Journal of Business Ethics (2008) 77:303–322
DOI 10.1007/s10551-007-9351-2

A Model of Business Ethics

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ABSTRACT. It appears that in the 30 years that business ethics has been a discipline in its own right a model of business ethics has not been proffered. No one appears to have tried to explain the phenomenon known as 'business ethics' and the ways that we as a society interact with the concept, therefore, the authors have addressed this gap in the literature by proposing a model of business ethics that the authors hope will stimulate debate. The business ethics model consists of three principal components (i.e. expectations, perceptions and evaluations) that are interconnected by five sub-components (i.e. society expects; organizational values, norms and beliefs; outcomes; society evaluates; and reconnection). The introduced model makes a contribution to the creation of a conceptual framework for business ethics. A few tentative conclusions may be drawn from the introduced model of business ethics. The model aspires to be highly dynamic. The ultimate outcome is dependent upon the evolution of time and contexts. It is also dependent upon and provides reference to the behaviours and perceptions of people. The model proposes business ethics to be a continuous and an iterative process. There is no actual end of the process, but a constant reconnection to the initiation of successive process iterations of the business ethics model. The principals and sub-components of the model construct the dynamics of this continuous process. They provide guidance on what and how to explore our common efforts to understand the phenomenon known as business ethics. The model provides opportunities for further research in the field of business ethics.

KEY WORDS: model of business ethics, conceptual framework

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Introduction

The newspapers around the world are littered with the names of corporations and their high profile senior executives who have fallen foul of the law. Companies such as Enron, WorldCom, Tyco International, Arthur Andersen, Qwest, Global Crossing, Parmalat, Barings Bank, Systembolaget and Skandia (Carroll and Meeks, 1999; Davies, 2001; Flanagan, 2003; Heath and Norman, 2004; Rosthorn, 2000; Wallace, 2004) have all come to prominence for the wrong reasons. Across the world, we have seen these people, their advisors and even a spouse face courts and the wrath of their

societies: societies, which have been made worse off by their unscrupulous practices. These behaviours shake the confidence of governments, shareholders and we all bear the brunt of such bullish behaviour (Wood and Callaghan, 2003).

These examples of malpractice however are not new. Richardson (2001, p. 237) says that,

> ''In medieval England, judicial authorities prohibited the manipulation of markets and vigorously enforced laws against forestalling, engrossing, and regrating, which were the legal ancestors of the anti-trust legislation that exists today.''

In Victorian society in the UK (1837–1901), executive crime and bankruptcy was rife (Warren and Tweedale, 2002). The term 'White collar crime' was coined in the 1940s by American sociologist, Edwin Sutherland (Piety, 2004). Cragg (2000, p. 210) has labeled the 1980s as ''a decade of greed in North America'' that inevitably ''led to a damaging recession from which many communities in the industrialised world began to recover only after almost a decade of steady economic growth.''

The stock market crash of 1987 affected Australia as it had other developed economies. While acknowledging the global impact of the crash, as a nation Australia examined a number of excesses in business practices that were revealed in the aftermath of the crash. Milton-Smith (1995, p. 683) believes that before the crash in Australia:

> ''High profile entrepreneurs became folk heroes and, one suspects, the most influential business role models for the community. When the bubble finally burst and the crash came, it soon became clear how corrupt and leaderless the Australian system had become ... In the wake of corporate collapses, ... many questions have been raised about the integrity of business and government leaders.''

Warren and Tweedale (2002) contend that business ethics as an academic discipline in its own right in the USA began in 1974 as the result of a conference that was held at the University of Kansas. In 1974, Australia was just passing legislation to enshrine for the first time a Trade Practices Act designed to perform many of the functions of legislation that had been in place in the USA since the 1890s. The concept of business ethics in Australia did not become a consideration of academic concern until the late 1980s to early 1990s when the revelations described by Milton-Smith (1995) became painfully obvious to the Australian community.

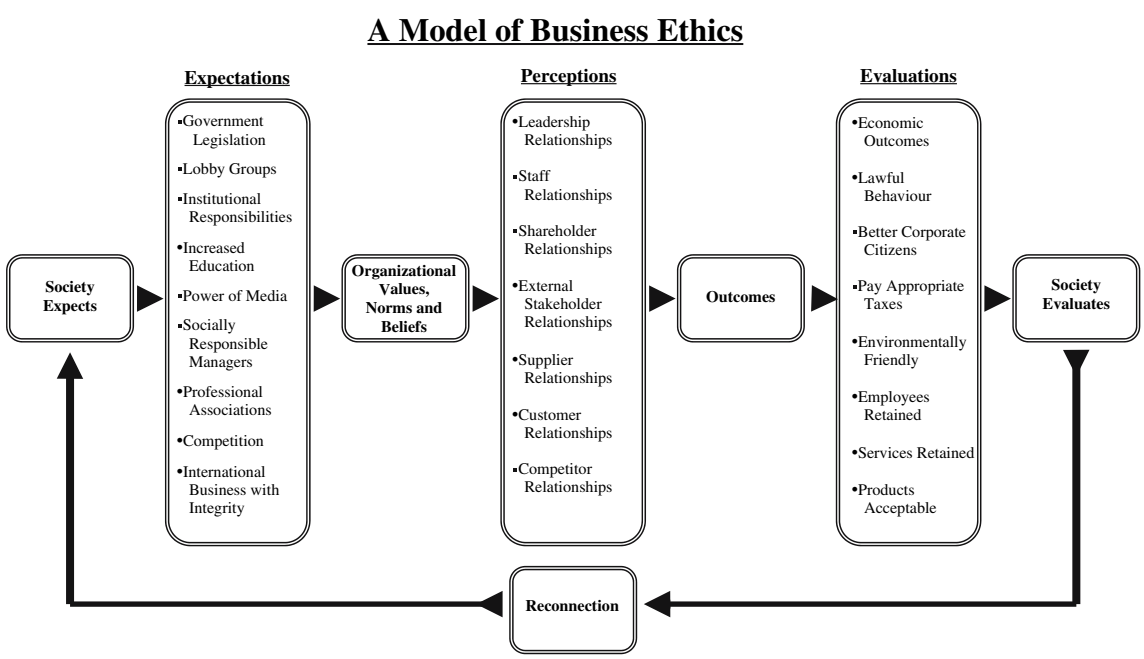

Figure 1. A model of business ethics

In the UK, the rise to prominence of business ethics corresponded to the Australian situation and its own financial troubles as a result of the 1987 crash (Maclagan, 1992; Mahoney, 1990). The high profile scandals such as Barings Bank, BCCI, Guinness, Pfizer have kept the interest in business ethics at the forefront of British society (Pearson, 2000). In Sweden, business ethics has only been on the agenda since the early days of the new millennium, and even then the interest in business ethics was as a response to the happenings elsewhere in the world rather than perceived deficiencies at home (Svensson et al., 2004), however, in the last two years Sweden has been awoken to its own corporate scandals, which have shaken its corporate foundations (Wallace, 2004).

