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Publication date:
2001

Document Version
Publisher's PDF, also known as Version of record

Citation for published version (APA):
Rendtorff, J. D. (2001). *A communicative paradigm of business ethics*. Roskilde Universitet. Workingpaper / Center for Værdier i Virksomheder No. 4

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A Communicative Paradigm of Business Ethics Applications of Basic Ethical Principles in Business Ethics

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August 2001

A Communicative Paradigm of Business Ethics

Applications of Basic Ethical Principles in Business Ethics¹

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1. Introduction

In a recent Report to the European Commission from a EU-BIO-MED-II Research Project with 22 Partners from different European countries we proposed four ethical principles as guiding ideas for *A European ethical and legal culture*. We had chosen to investigate the concepts of autonomy, dignity, integrity and vulnerability. The report *Basic Ethical Principles in European Bioethics and Biolaw* Vol I-II (by Project Rapporteur Jacob Dahl Rendtorff and Project Coordinator Peter Kemp, 2000) is mainly about how to give these ethical principles meaning in bioethics and law. However, during the research for the report I became aware that the ethical principles being classical ethical ideas with a fundamental significance for European culture, do not only apply in bioethics but might have a significance in other ethical fields. Thus, the same ethical framework is very powerful for business ethics in a global perspective.

In this paper I therefore want to show how the values of autonomy, dignity, integrity and vulnerability can be applied in business ethics. The argument is that the concepts have fundamental significance both at the individual and at the organizational level - and in addition that they provide an important foundation for ethical standards in a future global culture of human rights. The paper will provide a brief outline of the meaning of the concepts in

¹ This paper has been presented on the conference Trust and Social Capital, Skodsborg, Denmark, november 2000, arranged by the Network for Institutional Theory, RUC. It has also been delivered as a lecture at the Department of Philosophy, Memorial University, New Foundland, Canada, april 2001 as a part of the Lecture Series "Constructions". I thank the participants at these conference for their helpful remarks.

business ethics illustrated by some examples of the uses of the concepts in different fields of business ethics.

Before I begin, I will say a few sentences about the status of principles and their relation to values. In the report we proposed a phenomenological and hermeneutic foundation of the ethical principles. We do not conclude that they are universal everlasting ideas or transcendental truths, but rather that they are reflective guidelines and important values in post-conventional human rights culture (Rendtorff & Kemp: 2000: 14). We do not think that the principles are exhaustive and there might even be other principles which have equal importance. But, we are convinced that there is a certain force in this cluster of concepts that can be fruitful for ethics. However, application of the principles should be understood as a very tentative manner of putting the principles into play and of clarifying their conceptual, philosophical and cultural background. We are describing four values or normative ideas that people often use and find important for their life and existence.

To analyze the principles within a “communicative paradigm of business ethics” means, firstly, that I regard the foundation of the principles as a result of a dialogue of idealization of a “wide reflective equilibrium” or “domination-free communication” among stakeholders and interested parties. This dialogue is open in the sense that it does not only concern those that make themselves heard, but it is also oriented towards passive stakeholders, that do not have the capacity or ability to invoke their interests, for example animals, nature or future generations or other potential victims of the company’s activities. Such a constructive and discursive view on business ethics aims at finding the right equilibrium between culturally determined moral views and habits and the universal, philosophical justification of these views and habits (Habermas: 1992).

Secondly, I want to stress the relational aspects of communicative business ethics. What is important in such a philosophy is to conceive

organizations and their environments not as substances, but as relations of information in order to understand the character and emergence of ethical problems. Thus, the importance of interdisciplinarity between fields of ethical research. Principles developed in one field of research may have an illuminating effect on other fields of investigation. Communication is about mediation and transformation, but also about conflict, turbulence and closure (Serres: 1992). Therefore, the communicative paradigm of business ethics focuses on structures and connections between entities as the critical points of investigation. The basic ethical principles should be conceived as manners of perceiving relations among organizations and their environments as well as among people and actors within organizations.

In this framework the principles endorse certain assumptions, commitments or presuppositions about the world. They constitute what we find important in our culture and society. They function as normative standards that we refer to in judgments and evaluations. The principles indicate determinate system of beliefs and rationality of values. As such they may define the critical limits on utilitarian and pragmatic world orientations in bioethics. And at the market they challenge the values of economic organizations. Economic life may be governed by concern for increased power, efficient economizing and successful interaction with economic environments rather than basic ethical principles. So the difficult problem is if the basic ethical principles can help to give meaning to our views of sustainability and utility. Moreover, the task is to evaluate basic ethical principles as guiding measures for action and decision-making.

