Toward the theory of ethics in democratic society

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"Business ethics" is a concise, but in many ways misleading, label for an interdisciplinary field that covers a vast range of normative issues in the world of commerce. The label lends itself most directly to a core set of questions about how individuals in the business world ought to behave, or what principles they might appeal to in order to negotiate moral dilemmas at work. But if we consider the array of topics covered in the leading business ethics journals or textbooks, we see that these core issues about individual virtues and ethical decision-making are surrounded by layers of issues involving organizations and institutions. In other words, business ethics in the broadest sense also inquires about the most appropriate or just designs for firms, markets, market regulations, and political oversight in a democratic society and a globalized economy.[1]

Every organization, as it grows has many stakeholders (e.g., shareholders, employees, customers, vendors, community). For survival and growth, organizations have to rely upon healthy relations with all these stakeholders. Hence organizations need to provide good returns for shareholders, but also good jobs for employees, reliable products for consumers, responsible relations with the community, and a clean environment.

Business ethics is the application of general ethical principles to business dilemmas and encompasses a broader range of issues and concerns than laws do, because everything that is legal is not ethical. Ethics involves learning what is right or wrong, and then doing the right thing—but "the right thing" is not nearly as straightforward. Business ethics has the following purposes:

- To give people the tools for dealing with moral complexity in business,

- To recognize that business decisions have an ethical component, and

- To weigh ethical implications before acting.

Corporate governance is concerned with the ownership, control, and accountability of companies, and how the corporate pursuit of economic objectives relates to a number of wider ethical and societal considerations. It is the application of best management practices, compliance of law in true letter and spirit, adherence to ethical standards for effective management and distribution of wealth, and the discharge of social responsibility for sustainable development of all stakeholders. Good corporate governance is key to growing profits and reputation.

Reflecting on the contingent institutional history of business ethics invites us to think about how we might more ideally map out and connect its issues if freed from the pressing pedagogical needs of professional schools. There is, of course, no uncontroversial way of mapping out and linking the issues of any branch of ethics or political philosophy. Different traditions will do this in different ways. Deontological philosophers (i.e., those who theorize that rules can be used to determine right from wrong) and consequentialist political philosophers (i.e., those who judge an action by its consequences), for example, disagree about whether the theory of the right or the theory of the good has priority; and virtue ethicists (i.e., those who emphasize the role of character in moral

decisions) reject the priority of either of these types of abstract principles.