If one searches the literature, it appears that in the thirty years that business ethics has been a discipline in its own right a model of business ethics has not been proffered. This paper attempts to address this gap in the literature by proposing a model of business ethics that the authors hope will stimulate debate (see Figure 1).

This model is one that is predicated on the tenets of developed countries operating within a capitalist paradigm. Certain preconditions are assumed for the society and certain rights should have been entrenched in these democracies. The rights of freedom of speech, freedom of assembly, freedom of worship, freedom of political organization and the identification of universal human rights as enshrined in the United Nations Declaration of Human Rights (Solomon and Martin, 2004) are precursors to an examination of the model in societies that proffer these values as fundamental to their national identity.

This paper is not intended to be a moral treatise, nor even positioned as advice for managers, but it should be seen as an attempt to explain the concept of 'business ethics'. The elements of the model are included because of the authors' perceptions that they are integral to the way that we interact as a society with business ethics. There is no underlying approval and/or disapproval of certain elements of the model as against other elements contained within the model. There is only recognition that each one forms a part of the amorphous whole. For example, one is not saying that organizations must take notice of lobby groups or that it is a more or less important element than other elements, but that not to be cognizant of lobby groups and include them in the process of an examination of business ethics would be errant, as they do affect the expectations of the society. It may be up to others to moralize as to what extent this evaluation should occur, but such a moral evaluation is not within the scope of this paper.

The business ethics model consists of three principal components (i.e. expectations, perceptions and evaluations) that are interconnected by five sub-components (i.e. society expects; organizational values, norms and beliefs; outcomes; society evaluates; and reconnection). The model is described in the following sections and paragraphs.

Society expects

Society has expectations of all of its citizens. Ancient Athenian society, as described by Aristotle, saw certain values as being important for the times. Some of these virtues were courage in battle, pride in one's own worth, friendliness, good temper, truthfulness about oneself, wittiness, feeling shame about dishonour, a sense of justice for all (Solomon and Martin, 2004). These virtues shaped behaviour and fostered an esprit de corps of what it meant to be Greek. Aristotle's moral virtues were predicated on "finding a mean between an excess and a deficiency" (Hadreas, 2002, p. 361). This concept of balance in one's actions translates easily into modern business practices. The general consensus appears not to lambaste wealth derived from business practices, but its excesses and the means of achieving such excesses are always under consideration as are the means of achieving large losses.

Society is predicated upon behaviour that it expects will advance itself. It is not interested in behaviour that will force the society to regress. Business is established and allowed to exist because in capitalist societies it is deemed to have a central and pivotal role in the betterment of society (Joyner and Payne, 2002; Lea, 1999; Spiller, 2000; Wood, 1991).

When members of a society view this role as not being fulfilled then individuals in the extreme disrupt business forums to protest against the ideologies

being touted, such as in the case of globalization. Citizens take to the streets to voice their genuine concerns (McMurtry, 2002). Concerns that are most definitely not shared or supported by all, but concerns nonetheless that need to be addressed. The rights of freedom of speech and of assembly must be lauded because they are an integral part of a group of rights that defines who we are. Such rights allow us as a society to be self-critical and to re-examine the precepts upon which we claim to be civilized.

Also, society does have expectations of business and of its business leaders. The economic size of some corporations today rivals or surpasses many countries of the world (Cragg, 2000). Of the top 100 financial entities in the world in 2001, 51 were companies not countries (Chang and Ha, 2001). In 1999, each of the top 10 companies in the world had an annual turnover in excess of the gross national product of the then 150 out of 185 (81%) member countries of the United Nations (Tullberg, 2004). An example of this comparative size is that ''Shell's revenue is 98% of the Swedish GNP'' (Tullberg, 2004, p. 327).

Companies, unlike countries, hopefully, do not go to war in the sense of a physical conflagration, but they engage in extremely strong positioning and alignment of their resources in order to achieve their aims with a minimum of collateral damage to themselves or their targets. War is hell, but often it stops. Business can be pure hell, because it is relentless in the pursuit of its goals: goals that need to be aligned with those of the society to whom it is responsible and to whom it should have allegiance and to whom it should ultimately seek to be subservient. These expectations of ethical behaviour in business lead to a set of antecedents that frame the business environment in which corporations seek to exist.

Expectations

Each one of these antecedents is important for they shape the ways in which a society comes to view its corporations and their subsequent performances. These antecedents all conspire independently and collectively to foster behaviours that are seen as acceptable by their society. These discussions of the role of organizations within society are not new. Barnard in 1938, ''addressed the need to analyze the economic, legal, moral, social and physical elements of the environment when making decisions.'' (Joyner and Payne, 2002, p. 301). Barnard's work was built on by Simon, who in 1945 recognized that executives of businesses were looking at community responsibilities that exceeded their legal obligations (Joyner and Payne, 2002). Wood (1991, p. 695) highlighted Davis's work of 1973 in which Davis said,

> ''Society grants legitimacy and power to business. In the long run, those who do not use power in a manner which society considers responsible will tend to lose it. (Davis, 1973, p. 314).''

Robin and Reidenbach (1987) suggest that a 'social contract' exists between the organization and the society in which it operates. This social contract is predicated on the implicit contract between the society and business that allows businesses the right to exist in return for the society partaking in the benefits of such an involvement (Moore, 1999). Business is seen as an ''essential part of the social fabric'' (Thomas et al., 2004, p. 56). Its true purpose should be for corporations, ''to make society better off, and to create societal wealth, not just create wealth for shareholders.'' (Cohan, 2002, p. 291).

Government legislation

All societies have laws that govern the expected behaviour of their citizenry. Business as one facet of a capitalist society is treated no differently. In fact, as business is so pervasive in capitalist societies, laws are targeted at it to ensure that the expectations of society are met. The claim by business that self-regulation through limited governmental legislative intervention is an option appears not to have brought the rewards to the society that it should have (Piety, 2004). The reason for this position is as a result of the actions of business itself (Carson, 2003). Davies (2001, p. 281) sums it up well in respect to financial services in the UK when he says that, ''What self-regulation was not good at doing was raising standards in the market as a whole, or dealing with a problem where there was a need for the whole industry to change.'' In respect to the issue of tobacco advertising, WHO chief Brundtland has

argued that there has been no evidence that would support that tobacco companies are able to be capable of self-regulation (Rondinelli, 2003, p. 20).