2. Definition of Basic Ethical Principles

In the report we give an extensive definition of the basic ethical principles (Rendtorff & Kemp: 2000). They are four values to guide decision making for law and public policy in late modernity. The context is the rapid developments of the life-sciences, e.g. biomedicine and biotechnology. We only need to mention genetics, transplantation, pharmaceutical industry, food production and the difficult problems of genetic manipulation, patenting of the human genome, commercialization of the body, production of trans-genetic animals etc. Thus, we need good ethical values in order to protect human beings in technological development. Moreover, the interrelation between business and biotechnology is clear. We are in a process of developing new markets and we already witness the globalization of the biotechnology business by multinational pharmaceutical companies with increased power and responsibility. In short, there are many overlaps between bioethics and business ethics and the two disciplines have to work together in solving the great ethical problems of the global biotechnology industry. In this context it is urgent to analyze the possibility of moving the four ethical ideas of autonomy, dignity, integrity and vulnerability from bioethics to business ethics. We need to develop a philosophical method for the application of these principles in business ethics.

In the report to the European Commission we defined the ethical ideas in the following manner (Rendtorff & Kemp: 2000):

1. Autonomy should not only be interpreted in the liberal sense of "permission", instead five aspects of autonomy should be put forward: 1) the capacity of creation of ideas and goals for life, 2) the capacity of moral insight, "self-legislation" and privacy, 3) the capacity of rational decision and action without coercion, 4) the capacity of political involvement and personal responsibility, 5) the capacity of informed consent. However, autonomy remains merely an ideal, because of the structural limitations given to it by

human weakness and dependence on biological, material and social conditions, lack of information for reasoning etc.

2. Dignity should not be reduced to autonomy. Although originally a virtue of outstanding persons and a virtue of self-control in healthy life - qualities which can be lost, for instance by lack of responsibility or in extreme illness - it has been universalized as a quality of the person as such. It now refers to both the intrinsic value of the individual and the intersubjective value of every human being in its encounter with the other. Dignity concerns both oneself and the other: I must behave with dignity, and I must consider the dignity of the other. I must not give up civilized and responsible behavior, and the other should not be commercialized and enslaved. Human rights are based on this principle of dignity.

3. Integrity accounts for the inviolability of the human being. Although originally a virtue of uncorrupted character, expressing uprightness, honesty and good intentions, it has, like dignity, been universalized as a quality of the person as such. Thus it refers to the coherence of life that should not be touched and destroyed. It is coherence of life being remembered from experiences and therefore can be told in a narrative. Therefore respect for integrity is respect for privacy and in particular for the patient's understanding of his or her own life and illness. Integrity is the most important principle for the creation of trust between physician and patient, because it demands that the physician listens to the patient telling the story about his or her life and illness.

4. Vulnerability concerns integrity as a basic principle for respect for and protection of human and non-human life. It expresses the condition of all life as able to be hurt, wounded and killed. It is not integrity as completeness in any sense, but the integrity of life that must be respected and protected as vulnerable. Vulnerability concerns animals and all self-organizing life in the world, and for the human community it must be considered as a universal

expression of the human condition. The idea of the protection of vulnerability can therefore create a bridge between moral strangers in a pluralistic society, and respect for vulnerability should be essential to policy making in the modern welfare state. Respect for vulnerability is not a demand for perfect and immortal life, but recognition of the finitude of life and in particular the earthly suffering presence of human beings.

The basic ethical principles are promoted in the framework of solidarity and responsibility. The principles are an expression of the place of society in the civilizing process towards the Kingdom of Ends. This framework indicates a movement toward global justice (equality). We stress that the four values have a universal foundation in a hermeneutical circle of wide reflective equilibrium and considerate judgment. The principles should be interpreted as expressions of the concrete phenomenological reality of the everyday human life-world. Accordingly they have great importance as reflective ideas for concrete decision-making. This “weak universality” of the principles indicates their position as important values for a European (and global) ethical and legal culture.

3. Integrative Business Ethics

Now, I will discuss how it is possible - with some modifications - to use this framework of ethical principles, responsibility and solidarity (equality) in business ethics. A significant change of perspective is that the principles no longer only concern individuals but also the institutional context of organizations on economic markets. We have already considered the reality of global biotechnology as one important field of application, but the principles can indeed be extended to other fields of business ethics. In fact, as indicated, the Stakeholder-Shareholder- debate - about whom the firm should count as relevant interested parties and what weight should be given to them - has similarities with the bioethics debate about who should be subject to moral

concern. Applying the basic ethical principles to business ethics involves an argument about relevant stakeholders and about the conditions for taking all stakeholders - that can be identified - serious as subjects of moral concern. But this argument presupposes a structural similarity between different ethics fields. In fact, the basis for bioethics has been the relation between physician and patients. But can we in any sense determine an analogous relation in business ethics, so that we can give the principles a correct structural significance in this field of research?

