of successive limited comparisons one never presumes that policy choices are final. Rather, one assumes that policy will be constantly remade.

A final methodological point which should concern us is the necessity of segregating the teaching of business ethics into a separate course. The logic for doing this is obvious since the topic is simply too unified to be proportioned among other business-school disciplines. Further, most business faculty members fail to see the validity of teaching ethics and/or lack the necessary training to do so. However, a care must be taken that, in practice, ethics be integrated with all other business considerations: If a business-school student takes one semester of ethics and six semesters of courses which ignore or deny ethical considerations, integration is severely hampered or impossible. One might propose as a compromise that business-school faculties hold debates, preferably monthly, on business-ethics issues; this ought to be beneficial for both students and faculty and should also incite possible research. Further, those who teach business ethics would be made more aware of economic business considerations, while those who teach traditional courses would have their own perceptions broadened.

Now, in selecting the *issues* to include in a business-ethics curriculum, one faces the problem of a lack of consensus. The issues which follow are the ones which we consider most important.

The first would be *arguments against the consideration* of ethics by business. This is a necessary topic because students should be free to select their own ethical perspectives based on both the nomothetic and idiographic dimensions of the social system. This feeling is held by many people, especially those ensconced in corporate hierarchies.

Ethical compromise would be the second topic. Consideration of this topic would involve examining the degree to which ethical choices can be compromised and still retain their validity and utility. Here the *Values*, *Attitudes*, *Needs* and *Expectations* associated with those ethical choices would also need examining.

Clearly, many, if not all, of the possible topics, especially the ones which this paper shall now discuss, also need to be examined and discussed within the framework of a possible conflict between VANEs. For example, such a framework is especially relevant to the eighth topic which will be discussed—

wealth distribution— but to any topic which involves any sort of discussion of Values, Attitudes, Needs and Expectations such a framework is most relevant.

Let us turn now to the third topic: *Is business inherently ethical?* A business transaction today is essentially an exchange of values, and since one enters it freely, each side should achieve what it wishes. While this latter point is quite true, it is also equally true that one who is more knowledgeable has a clear advantage over the less knowledgeable.

A fourth topic would be *advertising* which stimulates demand. A definite ethical issue in advertising would be whether products which can easily be abused or frequently bring harm to third parties, e.g., products like poisons and weapons, should be advertised. Another concern here would be whether it is ethical to promote the sale of addictive products like beer and cigarettes.

Competition, a fifth topic, would involve discussion of whether the values of a competitive economy (e.g., lower prices, increasing wealth, etc.) justify the costs of making competition as important as it is in our culture and whether competition can be limited to the marketplace.

A sixth topic would be the extremely important one of *corporate power* and whether corporations should be allowed political power. Today, there is scant evidence that the concentration of market power has changed considerably since the enactment of antitrust legislation, nor is there proof that concentration of market power is itself a disadvantage to society. The real danger of a concentrated market share, in fact, derives from the political power of firms to resist the market's decline due to structural changes in the economy.

Accompanying this topic of corporate power would be subtopics of *employment power and disemployment power*. As to the former, a person in need of a job and a firm with a job to offer meet as unequals. Are there any alternatives to this ethical failure of the marketplace? As to the latter, disemployment power, one might observe that employees and employers are frequently able to negotiate employment terms, although the employer generally retains the advantage. For example, closing a plant is an extreme example of disemployment power.

Distribution of wealth would be another major topic for business ethics. While competitive enterprise generates wealth for society, it hardly does so in an equal fashion; certainly it fails to guarantee economic improvement for each member of society. Clearly, this disparity is another reflection of the power problem.

The ninth topic would be that of *defense industries*, which are, of course, a basic necessity of life. However, most weapons manufactured in the United States wind up in countries where they are used eventually to kill people. Can this problem be resolved ethically, and can the United States afford the defense the country feels is required without the economics of production runs extended by overseas sales?

Electronic intrusion would be the tenth topic. A basic question as the

world moves into an age in which all records and financial transactions will be electronically recorded is *how* the integrity of these records will be maintained. Since business is maintained obviously on profits only, how can profit be accrued from maintaining integrity?

A final topic would be *foreign trade*, and the two basic issues here are economic colonialism and extortion and bribery. The economic exploitation of the third world is a problem which, unfortunately, it must solve for itself. On the other hand, stating that the masses of the third world should revolt and use their natural resources for their own advantage simply ignores the historic futility of all third-world revolutions.⁴ As for bribery and extortion, they can be considered the cost of doing business in some parts of the world. However, from another perspective they serve only to undermine the ability of foreign governments to watch out for their citizens (Jacoby 181-2). The present writers feel that the United States has enough economic clout to force institute reforms. This certainly might be a form of ideological imperialism; however, the world might be better off without these practices. Can this country ethically extort governments to abolish extortion, and is there a more ethical alternative?