Governments have had to enact legislation to provide the floor for business behaviour that is acceptable within the society. Laws that protect shareholders and other stakeholder interests proliferate in capitalist societies, as do laws that protect the consumers of business practices (Hoffman et al., 2003). The notion of 'fair competition' is at the centre of government legislation. Governments are charged by the citizenry with the responsibility of ensuring that the game of business is played by a set of rules that in principle should be fair for all and applied consistently to all.

These laws have been enacted as a direct result of the indiscretions of business at a certain point in time. In the USA, the stock market crash of 1929 led to the formation of the SEC (Securities Exchange Commission) in order to regulate the stock market, whilst the environmental disasters of the 1960s led to the establishment of Environmental Protection Agencies; the Lockheed scandal resulted in the Foreign Corrupt Practices Act of 1977 and the latest corporate scandals involving Enron and notable others have led to the Sarbanes-Oxley Act (Thomas et al., 2004). The US Sentencing Guidelines of 1991 mitigate penalties dependent upon the ethical processes and procedures that corporations have in place to attempt to ensure that the company maintains ethical business practices (McKendall et al., 2002).

Governments also have set up watchdogs to monitor the practices of business. In Australia these regulators include, but are not limited to, the Australian Competition and Consumer Commission (ACCC), Australian Prudential Regulatory Authority (APRA), Australian Securities and Investment Commission (ASIC), all of which are national bodies, whilst in the Australian states such statutory bodies as an Environmental Protection Agency (EPA) have been established. These government instrumentalities are charged with ensuring that no stakeholders are disadvantaged by the actions of others, and that everyone is operating within the spirit and the intent of the legislation. They set the ground rules for the pursuit of business practice as business itself appears not to have the confidence of the lawmakers and the community that it can self-regulate.

Lobby groups

Modern day lobby groups emerged in western democracies in the 1960s and into the 1970s. The Viet Nam War precipitated an awakening around the western world that organized groups of people could be mobilized to challenge the reigning status quo. Consciousness amongst individuals has produced the recognition of the power of these groups. In times of extreme danger or repression, these organizations can gather large groups of individuals to engage in civil disobedience. The anti-Viet Nam War movement, the Sorbonne student uprisings, the people power of the Philippines, are all examples of mass discord within capitalist economies that led to changes in attitude and the awakening of ideas hitherto often only whispered about, let alone publicly enunciated.

The 1960s and 1970s spawned a rash of organizations that sprung to the defence of issues and groups that needed a champion. These issues ranged from the environment, to wildlife protection, to human rights, health issues, gender issues and movements around the world for the recognition of the rights of indigenous people. The United Nations has instituted its own standing committees in many of these areas. Companies need to be cognizant of all of these groups because not only do they monitor corporate performance, but also they challenge corporations to reach new levels of interaction in these areas of concern.

The example of Greenpeace and the way that it foiled Shell's attempts in 1995 to sink the Brent Spar platform into the North Sea is just one example of the power that lobby groups have (Whawell, 1998). Greenpeace mobilized its forces and in the end, European consumers were voicing their concerns to the company directly whilst the European ministers for foreign affairs, the environment and trade condemned in no uncertain terms the British government for allowing the dumping of the Spar (Grit, 2004; Rosthorn, 2000; Zyglidopoulos, 2002). A point of interest in this issue is that after the event, the media was bemoaning that they had been misled by Greenpeace. Misled or not, the damage was already done for Shell (Whawell, 1998).

Transparency International annually publishes a Corruption Perception Index (CPI) and a Bribe-Payers Index (BPI). These indices list those countries

in which corruption is most prevalent and list those countries whose firms are more likely to pay bribes to ensure business (Pacini et al., 2002). These lists can be used by investors to examine the possible areas of the world in which the companies in which they intend to invest may be subject to suspect business dealings.

Lobby groups are a part of the societal landscape and they can play a significant part in shaping the thought patterns of individuals and societies. They have the power to disseminate information, to rally disaffected individuals and as one saw in the Brent Spar case they can wield large influence even when the veracity of that information may be questionable. One, therefore, needs to be cognizant of them in a study of the dynamic that is business ethics.

Institutional responsibilities

Organizations should not only be just economic agents, but also agents of environmental and social change. Organizations are expected by society to look past their own economic well being and to consider their role as broader agents of change.

Handelman (2000, p. 350) suggests that companies face institutional expectations from the society in terms of "the unwritten and social rules of 'proper organizational conduct'". With globalization, governments are becoming less influential and large corporations are filling the void. The focus of expectation by citizens is upon the corporation being successful economically, but at the same time contributing to the environmental and social well being of the society.

Handelman (2000, p. 350) suggests that organizations that do accept this challenge are rewarded by constituents with "political support, avoidance of boycott pressures, community involvement in the well-being of the company and the attention of top employees". Companies can adopt these ideas in a number of ways ranging from 'passive acquiescence' to a proactive involvement. These institutional expectations frame for the organization its expectations from the society for its actions (Handelman and Arnold, 1999).

Economic success on its own may no longer be enough, nor may it be a satisfactory measure of success. The society appears to expect more and to demand more of its business sector. This issue is one that has caused debate for decades.

Eminent scholars, such as Drucker (1981) and Friedman (1962), challenge the need for the concept of business ethics and the role of the corporation to even consider it.

Friedman (1962, p. 133) contended that,

> "... there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud.
>
> Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible."

This argument implies either that profit seeking behaviour is ethically neutral (pragmatic) or that it is ethically valid or good. Litzinger and Schaefer (1987) claim that Friedman's position rejects 'business ethics' as a misnomer that has nothing to do with the real precepts of business. Either one conducts one's business in a pragmatic manner or one ceases to conduct it. According to the ideas of Friedman, institutions such as corporations should only be held responsible to the law.

Friedman (1962) has his critics. Grant (1991) believes that the Friedman belief is rooted in empirical errors. He suggests that Friedman (1962) is incorrect to assume that business is an economic activity that is autonomous. Grant (1991) also challenges Friedman's (1962) notion that business managers act in the complete interest of shareholders and at the same time against their own self-interest. The theory may appear to be acceptable, but Grant (1991) believes that in reality human behaviour does not approximate this total subservience.

The final area that Grant attacks is the Friedman philosophy that greed yields good. Grant (1991) suggests that short term economic expediency will not always lead to the best possible scenario. He cites the environmental damage that has been perpetrated in western industrialised nations as a stark reminder that greed is not always beneficial to society. Short

term gain economically may lead to long term pain for the society.

Grant (1991) goes on to point out that business does not operate in a vacuum isolated from the other areas of life. It should not be viewed in terms of being different in character and responsibilities to other societal activities. Critics of Friedman and Drucker tend to agree that business ethics exist because 'business' is an activity permitted by society and that the values (or ethics) of that wider society must therefore influence the way business is conducted or profits sought. Corporations ignore business ethics responsibilities at their own peril.