Yes, I would argue, there are at least four structural levels which can be considered as basis for structural similarities between business ethics and bioethics: 1. Relations between the environment, including the state and society and the firm as a unified whole. 2. Relations between the firm and its different stakeholders, consumers, partners, shareholders etc. 3. Relations between the firm and its employees 4. Relations between the firm and other institutions and organizations. In all these contexts, we need sound ethical principles and the four values of autonomy, dignity, integrity and vulnerability may be a good way to start.

I propose, as mentioned, that this should be based on a communicative or integrative paradigm of business ethics (Ulrich: 1997). The integrative view challenges a libertarian concept of business ethics. Instead of building ethics on the principle of profit maximization integrative business ethics argues for institutional, internal and external of the economic market. It considers markets in close relation with the social and cultural reality of particular societies. It disagrees with the view that "business is business" and that morality is internal to the market. Legitimate profit maximization is limited by structural and institutional external conditions. The framework for integrative business ethics is a critical rational reflection on correct profit maximization within these standards (Ulrich: 1997).

In this critical view, we realize that no theory of profit maximization can escape external constraints. Profit maximization is only meaningful as a moral duty within social legitimacy and responsibility. When isolating the idea of profit maximization from every content we see that this concept is empty. We will always have to ask Profit for what? And Profit to whom? And Profit at what time? All these questions cannot be answered within the an objective economic theory by rely on our views of human nature, society and on our values and ethical principles. Thus, arguments for profit maximization as a metaphysical virtue and life form of protestant economic man presuppose the external view of the common good.

Milton Friedman's famous statement "the social responsibility of business is to increase its profits" can be considered as an example of this. He mentions the following constraints on the principles of profit maximization: "to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in social custom" (Friedman: 1970). And "There is only one social responsibility of business - to use its resources and engage in the rules of the game, which is to say engage in open and free competition without deception or fraud" (Friedman: 1970).

So even Friedman - the great neo-liberal - admits external ethical constraints on profit maximization. This principle is an ideal formal principle and in concrete situations it is dependant on conditions for legitimate action, social custom, consequences of actions and implied stakeholders. We must admit that the ideal of profit maximization cannot be absolute but depends on the values of the firm determining what can be counted for as good profits. Profit maximization is not an absolute concern because it has its roots in more original substantial values of the firm, for example power aggrandizing, economizing or ecologizing (Frederick: 1994).

Thus, profit maximization must be justified in the perspective of general social welfare. Perhaps, an argument based on Pareto-optimality and

utilitarian welfare policy might deliver the sufficient conditions for coherence of the doctrine of profit maximization (Ulrich: 1997). Concerns for short-term profits for shareholders could be replaced by long-term profits for general welfare for consumers and community. But this is not possible on a purely formal basis solely on the conditions of the market. Principles for maximizing community welfare are dependent on social legitimacy of action. Moreover, shareholder value can only be defined as long-term profit maximization opening up for considering the interests of other stakeholders of the firm. But this is very far from the original individualist definition of shareholder value.

The external limitations of profit maximization signify that even if this principle is constitutive for the economic market it should always be considered as integrated in other social life forms and practices. Real profit maximization can only be morally legitimate profit maximization (Ulrich: 1997: 415). It is dependent on socially defined conceptions of the common good in a republican state (Ulrich: 1997: 416)

I consider the basic ethical principles of respect for autonomy dignity, integrity and vulnerability to be based on such an integrative view of business ethics. This should not be confused with an instrumental ethics. It is wrong to reduce ethics in business to nothing else but a moral investment in good business based on the tautology - or for others oxymoron - “good ethics is good business” in order to improve the company’s image or public relations (Ulrich: 1997:421). The strategic improvement of external and internal relations might be an important consequence of ethical behavior but it is not the whole and exclusive meaning of the term business ethics. Rather the appeal to the basic ethical principles constitute a reference to external critical reflections on market conditions and our conceptions of economic justice.

It is also wrong to understand business ethics as solely based on charity or generosity. While we may recognize an important potential of research focusing on the economy of the gift as an alternative to exchange based on

personal gain just ethics cannot be based on the ability to donate out of rich surplus of particular social groups. Such an ethics of sovereignty of stronger people does not overcome economic inequality. Saying that “Social responsibility is fine, as long as you can afford it” opens up for a potential conflict between ways of earning money and ways of using the surplus of the firm. Charity cannot be the ultimate foundation of a communicative and republican concept of business ethics. Critical reflection on business life conceives principles of business ethics at the level of the totality of the activities of the firm and it tries to see the firm as an actor that contributes to the common good of society.