It is depressing to catalog the ethical problems which confront business and to contemplate their consequences. The only reassurance might be found in the efforts of universities to include business ethics in their curricula. While this might seem to be a tiny hope, we certainly subscribe to Charles Lindblom's view of successive incremental change. Of course, the real problem remains actual implementation and *how* one approaches the previously mentioned material in a *sensible* and *useful* academic way.

IV. CONSIDERATIONS

As this paper has attempted to demonstrate, the organization is responsible to many constituencies, particularly the nomothetic and the idiographic. In order for group members in the organization to form a symbiotic relationship, to achieve mutual goals and to satisfy mutual needs, they must develop a cohesive, unified social system. But within the social system, there should be the realization that one is dealing with the organization's personality as well as with the personalities of its members. Also, the organization's personality (nomothetic) possesses *its own* set of values, attitudes, needs, and expectations; based on the organizational VANE, there is a self-concept of the organization, which then elicits an organizational response.

Now, it is obvious that members of the organization are charged with the responsibility of satisfying organizational needs as well as their own needs, and of achieving organizational goals as well as their own goals. The group members have their own set of values, attitudes, needs, and expec-

⁴ These topics were first suggested by Mr. G. M. Christian, my research assistant.

tations which dictate their self-concepts, which then elicit their responses. Therefore, the potential for organizational conflict begins at that juncture where the organization of group members perceive differently a common problem. This perceptual difference occurs because of the different VANEs. The VANE of the organization forces the organization to look at a common stimulus from one perspective; a different VANE of group members forces those members to consider the common stimulus from yet another perspective.

Finally, when conflict arises, there is the potential that unethical behavior on the part of one or more parties to the conflict will take place in an attempt to resolve it.

Business and Ethics

(A response by John Wilson, Fellow of Mansfield College, Oxford)

Dr. Natale's and Dr. Mulcahy's paper covers most of the relevant ground. To respond fully to it would involve something more like a book than a paper. I think the most useful thing I can do, as a moral philosopher in charge of a Research Unit in Moral Education, is to develop a few points which seem to me of great importance, and which the previous paper has not fully emphasized.

1) *The Strength of Business*

In some circles the idea still prevails that business (industry, trade) is somehow less high-minded, aristocratic, idealistic, or "ethical" than other activities. Hence, as a corollary, people are apt to think that businessmen require an extra shot in the arm (so to speak) of moral virtue, or ethical concern, or some other well-sounding phrase, in a way in which the naturally more virtuous teachers or nurses or social workers do not.

This idea is, if anything, the reverse of the truth. The great strength of business is that it has to face reality in fairly sharp forms—competition, bankruptcy, unemployment, and so forth. Many activities of social concern, such as education, psychotherapy, and social work generally, often look more like attempts to satisfy the consciences of certain kinds of people, or areas in which they can act out their neuroses, than genuine attempts to help others; and this is partly because they have no such harsh realities to face. If we educate badly, or if a psychoanalyst fails to help his patient, no one actually dies or goes broke or loses his job. Business, on the other hand, satisfies real demands: they may not include *all* human needs and demands, but at least they are real. We shall get nowhere with this subject unless business is accepted as at least as valid and reality oriented an enterprise as any other. So long as it is regarded in any other light, the content and teaching of business ethics will be misguided from the very start.

2) *The Weakness of Business*

Similarly the weakness of business and businessmen, generally speaking, is not (as the old stereotype has it) that they are ruthless, unethical, lacking in the finer feelings, uncultured, pedestrian, interested only in money and not in the higher things of life. It is, quite simply, that they have not had the *time*—they have the ability all right—to consider what *else* is important in life, and what the nature of human needs might be once material needs are satisfied. By far the most important part of business ethics concerns what businesses can and should do *outside* their particular roles: what, in a word, they should do with their money and their power—which are, of course, very considerable in the modern world.

The (inevitable) naivete of many businesses and corporations in this respect often alarms those who (like myself) have been fortunate enough to pursue, at Oxford or some other university, a life in which matters of politics, ethics, and social welfare are endlessly discussed. To take one example: a certain British corporation, the leading members of which are undoubtedly individuals of high ethical principles and commitment, agree to spend outside the corporation. They discuss among themselves (we presume) the admittedly hard question of what the world really needs. Should they help feed the starving millions of the Third World? Assist research into the causes of cancer? Advance some religious or political crusade? Pour money into moral education? Start a social revolution in the inner cities? What in fact they choose to do, out of all the possible candidates, is to *sponsor speedboat racing*. Well, that is no doubt better than sponsoring cock-fighting; but it does not argue a very high level of moral or ethical sophistication.