Increased education

The 1960s and 1970s heralded the acknowledgement that one's intellect rather than one's economic status would be the delineator of one's ability to access university education. Socio-economic status was no longer the arbiter of one's educational opportunity. Education became valued not only for the career that it could provide, but also for its ability to broaden the thought processes of its graduates.

Universities began to admit individuals from groups that had previously not been traditional university goers. The case of James Meredith was a watershed in the USA. In other countries, young women were given opportunities often denied to their mothers. The children of blue collar workers were able to envision a life exclusive of hard physical labour. These individuals upon graduation brought with them a better-developed sense of social justice than many of their university graduate predecessors. They not only discussed society's injustices, but also many of them had lived them. Now, education was their passport to a society that would need to take notice of their attitudes and views: views that they had been encouraged in their undergraduate years to ponder, discuss and upon which they had opinions.

These individuals developed in their own children a love for education and the realization that education opened the door to opportunities that had been denied their grandparents. Whilst they had tertiary qualifications, not all of these graduates felt an affinity with the dominant social mores of their professions. Some Law graduates did not contemplate a career at the bar, but became advocates for the rights of the less fortunate. Along with economics, general arts and commerce graduates, they joined trade union movements. Unions were represented by university graduates who not only shared their social conscience, but who also knew the intricacies of the ways that the other side thought, as they had been schooled in the nuances of their profession.

As the general population became more educated and as education was valued as a vehicle for social mobility, then graduates also started to question the roles in society that they saw around them. Business was put under the spotlight as questionable practices were challenged and commentary was made about the inadequacies of some of the practices inherent within the business genre (Sørensen, 2002).

Increased levels of education, we contend, were central to the rise in all of the social justice movements of the latter decades of the 20th Century in developed industrialized societies. These graduates had been taught to question, to evaluate and to adjudicate in their minds the issues of importance to them and their society (Shor, 1980). They would not meekly accept the status quo and they subsequently pushed the parameters of expectation and acceptability towards new frontiers.

Increased education was a pre-eminent antecedent for changes in expectations because it was through education that people challenged, debated and rationalized the issues. They asked why and why not, and they pushed governments to legislate and organizations to conform to these new behavioural norms. They provided the individuals that staffed lobby groups. The value of education is that it liberates the members of a society to liberate themselves and in turn to develop and to liberate their society (Freire, 1972).

Power of the media

The media has always occupied a vital position in modern society. As the disseminator of information, it can make or break individuals and or corporations through its coverage alone. With the rise of the computer age and the resultant technology,

the power of the media has become all pervasive. Since the Viet Nam War, we have been able to watch wars live on television. In Gulf War 2, from the comfort of our armchairs, we were able to ride into battle with frontline units. These same technologies have also been focussed upon business practices. Problems faced by corporations in any industrialized economy, some real and others surmised by analysts, are no longer exclusive to their local situational context.

The media brings to us "persuasive images of powerful governments and huge multi-national companies holding poorer countries and local interests to ransom as they trample on human rights and traditional modes of cultural and economic existence." (Collier, 2000, p. 71). Companies such as Nike, Nestle, Union Carbide, have all had to justify to first world consumers their practices in developing nations: practices that today would not be tolerated if perpetrated in first world economies. Shell's activities in Nigeria flared up for the company as a major issue: "The media were happy to report on the anger of the communities and the acute discomfort of Shell" (Wheeler et al., 2002, p. 301).

The rise of the public relations profession and the use of 'spin doctors' reinforce for us all the importance to corporations of the need to be cognizant of the power of the media. The media can destroy reputations in the blink of an eye. They also can serve to raise the awareness of society to unsavoury practices of which they consider the society needs to be aware. In many senses, they become a moral barometer for the society, because they judge the mood of the society, the intensity of the issue at hand, its sales value and then they make a commercial judgement to proceed or not to proceed with the issue.

The media would argue that it fulfils a self-appointed 'social conscience' role within the society. We are all influenced to varying degrees by the media. The emphasis that they put on items that they consider newsworthy can change opinion and move support behind hitherto unknown and unheralded causes. The media in many ways reflects the dominant societal mores of the day and so they act as the 'deputy sheriff' to the government in policing miscreant behaviour. The media creates expectations of business for us as a society by choosing, which issues to highlight for our consumption and which issues to downplay or even ignore.

Socially responsible managers

Our societal institutions are predicated on the faith and the hope of the human condition that 'good' must outweigh 'evil', otherwise the result is chaos and/or anarchy and a loss of belief in what makes us human. Unfortunately, miscreant individuals will trade on society's sincerity in order to benefit themselves, yet, in many cases these individuals are found out. The Enron case is just one such example (Sims and Brinkmann, 2003). Skilling and Fastow have now been convicted for their part in the Enron debacle and Arthur Andersen no longer exists. Such perpetrators against the good of the society, seem to eventually become case studies in business schools around the world as exemplars of how 'not to' conduct business.

Socially responsible managers do the right thing because it is the right thing to do. It is the correct action to take and an action that society expects. Executives should "act ethically not out of fear of being caught when doing wrong. Rather, they should embrace ethical behaviour in business because of the freedom, self-confirmation, and success that it brings" (Thomas et al., 2004, p. 64). It is often difficult to do the wrong thing, because one's inner self rails against it, but it is sometimes even harder to do the right thing. Often one needs to go against conventional wisdom and push the consciousness of others to consider new and challenging ideas, which may take them to places in their mind to which they did not want to go. Still it must be done if one believes it to be the right course of action. An excellent example of this type of challenge to one's values in a business context is that of the Cadbury family during the Boer War (1899–1902).

What does a Quaker, who practices pacifism, do when his business is offered a commission by Her Majesty's Government to supply chocolates to the troops in South Africa during the Boer War? The solution was fascinating because all of the stakeholders needed to be considered: the troops, the stockholders, the employees and the management. The Cadbury business needed the order to keep its staff going in a time of depressed economic conditions, yet he was, as a Quaker, on principle against the war. This stance made him unpopular in England. The solution was that Cadbury would supply the chocolates at cost price to Her Majesty, Queen

Victoria's Government. By choosing this course of action, he kept his workforce from retrenchments; the soldiers received their chocolates and he made no profit, therefore not profiteering from the war (Cadbury, 1987). Some will argue that he nevertheless profited because his business was kept in tact. Unfortunately, what the genuine person will see as visionary, the cynic will see as opportunistic.