4. Ethics and Stakeholder Communication

On this basis the basic ethical principles emerge as important values in the dialogue between organizations and their stakeholders. Integrative business ethics considers communication with stakeholders analogously to the dialogue that goes on in a political democracy. Such an ideal conception of communication with interested parties in the firm is based on the kind of reason implied in political deliberation in a critical public sphere. This contributes to a communicative foundation of basic ethical principles receiving their universal validity from the rationality critical examination of arguments in a space of open dialogue. Stakeholders are not only defined strategically as subjects and causes of possible benefit or harm for company. Their stakes are evaluated in the perspective of the vision of the common good implied in the values of the firm. Freeman’s definition of a stakeholder can be used to define this position: “A stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievements of the organization’s objectives” (Freeman: 1984: 53). Everyone, even those who are silent have a right to be heard and included in strategic decision-making. Or

with other words every one who is a victim or a beneficiary of the organization is a stakeholder.

This definition is symmetric and not only strategic because it takes into account future changes in the strategy of the firm including duties towards new groups of stakeholders and because it relates to broader issues of policy. In this perspective stakeholders are viewed as participants in a communicative process aiming at increasing the legitimacy of the organization. In this view stakeholders should be treated as ends and not only as means. Today, we cannot accept that property rights of the firm should allow it to do whatever it wants. The firm is not an isolated abstract economic entity but it is situated in a social context of duties and responsibilities. So property rights cannot be a license to ignore respect for persons (Freeman: 1984). Integrative and communicative business ethics aims at institutionalizing concern and respect for stakeholder rights as a part of the culture of responsibility in business. The basic ethical principles of respect for autonomy, dignity, integrity and vulnerability are very important values to ensure emergence of such a culture as an external constraint on profit maximization.

The normative justification of the basic ethical principles might function as a foundational argument for the fact that they are important reflective ideas for formulating codes for values-driven management being coherent with basic human rights. Such a process of formulating codes based on autonomy, dignity, integrity and vulnerability is predominant in international regulation of bioethics for example *The UNESCO Declaration on Protection of the Human Genome* (1997). In this document ideas of human dignity and integrity are given major significance in order to protect mankind in scientific and technological progress in the future. It is stated that human dignity should be protected as “Common Heritage of Mankind”. Dignity seems to be of intrinsic value to the future of mankind.

Similar concerns for basic ethical principles might be found in the *Caux Roundtable Principles for Business Conduct* (1997). These principles were result of a meeting process between Japanese and European business leaders. In their declaration of principles they argue for better business behavior in order to improve the economic and social conditions of the world. The principles combine the Japanese concept of “koysei” and the Western European concept of “human dignity”. Koysei means “living and working together for the common good” (Enderle: 1999: 143). The Caux code of conduct wants to combine this with the Western concept of human dignity referring to the sacredness or value of each human being. These principles are proposed as guiding ideas “enabling cooperation and mutual prosperity to coexist with healthy and fair competition. Fundamental is the corporations responsibility and its respect for the dignity and interests of its stakeholders in order to conduct positive social change. The Caux principles can be said to promote equal respect and concern for all major stakeholders of the firm, customers, employees, owners, investors, suppliers, competitors and communities.

We might also understand the US 1992 *Federal Sentencing Guidelines for Organizations* as an effort to promote the basic ethical principles in business life. These guidelines say that if a company has set up an ethics compliance program it will be a mitigating factor in case of criminal prosecution. This pragmatic approach to ethics is based on a stick and carrot approach. The firm is forced to install an ethics program because lack of such a program means great risk of being sentenced with damaging punishment in case of criminal conduct. At the same time having an ethics program is of great advantage to the firm because it will have greater chances of behaving ethically and be less vulnerable for punishment in case of criminal offense. The overall idea of this effort to install ethics in business life is the concern for organizational integrity. But the task of self-regulation may also indicate respect for

organizational autonomy. Moreover, a motivation of ethics programs is to cope with vulnerability. And many programs are seeking to protect human dignity. Typical programs of values-driven management 1) focus on the role of the leader or manager 2) involve a vision or value statement including some of the basic ethical principles 3) set up a task force for ethics 4) organize training programs based on external consult 5) include reporting procedures and accountancy measures - all kinds of organizational measures improving organizational integrity.

Thus, the basic ethical principles are already widely used in business ethics. And our task is not than an invention or social construction of morality out of nothingness, but an interpretative social criticism of the ethics implicit in our social behavior (Walzer: 1987). We are clarifying the meaning of ethical ideas that have an importance for our lives. In doing so we come to understand the institutional context of the principles been based on the framework of justice, responsibility and solidarity (equality).

But how can we at this institutional level define the particular applications of the principles?

3. Applications of the Basic Ethical Principles in Business Ethics

a. Autonomy.