What happens (and the temptation is there in all of us) is that we bestow our money, influence, and time in areas to which we are impulsively or politically, rather than rationally, drawn. One firm (individual) has a penchant for old buildings, and gives money to support their fabric; another dislikes foxhunting, and supports an anti-foxhunting league; a third gives grants to maintain old aeroplanes in museums; a fourth runs a right-wing crusade, a fifth a crusade of the opposite persuasion. In this way we both satisfy our consciences and satisfy our own particular interests and desires. But this is hardly a satisfactory way of doing business.

Briefly, the weakness of business is that it often fails to see particular needs *as businesses*, or to support them in a business-like way. To take my own interests as an example: education in morality, or values, or ethics, cannot be a matter of running a crusade, or developing a few materials for schools, or running a few courses for people who have nothing better to do. It must be taken as a serious business: properly manned, given enough time to do the job properly, staffed with the best professionals in the universities and industry, and (above all) made to *produce results*—not

allowed to while away the time in idle academic chatter. It is hard for businesspeople to recognize good businesspeople.

3) *People, as Well as Topics*

It is challenging to produce a list of topics for business ethics as the Natale-Mulcahy paper does. More difficult, but at least as important, is the question of *how* to educate business people—and each other—in ethics and other disciplines more generally, as Dr. Natale has demonstrated in his own research here at Oxford (158). For many people, life is divided up into a fairly small and manageable segment called “ethics” or “morality,” and a larger segment in which they can do pretty well what they want. Unfortunately this is, pretty obviously, a picture which we paint just for our own comfort. *All* the major aspects, decisions, and features of our lives are—if we must use the word—“moral” (“ethical”). The moral/ethical is not something which occasionally irrupts uncomfortably into our normal life and has to be attended to if we are to keep our consciences quiet: it pervades the whole of it. What sort of people are we to be? What sort of society do we want? What job should I do? Whom, if anyone, should I marry? How should I spend my spare time? These are all moral questions—which is not to say that we should get overanxious about them: it is just to say that we cannot split ethics off from life.

The education of teachers (which is my own job) cannot be regarded simply as equipping people with sets of managerial or other skills, raising the occasional ethical problem, and giving them a bit of practice before launching them into schools: because here, obviously, their moral character—the sort of people they *are*—is crucial to their job. So too with business: it is not that we should first select businessmen and managers and then, as it were, add a little ethical sophistication to them. Like it or not, they are in the business of values (ethics, morality) right from the start. Their qualities of, for instance, hard work, competitiveness, cooperation, insight, and many others cannot belong exclusively to “business” or “ethics,” as if these were two separate compartments; and for that reason serious education in business ethics would have to consider the student as a whole, not just as a decision maker in a small field labeled “ethics.”⁵

4) *Two Starting-Points*

Business people know well enough a) that successful businesses are not run on simple-minded sets of right answers and blueprints (if that were so, any person could be given an easy recipe and end up a successful businessman); but b) there are qualities, mental equipment, that a person needs to be a competent performer in this area. Exactly the same thing

⁵ These and other problems have been developed in more detail in my *Introduction to Moral Education*. The reader is also referred to a review of commonly used models in approaching business ethics in Natale, 1983.

applies to education in ethics and other fields. People need not a) a set of "right answers," some sort of moral blueprint which will solve all their problems for them (there is no such blueprint), but b) education and training in certain general qualities which—like the qualities of the successful businessman—will help them to get the right answers *for themselves*.

Hence the propagation of particular and partisan ethical (moral, political, religious) doctrines cannot be a proper objective: we must strive rather after giving people the necessary *equipment*—for example, a proper concept of a person, an understanding of human emotions, a recognition of moral equality, alertness, determination, and other features which are, as it were, the mental and spiritual tools they need to build a proper ethics for themselves. Nearly all programs I know of either sell a set of "right answers" or leave people with the feeling that there are no such things as right answers. We have to improve on that (see references).

Just how, in detail, the particular pieces of equipment needed for ethics generally relate to the particular problems and decisions that crop up—whether or not recognized—in industry and business is, I think, a matter for much more detailed investigation on the part of businessmen and moralists generally. Communications here are not, in my experience, very good: not so good, for instance, as in medical ethics (where there exists a reputable journal to which very good moral philosophers frequently contribute). Perhaps things are better in North America (they often are). But, as I have tried to suggest in 2) above, there is an enormous amount of work to be done which needs the support, funding, and organizing of business as much as of academia. Business ethics is not the sort of thing that can be done as a kind of sideline, a kind of conscience money that allows business to appear as slightly more "spiritual" and academia as slightly more "practical." If (to use a significant phrase) we really mean business with business ethics, then we have a great deal more to do.

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