Socially responsible managers are needed to force us to confront new areas of thought, to challenge, to inspire, to mentor, to lead. Some companies are fortunate because these people exist in their midst. Those companies that do not possess, recruit or foster managers with well-developed ideals for social responsibility leave themselves open to potential dilemmas orchestrated on their behalf by a staff whose perspectives may be far from socially responsible. Errant actions may not come to light immediately, but when they do the downside to the corporation can be its own annihilation. As Cragg says (2000, p. 213) ''commerce without conscience is a formula for human exploitation, not human development''.

Professional associations

From medieval times professions have had their own associations. The rise of the guild was there to provide an umbrella for the craft around which it was formed and to regulate the marketplace in respect to competition (Richardson, 2001). Members of the guild were expected to perform in prescribed ways and to uphold the standards of their craft. The guild would admit members, police them and represent them to the society in general.

As industrialized economies have moved ostensibly away from a pure manufacturing and agrarian base to now becoming dependent on service industries, guilds have been transformed into professional associations. Virtually every industry in which one's vocation claims to be based on professional standards, and behaviour has endeavored to establish its own professional association.

In fact for all white-collar workers, there is probably at least one and in some cases more than one professional association, to which they can belong. These associations have rules for membership and the values of many are underpinned by a code of ethics that binds all members. As in the days of the guild, these codes are meant to ensure that the members meet the highest standards of behaviour. People have certain expectations of the roles of businesses in the society and the tenets of the association are predicated on the members' belief of how their profession fits into the world of business.

If individuals in organizations are performing according to the rules of their association, then the organizations for whom they work should be the recipients of their professional behaviour, however, if the behavior of the organization as witnessed by the professional association member is not as the member believes that it should be, then the member usually has the right to seek advice from their professional association. Businesses are under scrutiny from their employees who project not only their own personal expectations upon the organization, but also that of their professional association. Associations have expectations, members of these associations have expectations and organizations are comprised of these members, therefore, they can bring pressure to bear upon the organization to conform to these social mores. Organizations should not bring pressure to bear on their employees to violate their professional obligations (Carson, 2003).

Competition

The capitalist system is predicated upon competition. Corporations unless they are in a monopolistic position in the marketplace face competition not only from their own genre of goods or services, but also they face competition from substitute products. Companies expect competition and are geared up to meet it, however when this competition is having a deleterious effect on the organization then it can force individuals into situations that may lead them to compromise their values and ideals (Fraedrich, 1992; Sethi, 2003). McKendall et al. (2002, p. 368) list a number of studies dating back as far as 1953 that, ''found that illegal action is more likely to occur in firms operating in economically depressed industries and firms experiencing individual profit problems...''. Cradozo referred to the ''the morals of the market place that are different from everyday morality outside the business world'' (Cohan, 2002, p. 288). This differentiation is no excuse for being

morally blinkered in our business dealings (Cohan, 2002). As Sethi (2003, p. 24) says, ''Although competition makes business efficient, it does not make it virtuous.''

Within capitalist societies consumers expect individual companies to compete fairly and honestly. As consumers, individuals expect societal rules to come into play. They expect to be able to place trust in the relationship (Swift, 2001) and are not expecting to encounter collusion against them.

The health of the capitalist system depends upon the existence of free, open and honest competition. Within the US and other business cultures, it is enshrined as 'a catechism of conduct' that competition must be open and honest for the health of the capitalist system rests upon it. Society has expectations of the ways in which organizations should compete and legislation is put in place to enshrine these practices. The first US law that enshrined fair competition in the marketplace was the Sherman Antitrust Act of 1890, so these concepts are not new (Hemphill, 2004).

International business with integrity

As globalization becomes the by-word for economic development, companies are facing greater scrutiny of their behaviour committed outside of their home country. As economic borders become seamless, then corporations will need to recognize the rise of the international consumer. As corporations seek to source their products from the least expensive suppliers, they will need to examine more so than they may have done in the past more issues than just the price of the product and its financial contributions to the organization's bottom line.

With the awakening of globalization has come a realization in first world economies that there are corporations who appear to have diverse sets of behavioural standards depending upon the country in which they find themselves at the time (McMurtry, 2002). As consumers have in the past, the new international consumer expects to receive quality and value for their money, however, many of them now insist that the product that they have purchased has not degraded the life of the people and/or the environment of the country from which it was sourced (McMurtry, 2002; Sørensen, 2002).

Our values collectively have moved past the USA Foreign Corrupt Practices Act of 1977. Bribery and corruption, whilst still important issues of concern, are not the only ones on the minds of the new international consumer. Labour practices, such as working hours, remuneration, the use of children, have taken this concern to a new level of ethical expectancy (McMurtry, 2002; Rondinelli, 2003; Rosthorn, 2000). Organizations such as the ILO, the OECD, the EU and the UN have put forward recommendations to outline the minimum standards of behaviour that should be expected from multinational corporations (Lozana and Boni, 2002). Canada has developed a code of conduct for international business (Cragg, 2000).

Environmental preservation of the country from which the product is sourced is now a major issue of concern. Collier (2000) has suggested that we may need universal legislation in the developed world that enforces labour and environmental laws that prosecute corporations that tolerate different standards from those ones that are outlawed in their own countries with their own citizens. Cragg (2000, p. 209) believes that corporations ''are now free to seek out those environments in which the laws in place provide the most favourable conditions for maximizing profits.'' Texaco enacted this defence in Ecuador where its environmental practices were brought into question. They said that they were in compliance with Ecuadorean law and acted with the compliance of the government (Arnold, 2003; Olsen, 2001). This level of scrutiny is now being placed upon corporations. Citizens of first world societies expect their corporations to display integrity in their international business dealings.

Organizational values, norms and beliefs

Organizations are impacted upon by the general environment of the society in which they operate. The criteria discussed in the previous section of antecedents influence the organization and the ways that it can practice its business. In many ways, they contribute both directly and indirectly to impact upon its culture.

Organizational culture has been seen as being of paramount importance to the corporation. Serpa

(1985, p. 426) contends that it can be called, ''''the social glue holding a company together''. This ''social glue'' has evolved over time and been shaped by internal as well as external factors ... each culture is a product of its unique values, beliefs and rules of behaviour.'' Each company has a particular culture and a set of belief systems. These belief systems are ''shared ways of interpreting a company's environment, its past, and its future prospects'' (Cohan, 2002, p. 287).

An organization cannot act in isolation in the marketplace. The way that an organization conducts its business impacts upon a raft of stakeholders, both internal and external to the organization (Freeman, 1984). Benson (1989) and Fraedrich (1992) believe that an organization needs to address its relationships with customers, competitors, and the general community. The need for organizations to consider the impact of their business practices on these stakeholders is considered in the next section of the model.