We should not forget that autonomy consisting of “auto” and “nomos” literally mean “self-government”. In the Western philosophical tradition, this concept refers to the freedom of the individual. It points to the right of every person to live and independent life and develop themselves according to their capacities and make their personal choices for their future lives. Immanuel Kant stressed that every person is an End-in-itself, participating in a community of the Kingdom-of-Ends, due to our reason, judgment and moral responsibility. To be autonomous means not to let one self govern by other measures than reason

and the moral law. It is reflective judgment which helps to live according to reason and morality in order to develop our true self.

This Kantian concept of autonomy is an excellent interpretation of justice, freedom and equality as basis of political community. Democratic and republic government is considered as important ideals for modern liberal societies. And even though this concept has been mostly viewed upon in the context of principles of democratic autonomy of political systems, the Kantian concept of autonomy might indeed be very important in “liberal market economics”. In fact, autonomy might be the central value to economic markets. This is the sense of the freedom to exchange. People want to be free to work, produce, trade, buy and sell and make profits. The liberty of the market is not something external to our autonomous moral reason but a very basic part of human nature.

So modern market economies cannot work without ideas of free self-determination and creation of your own business as important aspects of the rights to personal self-development. Indeed, liberals view property rights and economic freedom as central to humanity. Even more socially and egalitarian oriented philosophers emphasize economic freedom as a part of “equal opportunities” (Dworkin: 2000). The ideal of autonomy justifies the activities of the firm on the market in order to make profits within the rule of the game. But, with regard to the Kantian concept of autonomy, this also means that the firm to act as an economic responsible actor. For example, in the *US Federal Sentencing Guidelines*, the firm is not only considered as an economic actor, but it is indeed viewed as a responsible legal person. Hence, a move from a “law and economics approach” to acceptance of notions of organizational culpability and responsibility. This legal view of the firm confirms our ethical ideas of giving autonomy a meaning at the organizational and institutional level.

The principle of autonomy does not, however, apply exclusively on the company as a legal, social and economic entity, but we can also give meaning to it concerning individual actors within the company and in relations between the company and its stakeholders. We should here respect the rights and freedoms of employees within the workplace. One example of this is the freedom of employees to be members of a workers union that is being institutionalized in most countries with liberal market economies. Moreover, participation in economic contracts is based on free will and workers should be free to accept different types of work. Particularly important applications of autonomy with regard to employees are issues of non-discrimination, affirmative action and establishment of equal opportunities for all employees at the workplace. But the value of autonomy also remind us about how we should consider our fellow employees as free human beings who see their working environments as part of fulfilment of the meaning of their personal lives. In this perspective, respect for autonomy motivates dynamic views on organizations as consisting of individuals in creative and learning environments.

However, as it is the case in bioethics we see that autonomy is an ideal notion that can be questioned. First of all, autonomy has lead to severe social inequalities due to difference in luck, opportunities and capacities in economic life. All kinds of economic, social and organizational constraints quickly tell us that decision-making at the market is far from free. And at the business market, autonomy is only understood as the rule of market liberalism, the right to pursue your own interest. The moral dimensions of autonomy have been totally forgotten. Autonomy has been understood as the right to egoism rather than in the perspective of the Kantian ideal of autonomy. It has been defined as the rights of the individual to maximize profits.

In this perspective, at the institutional level, the firm should focus on its own interest and refuse to take ethical responsibility to social environment and

people that do not have a strategic interest for the firm. Organizational autonomy of the firm has been defined as the right of the firm to be independent and autonomous in relation to society. But this consideration of autonomy is challenged by the recent shareholder-stakeholder controversy (Goodpaster: 1991). The stakeholder view of the firm does not define the firm as an independent entity. Rather it argues that the firm should take into account the social context - not only its own autonomy but also the autonomy of all stakeholders that have an interest in the firm. The whole idea of social responsibility to the local community of the firm indicates such a communitarian critique of the abstract idea of autonomy, arguing for seeing the firm as situated in local community.

Another example of this change of the notion of organizational autonomy has been recent developments of values-driven management from a perspective of democratic communication (Thyssen: 1997). Such a theory emphasizes the interests and autonomy of all the participants in the dialogue with regard to the formulation of goals and accountabilities of the firm. According to our communicative view on business ethics, to respect autonomy means being aware of the interests of all the stakeholders. The stakeholders all have a perspective that includes the respect for their autonomy. Such a relational concept of autonomy of the firm is in accordance with democratic theory of the stakeholder society. To do ethical accountability of the firm is a second-order reflective way from the perspective of the domination free dialogue to measure all types of interests and stakeholders.

b. Dignity.

In a similar way the concept of dignity can be borrowed from political philosophy and applied to the field of business ethics. There is a close link between dignity and autonomy. Sometimes dignity is even equated with autonomy. Human dignity is a very powerful concept in the Western tradition.

