

Richard T. de George: Poslovna etika

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Richard T. de George:

Business Ethics

Filip Višnjić, Beograd, 2003.

Even though *Business Ethics* has not unfortunately yet been published in Croatia (this is the review of 2003 edition published by Filip Višnjić, publisher's company from Belgrade, ISBN 86-7363-368-0) we hope that the fact that it is an extraordinary work of ethical reflections on business.

The author's references contribute to making of this decision: de George is a distinguished professor at the University of Kansas, Department of Philosophy. He has received numerous awards and is one of the most prolific authors in the field of political and social philosophy, ethics and applied ethics with emphasis on business and computer ethics. The significant indicator of his continuous presence as an author is the fact that the first edition of his book *Business Ethics* was published as far back as in 1982. This is the review of the fifth edition, and recently the seventh edition has become available.

Business Ethics consists of 648 pages divided into five main chapters: Introduction, Moral Reasoning in Business (consisting of 4 smaller chapters), Moral Issues in Business (13 chapters), Moral Issues in International Business (3 chapters) and a Conclusion. Diversity in content of chapters is transcended by the equality in formal structure: most of the chapters (and sub-chapters) begin with a case study (real or imaginary), which is followed by elaboration of a topic and end with questions which should serve a reader as a reminder of main ideas and messages.

The introductory part start with a chapter entitled *The Myth of Amoral Business*, which is a kind of a manifesto of the way in which business is understood by most people inside and outside of the business world, with particular emphasis on the American system of business values: the point of business is profit and enlarging wealth, so the role of ethics is irrelevant: the business world is not immoral, but simply moral free.

The chapter *Moral Reasoning in Business* presents a review of the early moral development, a type of evolution of subjective and objective morality, ethical relativism

and pluralism and morality as a culturally based category. According to de George, moral judgments are not in themselves neither wrong nor right, but the expressions of our thoughts and our feelings make them wrong or right. Nowadays, rule of utilitarianism is widely spread and accepted (which, when applied in business world, judges business on the basis of consequences), of which de George is rather critical and offers the alternative in moral duty, rights and justice, deontological way of thinking and doing, moral responsibility, virtues and moral reasoning.

The central part of the book consists of the chapter *Moral Issues in Business*, which is divided into two parts: on corporations and morality, individuals as key participants in a business process, their work places and professional roles. Dealing with these issues, de George emphasizes that the first step of any moral judgment is the knowledge about the type of economy system, its core rules and laws. Economy is often (wrongly) seen as something which has no relation to people, their moral views, it is seen as a series of abstract self-regulating processes such as offer and demand, money market, fluctuation of shares and prices. Naturally, there are great differences among various systems of economy (for example, American free market and capitalism, and government controlled socialist model). Since there is no universal moral imperative which would give advantage to a particular model, business ethics might come as a possible solution whose goal is to systematically study the practice and structure of a particular system, point to its possible (moral) irregularities and acceptable solutions. If the business ethics steps away from its aim and meaning of business, we can easily find ourselves in a position where the only motivators of business, as well as moral activities, are contemporary corporations. It is important to be reminded of a Nobel prize winner Milton Friedman, famous for his stand that corporations lack any moral responsibility (they are only legally liable). Opposed to the described position is the view in which they are not (in themselves) moral persona, corporations do have a moral status which arises from the fact that they are lead by people, and they are also prone to moral judgment and evaluation.

Other moral issues in the business world which de George mentions are whistle blowing, as a key element of a personal moral consciousness of an individual, and numerous moral issues related to marketing (is every product worthy of marketing campaign; ways of advertising; validity of prevention of advertising; moral acceptability of subliminal advertising, manipulations and coercions, lying and misleading in advertising...), regulation of intellectual property, corporate disclosure, industrial espionage... De George emphasizes, as a special field of interest, information technology and related phenomena, such as computer crime, privacy and protection of personal information, computer time theft...

De George dedicates a chapter to an issue often neglected in business ethics, and that is workers' rights and obligations of both corporations and workers. Corporations often neglect workers' rights and needs, not realizing that long term care of their workers brings positive results for the whole corporation.

The last part of this chapter is dedicated to professions in business: as a rule, professions derive their autonomy from the society and manage themselves, which is the consequence of a specific formal education, specialization of knowledge and recognition of the profession for a community. Since the members of a particular profession are first and foremost human beings, and only then members of a particular profession, professional ethics cannot liberate anyone of general moral obligations which apply to all people. Professions should, just like doing business, be judged from a moral point of view with equal objectivity and criticism as any other type of social activity.

The last part deals with the international business. There is large amount of countries and each has its own economic, political and social values system. Each corporation doing business outside the borders of its mother country faces numerous problems but also advantages in doing business (such as the possibility of savings by moving manufacturing to underdeveloped countries) so they can easily cross the line of not only ethics, but also the law. The consequences of the abovementioned include frequent public accusations of corporations which gave in to challenges and temptations of unregulated and unjust world. Their misuse primarily result from the institutional inefficiencies and lack of sanctions on the international level. Global developments, such as air pollution, oil depletion or world famine, lead to new challenges: do our obligations end at our borders?; who has the right to use the natural resources, both above and under the earth?; what are the obligations toward the countries whose resources are being used? Multinational corporations consist of multinational citizens, which obliges them to provide help for all the nations they do business with. The ideal situation would be to help all the countries in their productive development. Unfortunately, we still do not have the world society and the world community. Corporations are the ones which might contribute to its development and to end the *myth of amoral business*.

In the conclusion, the author states that business is the activity which has fulfilled the original aim of the American society. The new moral imperative in business does not come only from the small groups of different people, but also from governments and legal systems which, only just united, express their clear social demands and priorities. Furthermore, business has become an activity which is expected to exit its own frame and become active in establishing the new world order established on the principles of fairness and responsibility.

Moral people are of utmost importance for the existence of moral societies, organizations and corporations. Business ethics is national, international or global, just like business itself, and it there are no geographical borders. The more the consumers of economy require their corporations to be moral and the more they behave in accordance with their doing, they will have larger influence on the changes of the particular company's policy.

The skill of moral reasoning is a significant part of business ethics. Through his book *Business Ethics*, the author makes as aware of the traps and faults of each approach. We use standard techniques of moral reasoning in order to decide which activities are morally allowed, which are prohibited and which are obligatory. Improvement of techniques of moral argumentation (deontological and utilitarian) empowers us in discussions on ethical issues, including ethical issues in business.

The best society does not exist and one of the tasks of the (business) ethics is to help us in its development or at least trying to come close. Business is one of the (more) important aspects of social activities, not only the field of accumulating wealth, but also the necessary ethical decision-making and activities. It is one of the main activities of the modern society and its integration and it is utterly unjustified to look at it only from the point of view of money. The time has come to view business through people and when profit is important, but not the only meaning of doing business. The aim of the business ethics is to encourage people in business and law to think and work with the aim to promote morality and improve the ethics of the society, both national and international.

"Common morality for everybody in the world is an aim which should be reached, and not an existing reality" (de George, 2003, p. 61)

Vana Persen