Perceptions

The way that the organization interacts or does not interact with the expectations of the society in respect to ethical behaviour provides its own consequences. Organizations need to be cognizant of their impacts in a number of areas, for their impact in these areas of business will have an impact on their continued success in business (Wiley, 1995).

Leadership relationships

Rushton (2002) has suggested that progress towards an ethical organization that is meaningful and real can only be achieved when the leaders of firms bring about these changes. It has been also suggested that leaders must become models for positive learning by others (Graham, 1995; Miller, 2002; Paine, 1994; Rushton, 2002; Thomas et al., 2004). As Sims and Brinkmann (2003, p. 249) contend, ''Employees often emulate leaders' behaviour and look to the leaders for cues to appropriate behaviour.'' This leadership behaviour needs to be in concert with the espoused views of the organization as if it is not it leads to corporate dissonance amongst the other employees. The ethical orientation of the CEO is a critical issue (Hood, 2003). Leaders must not be seen by their employees to be benefiting unduly from the organization. CEO compensation needs to be in line with the rest of their workforce, however in the US this is one area where positive leadership has not been shown because ''...in 1980, the average CEO made 42 times the average hourly worker's pay. By 1990, the CEO made 85 times as much. By 2000, it was 531 times what an hourly worker makes.'' (Flanagan, 2003, p. 16). Leaders must be seen to make choices that support the organization's values regardless of the difficulty of that choice (Thomas et al., 2004).

Staff relationships

If employees feel connected to their organization they will subsume its ethos. Joyner and Payne (2002, p. 298) report on the 1997 Walker Information survey that, ''revealed that 86% of the employees surveyed who felt their firm's ethics were positive, were strongly committed to their organizations...''. Employees should feel positive about their organizations. They should feel proud to work there and not see work as a burdensome chore. In an organization that does not engage satisfactorily with its employees, staff will be less than satisfied. Companies need to ensure that they and their staff are moving towards the same goals and this includes the manner by which these goals are achieved. Staff members need to be active participants in the organization (Crane et al., 2004). Employees should not have to compromise their ethical standards to fulfil the organization's requirements (Lovell, 2002). Satisfied staff members do not feel the need to become whistleblowers.

Shareholder relationships

Shareholders are the lifeblood of the corporation for they invest in the organization because they perceive that the organization has a positive future. Too often we have seen shareholders beguiled by smooth talking executives who end up collapsing their corporations and absconding with their ill gotten gain. In some cases they do so by going outside of the

legal jurisdiction of their own countries to areas of the world from which their own country can not extradite them. Shareholders deserve corporations that realise that the shareholders are entitled to a return on investment at market rates or better. If such returns are not forthcoming, then open and early disclosure is required to enable shareholders to be able to assess their own positions. Good corporations do this for all shareholders. They do not differentiate between institutional shareholders and other shareholders. The welfare of all shareholders should be treated equally regardless of the size of the parcel of shares that they hold. If companies ignore their shareholders then inevitably this will lead to shareholder activism (Crane et al., 2004; Sparkes, 2001).

External stakeholder relationships

The sentiments and views of stakeholders are important to any company as they are affected by the success and failure of the company (Heath and Norman, 2004). Whilst stakeholders can be far removed from the day to day operations of the company, they can nonetheless impact on the reputation of the company. What one seeks is to ensure that stakeholders view the company as a positive force for the society and that they deem the organization to be an acceptable purveyor of its products. Not to include stakeholders in one's thinking is an invitation for trouble in the future: to ignore them is a recipe for disaster.

Supplier relationships

Many suppliers rely extensively on the continued goodwill of the organization. The power in the relationship usually resides with the company. In most industries, a range of alternate suppliers can be sourced. This company flexibility places pressure upon the incumbent supplier to abide by the rules of the employing company (Crane et al., 2004). Whilst suppliers should observe company protocols, they should not be viewed as subservient in the relationship. A relationship that relegates suppliers to a subordinate position should not be tolerated in ethical inter-company relationships. The suppliers should be treated as an equal in the venture, and accorded respect. They should be seen as partners in a mutually inclusive mission to create value in the marketplace for everyone in the business relationship. It is advisable to get suppliers to embrace and contribute to the company's values and ethical viewpoints. Organizations should consult with suppliers since they can contribute to the business in ways that may be surprising. Suppliers see the corporation from a different perspective than the employee and/or a consumer, and they can often provide insights that can benefit both parties (Wood, 2002).

Customer relationships

In recent years, concepts like Relationship Marketing have become a part of business parlance (e.g. Grönroos, 2004; Gummesson, 1994). Theorists have endeavored to try to bring our attention to the inescapable truth that companies need repeat customers in order to thrive and prosper (e.g. Grönroos, 1994; Gummesson, 2004). Companies, therefore, need to focus upon their actions and those of their agents and employees to make sure that they act ethically and consider customers' views in all matters (Wood, 2002). Customers and other stakeholders should be seen as partners in the process of developing company wealth, not as the means by which one develops it (Metcalfe, 1998).

Competitor relationships

Our capitalist system is predicated on competition. For over two decades, Porter (1980) has espoused his five forces model that is based on the contest between competitors. The intensity of industry rivalry amongst competitors is at the centre of the model. Organizations analyze the relative power of the other constituent parts of the industry, and then pursue the industry opportunities that maximize their ability to emasculate their rivals and outperform them. As a society, we extol individuals to win and underscore that by doing so they will be serving the greater good of their corporation however, we need to have cognizance of the ramifications of our actions on competitors. Competitors should be treated with respect and empathy too, because not to

do so lessens the corporation's commitment to ethical behaviour (Wood, 2002).

Outcomes

The interaction of societal expectations and the ways that a corporation interprets and reacts to these pressures produces outcomes. These outcomes manifest themselves in a number of ways. Theorists such as Levitt (1958) and Friedman (1962) would contend that the only outcome worthy of examination is whether the company made a profit or a loss and how its activities in the marketplace have impacted upon its shareholders. Terms such as triple bottom line, corporate governance, corporate social responsibility, balanced scorecard (Carroll, 1979; Heath and Norman, 2004; Joyner and Payne, 2002; Lovell, 2002; Spiller, 2000) highlight a definite paradigm shift from this perspective that business is there only to make a profit. In the halcyon days of post World War 2, where demand outstripped supply, the society had not considered corporations as being much more than the suppliers of goods. This perspective has evolved. Today, making a profit is not enough as members of the society evaluate how that company has impacted the society through its actions or its inactions.

Evaluations

There are a number of criteria that members of society use to judge the performance of organizations. In many cases, this assessment is not a conscious one, but one that develops as one is made aware of incongruities and inconsistencies in the ways in which for example the corporation's profit has been achieved. The questions at the centre of these issues include: What have been the economic outcomes of their actions?; Has their behaviour been lawful?; Are they better corporate citizens than they were?; Have they paid the appropriate taxes?; Has the company been environmentally friendly?; Have they retained employees?; Have services to customers been retained?; Are their products acceptable to us from a health and safety perspective?