It states that human beings have a very special position that places them over the natural and biological position in nature. As a moral beings having freedom, autonomy, capacity of moral reasoning and responsibility, human beings are assigned dignity (dignitas) that determine their value and position in the world. In the beginning, dignity related to intersubjective relations between individuals. The idea of intrinsic value of human life and dignity was developed in Christianity when the individual human person was assigned an intrinsic value. The concept of dignity was characteristic of human beings having to choose between good and evil, and securing its own as well as the dignity of other people. In Antiquity, Christianity and the Renaissance, the concept of dignity expressed the moral superiority and responsibility of human beings in relation to themselves, animals, nature and the whole universe.

These aspects of human dignity found a new synthesis in Immanuel Kant's philosophy about the human being as an End in itself and in the ideas of the moral law and the categorical imperative. The Kantian idea is to treat every human being as a person with intrinsic value because of their autonomy and self-government. Kant states that every human being possesses dignity and sovereignty because of its will and inner intrinsic value. In Kant's philosophy human dignity is a basic moral principle. Because of the human capacity for losing and acquiring dignity, the protection of dignity becomes a great moral requirement and closely linked to the concept of personal autonomy (Kant: 1784: 1982).

The close connection between dignity and autonomy is very important in existentialist philosophies and can be determined as a modern way of interpreting the concept of human dignity. The argument in Jean-Paul Sartre's defense of existentialism as a humanistic philosophy is the connection between human dignity, freedom and autonomy (Sartre: 1946). Because of the intrinsic capacity for choosing the meaning and significance of their own lives, human beings have intrinsic value that can be lost or destroyed. Human dignity applies

to the intrinsic human capacities of engaged existence in passion or action in the world. What is essential in this kind of humanism is the protection of what is human and how to develop the characteristics of human dignity in a future sociale life.

In order to apply this concept of dignity at the organizational level concerning actions and behaviors of private companies we might first of all emphasize the significance of human rights as essential in the concept of human dignity. This concept of dignity is essential at the workplace. It applies to the treatment of workers and the relation between employees and managers of the firm. Concerning weak individuals, dignity indicates the respect for each human being as an End-in-it-self. This is the foundation of Human Rights Declarations. The respect for “the right to work” is very important. It is said that dignity in working life is essential to individual well-being. The idea of the individual as being without a price and that everyone should not only be treated as means but also as ends in them-selves accordingly has application in business. At the same time this is difficult because we all sell ourselves and our body to our employers. Self-respect of individuals is related to how they are treated by others at the workplace. Dignity is important to indicate limits of the rights of business to corporeal exploitation of individuals and discrimination and at the workplace. But we can also mention cases of degradation of human beings in the organizational hierarchy. Respect for dignity limits the rights of superior officers to reduce their employees to mere things.

Concerning the powerful individuals, dignity also finds an interesting application. It is a matter of the dignity of the directors and board of the company of being responsible for how they treat their employees. They lose moral dignity if they do not respect the people who work in the firm. Similar things can be said about criminal behavior of the firm e.g. non-cooperation of the firm with law-enforcement officials. Moreover, we might say that the

dignity of the company is dependent on the dignity of its high level directors who should behave in a way that is good for the moral and social image of the company in society. We might therefore analyze public relations of the firm within this perspective of dignity.

Moreover, it is a matter of dignity how high officials cope with success and failure. Some leaders are not able to handle success and they lose dignity while experiencing success or failure. To act with dignity is evidently a question of moral virtue in the experience of happiness or tragic moral losses.

As with autonomy it is a major discussion to what extent dignity applies to organizations. The problem of dignity of organizations relates to the question of whether they can be held responsible for their actions and it concerns the relations of organizations to the environment. The initiatives of organizations that have had success to contribute to social success and welfare illustrate how organizational dignity can be demonstrated in superior generosity.

c. Integrity.

Integrity is a philosophical concept that is closely connected with autonomy and dignity. It has been defined as a virtue concerning the wholeness of the human person, and the personality. The sphere of integrity is both physical and moral. Integrity is a concept that has been quite popular among scholars of business ethics (Badaracco: 1991). Integrity has mostly been defined as coherence or completeness indicating the purity of a totality that has not been destroyed. The notion is associated with true identity, honesty, respect and trust. In short business ethics has been working with personal integrity as moral ideal.

There is a close connection between integrity, personal identity and character. As early as in Plato's ethical theory, integrity meant basic moral virtue and human character. The physical and psychical aspects of integrity

confirmed this comprehensive definition and relates to the right of privacy, revealed by integrity and to the concepts of autonomy and dignity.