Economic outcomes

The society examines the economic outcomes of the actions of the corporation. Profit should be the natural outcome of a corporation's business endeavours (Lea, 1999). Profit is the way that the corporation keeps score as to its success or otherwise. In capitalist economies the pursuit of profit is not seen as counter productive, but as an essential feature of the ethos of the economic underpinnings of the systems that we have in place. As Le Menestrel (2002, p. 158) says, "...there is no necessary contradiction between ethics and profits." Share markets rise and fall on profit forecasts and companies are cognizant of the need to continually return profits. The yearly declaration of a company's profit and the distribution of this profit are eagerly awaited by both shareholders and the market. Profits by their very nature allow the corporation to reinvest in future growth, to enable it to expand the business and also to diversify and even acquire other companies. Whether the outcome be a profit or a loss the company should be placed under scrutiny.

Some in society may think that if a company declares a profit then that in itself is the end of the story for profit was the goal and once that goal has been attained in a legal manner as Friedman (1962) contends, then the corporation should be allowed to proceed ahead relatively unchecked. This view may well be a simplistic one. Today it would appear that the members of first world economies look more deeply at such profit declarations. The declaration of a profit or a loss is only the first of a set of criteria upon which society evaluates the performance of the company.

Lawful behaviour

Profits should always be made lawfully. This may sound obvious and trite, but current history has required that this statement be made as many corporate executives around the world seem to have missed this salient feature of doing business: be ethical or at worst, be lawful.

These types of behaviours do force legislators to re-examine the current legislation and consider its adequacy. One such example was in Australia in 1997, when the Australian Federal Government

substantially strengthened the Trade Practices Act of 1974, in order to curb the excesses that were witnessed in the franchising industry. Some franchisors were acting in ways that were contrary to the health of their industry, and especially to the well-being of unsuspecting franchisees. Debate raged in the Australian Federal Parliament for months about the course of action to be taken. Eventually, a bipartisan approach was achieved, because it was obvious that the franchisees were being harmed by some unscrupulous franchisors that were unable to be controlled by the current legislation (Wood, 2002). Legislation will never be the panacea, but at least it is a way of signaling to all that the bar has been raised on what constitutes lawful behaviour and that those individuals and corporations that do not abide by the new laws may face some time behind bars.

Better corporate citizens

Consumers are no longer happy just to judge corporations on their profit alone. They expect more. The 'premum non nocere' doctrine of 'knowingly do no harm' is now anachronistic in today's modern world of business. Corporations must ensure that they do no harm and not knowing is no longer an adequate enough defence. The motto of the 21st Century perhaps should be 'knowingly do good' as consumers expect the corporation to contribute to the society.

As more individuals became investors in corporations, either directly or as a part of an institutional investment in superannuation funds, their view of corporations changed. As the social conscience of many in the developed world became more acute in the latter years of the 20th century, then so too was there a corresponding rise in the expectations of corporations to be better corporate citizens and to invest to make the society a better place (Campbell et al., 2002; Rodgers and Gago, 2004; Rondinelli, 2003). Corporations themselves began to realize that, ''they could earn higher profits if they were good citizens of the community'' (Rodgers and Gago, 2004, p. 359).

One such example was the development of cause related marketing, where corporations formed alliances with charitable organizations for the betterment of the people who were supported by the charity (Carringer, 1994; Ptacek and Salazar, 1997). CRM relies on the purchase of a product from a for-profit company and for some of the money from the purchase price of that product to be then channeled from that sale to the cause with which the product is linked (Davidson, 1997). Everyone appears to benefit: consumers feel that they are making a significant contribution; companies feel that they are giving a significant contribution and charities appear to be getting a significant contribution. It is a win–win–win relationship. Citizens expect corporations to contribute to the well being of the society, just as the citizenry is implored and expected to do so.

Pay appropriate taxes

Governments establish taxation regimes that in essence are designed to ensure that businesses contribute equitably to the maintenance of the society of which they are a part (Solomon and Martin, 2004). The dilemma that faces many government taxation collection agencies around the world is the accepted practice of tax minimization by the players within the system. Tax minimization practices are touted by individuals who achieve their own remuneration by devising means of reducing the liabilities of others to the society through reducing their customers' apparent tax responsibilities. These schemes have led in many western economies to goods and services taxes in an attempt to capture some of this lost revenue. Society expects each individual and corporation to make their fair contribution to the maintenance of the society. Not to do so is an abrogation of one's responsibilities and one is lambasted for it.

Environmentally friendly

Companies are scrutinised as to their performance in their use and/or abuse of the environment. Environmental concerns are not new (Hoffman, 1991). Since the rise of Greenpeace and other organizations of similar ilk, developed countries have been showing a growing interest in their use of the environment. Westra (1995, p. 661) contends that, ''Environmentalism...is now one of the few causes

that moves and unites almost everyone in the world.''

Corporations are compelled today by legislation to ensure that their operations in developed countries are above and beyond reproach. For many citizens, however, this ideal is not enough as the globalization of business can lead to a degradation of the environment in jurisdictions that do not have in place legislation to protect their environment (Asgary and Mitschow, 2002; Olsen, 2001). The cases of Union Carbide and Bhopal, Shell in Nigeria and Exxon and Alaska are exemplars that highlight the degree of animosity that can be brought to bear on companies that do not actively protect the environment. The Kyoto Protocols highlight to all countries and their companies that they need to be cognizant of the importance to their societies of responsible environmental management. Unfortunately, some countries have not embraced the principles as perhaps they should have (Rondinelli, 2003).

Employees retained

In the late 1980s, companies discovered the buzz words of 'downsizing' and 'outsourcing'. These words were sanitized labels for companies to be able to reduce the size of their workforces in the name of efficiency (Piety, 2004) which in itself is a pseudonym for 'increased profits'.

Layoffs are never in the best interests of employees and their families and their communities (McCall, 2002; Piety, 2004). The sad situation is when one sees a company declare a profit, but under the guise of the improved use of technology, employees are not still retained. Within society we contend that there appears to be a growing disquiet with this practice. There are companies that change their suppliers from country to country chasing cheaper sourcing of their products or as McMurtry (2002, p. 204) terms them, ''lowest-cost zones''. Even though these companies made profits in the previous country, they still move their preferred supplier status to less expensive sources and factories that have supplied them in the past are left to languish with all of the social dislocation that comes from such a decision. Companies that move aspects of their business base off shore from their home country in particular come in for strong condemnation. In Australia, the largest Telco has outsourced some of its operations to India. The reaction to this decision was one of derision by many. As their business is 51% government owned, this initiative has sparked a more rabid response from trade unions and others who like many people were mystified that one would contemplate doing such a thing to one's own workers.

After announcing another record profit last year and the fact that it is on track this year for an even greater profit Australia's largest airline carrier and deemed as the world's most profitable airline is looking to outsource 7000 jobs off shore and to axe 3000 jobs. As a union representative was quick to point out, the corporate slogan is the 'Spirit of Australia' and that this action was not in the best interests of the Australian community (Creedy, 2005). People in the society become sceptical of the motives of these companies.

Services retained

This phenomenon is a recent one within the Australian marketplace. The prime example is within the banking industry. Since the late 1980s, the Australian banking industry has been a deregulated industry. Whilst this move has led to new players in the marketplace, essentially the business is still controlled by four main banks. Shortly after it declared a record profit, the largest bank announced the closure of branches in some country areas that according to them did not warrant being left open (Cornell and Mellish, 2002). The volume of business was deemed to be too small. Customers were directed to move their accounts to larger regional centres where the facilities there could adequately handle their needs. The uproar from country Australia was enormous, but it really was 'a flea trying to bite an elephant'. Australia's population is geocentric to its coastline and particularly its eastern seaboard cities and hence the bank rolled on regardless even though the campaign against the bank did manage to garner some support in city areas as well.

The profits of major banks in Australia continue to grow, but they too have fallen victim to the 'technology leads to profit' syndrome. Banking

services are becoming depersonalised as people are encouraged to use the technology to obviate any difficulties that waiting in line at the bank may cause. If one is not literate with the new technology and connected to the world through technology, then the chances are that you will be disenfranchised from some of the services that you once took for granted. With an ageing population in the western world and with many of them not being technology literate, these issues will grow in prominence.

Products acceptable

Citizens in developed societies are now examining more and more the downsides of some of the products that for years we have purchased and consumed without due regard for the consequences to our own health. Tobacco companies have been in the spotlight now for nearly twenty years as information at first tumbled and then cascaded out about the damage that their products can do to their customers. Even that advertising icon of the late 1980s and early 1990s, Joe Camel is no more. Smith and Wesson has complied with US regulators' requests in respect to its products, so that it could stave off imminent legal action (Post et al., 2002).

We are crossing into new realms of focus when we have legal products such as tobacco, firearms and alcohol being subjected to expectations that constrict the freedoms of their manufacturers to configure their products as they see fit to meet their market needs. The fast food industry is coming under more intense pressures from consumers concerned about the nutritional value of its products. The US hamburger laws have given sanctuary from prosecution to these fast food giants. In response, McDonalds has run advertising campaigns that attempt to convince the consumer of the nutritional value of their products and now they have progressed to a new generation of products that are based upon the principles of healthy eating.

Producing a legal product appears not to be enough any more. Litigation is brought against producers of legal products for the misuse of their products and the fact that the product can be detrimental to the health of the consumer. Consumers want and expect products that do not harm them in any way.

Society evaluates

While as a society we laud profit, we detest a loss and in such cases the society watchdogs swoop down on errant companies in order to investigate their particular situation, yet, profit does not guarantee that the actions taken by corporations to achieve this profit were in the best interests of the society. Society goes through a set of checks and balances to ensure that the profit declared by the corporation has been earned in ways that do not compromise the integrity of the corporation, the shareholders, the stakeholders and the society in general.

Reconnection

Once the evaluation criteria have been examined, then the model returns to the beginning as new levels of expectation in respect to behaviour become the foundation upon which to judge subsequent organizational performance. The introduction of new legislation sets higher barriers to being unlawful and unethical. As time evolves, then the behaviour of individuals in business evolves to new levels of ethical behaviour. The model may appear to be discontinuous during periods of history in which the business world appears to be stable, but in essence society continues to move forward and to develop more expectations of the behaviour of business. The process never stops and one hopes never regresses.

Conclusions and suggestions for further research

The introduced model makes a contribution to the creation of a conceptual framework for business ethics. We intended to fill a gap in the area of business ethics research.

The proposed model of business ethics rests upon the challenge of combining past, present and future expectations, perceptions and evaluations. Hopefully, the past and the present ones are known, but those of the future are unforeseen. Repeatedly, the corporate reality of events and behaviour turns out to be unpredictable. What were the expectations, perceptions and evaluations of the past – and the current ones of the present – may or will differ from those of

the future, therefore, the model of business ethics should be seen as a transformative process. The past has given the present but the future is shaped in transformations taking place continuously and iteratively over time and across contexts in the present. It is a simultaneous process of co-creation between the expectations, perceptions and evaluations tied together by the interactive features of society expects; organization values, norms and beliefs; outcomes; evaluations and reconnection. The model provides an integrated approach of the complexity of business ethics. Future research may look to test the model. For example, such research may indicate whether the focus is on the components, the sub-components or a combination of both. The complexity of the model is required in order to provide a debatable point of reference in academia. The fact is that there is no such overall model in literature. We have made an attempt to fill this knowledge gap.

A few tentative conclusions may be drawn from the introduced model of business ethics. In the first place, the model aspires to be highly dynamic. The ultimate outcome is dependent upon the evolution of time and contexts. It is also dependent upon and provides reference to the behaviours and perceptions of people. The model proposes business ethics to be a continuous and an iterative process. There is no actual end of the process, but a constant reconnection to the initiation of successive process iterations of the business ethics model. In the second place, the principals and sub-components of the model construct the dynamics of this continuous process. They provide guidance on what and how to explore our common efforts to understand the phenomenon known as business ethics.

Society's expectations initiate or trigger the process by determining the issues to be addressed in corporate business activities. The organizational values, norms and beliefs considered in operational, tactical and strategic business activities should match these expectations. Once the business activities are performed, they will be the fundament of internal and external perceptions that will be connected to the organizational outcomes achieved. In turn, these perceptions underpin the evaluations that the society subsequently will undertake. At this stage the process starts again and is reconnected to the start of a new iteration of the business ethics phenomenon, therefore, it is important to see business ethics as a highly dynamic and continuous process without an end. A process, however, that is predicated on the interrelationship between business and society where each one is interdependent and responsible together for the outcomes. Hoffman and Moore (1982) suggest that the pre-eminence of business ethics is because of a perceived failing, by the general community, of business to act for the general good of the society. They, therefore, suggest that the mutual obligations of business to the community and the community to business need to be restated. As Sir Adrian Cadbury (1987, p. 73) said,

> ''Business has to take account of its responsibilities to society in coming to its decisions, but society has to accept its responsibilities for setting the standards against which those decisions are made.''

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