In the legal sense integrity originates in Roman Law and it derives from the Latin “integritas” and the other notion of Latin origin “intact” signifies “noli me tangere” which is the untouchable, undisturbed and what should not be touched. This notion of integrity of the person plays an important role in the Declarations of Human Rights and different European Constitutions and therefore is basic to legal protection of the human person. Furthermore, the concept of integrity indicates the sphere of protection of the social and economic integrity of the person.

But this notion of integrity has in modern legal theory been extended to institutional structures and legal entities (Dworkin: 1986). Ronald Dworkin uses the concept of integrity to describe the political morality of a just legal order. In this understanding of integrity, judges and agents in the legal order are said to have integrity when building their decisions on impartiality and fairness. They can be said to confer to each person “equal concern and respect”. This might be the basis for a the organizational definition of integrity.

This implied broader ethical perspective on ethics and law of the firm has been described by important scholars in using the idea of “organizational integrity” (Paine: 1994). As mentioned, the *US Federal Sentencing Guidelines for Organizations* (1991) that admit organizations significant mitigation of sentence if they have incorporated a meaningful ethics and compliance program can be seen in this perspective because they focus on organizations rather than on individuals. The Sentencing Guidelines imply that organizations should not only work with compliance programs but that integrity-based systems also would be of essential relevance to organizations. Legal standards and compliance programs should be accomplished by integrity principles in order to set of efficient compliance of the company. It is implicit in the Guidelines that a values-driven model would be better than a compliance

model. This view of integrity means a close relation between ethics and law in the formulation of ethics programs. It is indeed the view of this approach to ethics that the evaluation of the company as a good citizen is a mitigating factor when evaluating the seriousness and the fines to punish an eventual criminal offense.

Such a notion of organizational integrity implies a collective perspective on values-driven management that considers individual decision-making in the framework of the structural characteristics of the organization. Moral and legal responsibility is not only individual responsibility but also dependent on the structure and culture of the firm as a “nexus of formal and informal contracts”. We should not only focus on the Moral Manager but also look at the organization in interaction with the environment described as the Moral Market (Boatright: 1998).

Many researchers have stated that management by values is an important way to ensure sound just decision-making based on corporate values taking into account all stakeholders of the firm. The programs of values-driven management are an indication of the fact that ethics is not merely a personal issue but is influenced by the culture of the organization. The demand for an effective ethics program as a prevention of wrongdoing implies the possibility of becoming more conscious of the ideals and values of the organization. An ethics program can help the corporation to improve its social legitimacy and participation in the life of the community. Such procedures “will not prevent all illegalities or improprieties but they can help to influence the character of an organization and its employees” (Hoffman and Driscoll: 2000). An institutional account of integrity moves the perspective from individual morality toward the analysis of the “ethical logic” of basic concepts of modern economies; organizations, markets, property, information, etc.

d. Vulnerability

The concept of vulnerability is closely linked to the idea of the social responsibility of the firm, because the relation to the vulnerable generates particular concerns from responsible business managers. Especially the French philosopher Emmanuel Levinas has defined the concept of vulnerability as the foundation for understanding the human condition. He analyses vulnerability as the foundation of morality. Morality is the compensation for man's vulnerability. The moral imperative is an imperative to take care of the other and involves an ethical responsibility for the other. In this way vulnerability can be said to imply an immanent normativity in which the vulnerability is expressed in the corporeal incarnation of the other, e.g. the face of the other. Levinas formulates that with the imperative "Though shall not kill as the very basic concept of vulnerable existence (Levinas: 1961). In this perspective the deepest point of morality is revealed in the vulnerable situation of human beings in the world. Vulnerability manifests an asymmetrical imbalance between the weak and the powerful and in this context it demands an ethical engagement of the powerful to protect the weak. It is our vulnerability that makes us receptive for the responsibility emanating from the other as a vulnerable being. The ethical receptivity is fundamental point of the human condition. The same concern for vulnerability as a fundamental concept can also be shown in Habermas' philosophy. His argument for a communicative understanding in a domination free dialogue also situates vulnerability in the center of ethical concern. This is an openness towards the vulnerable other being part in a dialogue.

Vulnerability, defined as an ontological concept, seems to be contradictory to the idea of competitive market relations because this involves a struggle for success and survival in which vulnerability can have little significance. The social struggle of Darwinism indicates a vulnerability of the weakest being destroyed by the competition at the market. The market conditions are that competition is free and that they should increase their

profit submitted to some minimal conditions for restricting the market. It is acknowledged that each participant in the market competition has vulnerabilities (Brenkert: 1998).

This means that the dark side of business is vulnerability and the vulnerable will not survive. Vulnerability expresses the exposedness or disadvantaged position of a person or an organization to another stronger person or organization being able to do harm to this person or organization. The vulnerability is a point of the person or organization, some special characteristics meaning the possibility of the destruction of this entity when certain conditions are present. In this way vulnerability is a part of the business condition because no one would be able to make one-self assured against all evil.

On the basis of this rather metaphysical notion of vulnerability it is possible to identify some particular vulnerable groups. Although some overlap exist these groups cannot be totally identified with the disadvantaged but must be considered as a distinct group (Brenkert: 1998: 517). We can talk about psychological, physical and social dimensions of particular vulnerabilities. Especially marketing, concern for the vulnerable means a specific awareness of the firm to the vulnerability of the consumers, e.g. children, elderly, poor, people from developing countries in the global business system etc. But it could also mean responsibility toward employees with particular vulnerabilities. It must be the aim of the firm or society to avoid irresponsible action leading to destruction of these particularly vulnerable groups.

The meaning of vulnerability in business ethics therefore leads to a principle of respect for vulnerability where it seems to be responsibility of business to give the vulnerable a fair treatment, not exploiting their vulnerability but rather in caring and being aware of their dispositions. Responsible managers and salesmen would not exploit vulnerable people but

rather support them in a responsible business relation built on dignity, integrity and trust.

4. Responsibility, Trust and Justice

In this way, the principles might be said to express the social responsibility of private firms. This responsibility is essential for this legitimacy of the firm. Originally, responsibility signified “to respond to the other”. This is also present in its current meaning. It implies the capacity to respond for your own actions. It is closely related to having power over your own actions. Institutional responsibility implies three different subjects of the responsibility: the corporate board, the employees and the organization. Social responsibility for all stakeholders of the principles places the firm in society as a community. It includes a moral dimension of the economy (Etzioni: 1988) where the firm has a duty to contribute to the protection of the vulnerable and weak in society.

This responsibility has three dimensions: 1) Economical responsibility as defined by the mandate of profit maximization: “the responsibility of the firm is to increase its profits” (Friedman: 1970) 2) Judicial responsibility. The firm has responsibility to behave according to the legal rules of society, at all levels locally, nationally and internationally. 3) The ethical responsibility of the firm. This level is beyond the two other levels. It is defined by the respect for justice and fair treatment of all stakeholders. The ethical responsibility defines the democratic legitimacy of the firm in community.

When moving from bioethics to business ethics we move from solidarity towards equality, fairness and trust. It is difficult to define the meaning of solidarity in business ethics. The concept was important when the labor unions should fight capitalism and therefore it seems to reject any kind of market-driven economy based on Darwinian reason. Trust seems to be a much more useful concept than solidarity (Fukuyama: 1995). It can be defined as the

expectation that a person, a group, or a firm is behaving in a moral way. We can distinguish between “thin” and “thick” trust. Thin trust is a specific economic notion working in the framework of rational choice theory. It is stated that trust may be rational in situations of ambiguity and lack of power and knowledge. Trust is an alternative to control based on reduction of complexity. However, it is debatable if we can have “thin trust” without “thick trust” which relies on external moral values and social capital in the community. This kind of trust is the basis for engaging in a community of moral action and economic transactions. When trust is braking down, the moral and social community is destroyed. So trust is necessary for making economic transactions even though it has never been taken seriously in economic science.

We realize that there is a close connection between responsibility, trust and the basic ethical principles as essential values. This might be seen as an argument for a theory of legitimacy stating that economic legitimacy is increasingly submitted to greater democratic demands on legitimacy. In the perspective of legitimacy the basic ethical principles might be considered as external constraints on economic markets. We cannot ignore the role of exchange in human activities and therefore we must endorse liberalism and free economic markets (Sen: 1999). At the same time, markets cannot be understood solely in terms of rational economic action, but they are determined by be social factors like trust and culture. Therefore, business ethics and non-economic values are important for understanding the economic market.

Justice means “fair constraints” and equality in market interaction. Justice also commits to the John Rawls’ “difference principle” as a guiding component of justifying inequality in market economics and the whole business system (Rawls: 1971). Liberal economic markets depend on outer constraints determined by economic morality, legal rules and ethical principles. On this

basis the ideas of autonomy, dignity, integrity and vulnerability constitute important guidelines for fair business and market interaction. The task is to see them as normative standards for institutions and organizations so that we can justify the legitimacy of the economic markets. This is the sense of the institutional application of the basic ethical principles.

8. Conclusion

The aim of this paper has been to show that - although they were firstly developed within bioethics - the ethical principles of autonomy, dignity, integrity and vulnerability in the framework of justice based on responsibility and trust can have a powerful significance and application in business ethics. They are not limited to individual action but they should be applied to institutions. The principles should not only create individuals with virtue but also moral markets. The principles are not only theoretical ideas but practical guidelines for business. The task is not to reduce one principle to another but their internal tensions should be further investigated. There much further work to do concerning their particular implications in the light of reflective judgment. Working this out a comprehensive theory of business ethics will emerge.

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