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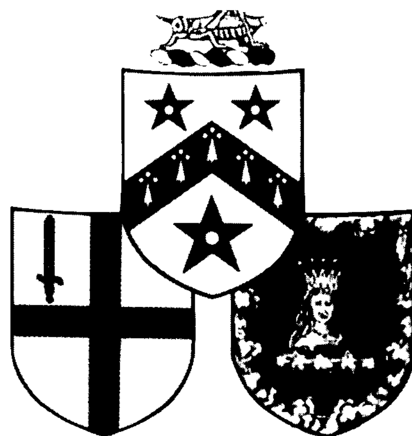

PERSONAL MORALITY AND BUSINESS MORALITY

Three lectures given by

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Mercers' School Memorial Professor of Commerce

Lecture 1 - 1 November 1989
BUSINESS AND MORAL COMPROMISE

Lecture 2 - 8 November 1989
'JUST FOLLOW YOUR CONSCIENCE'

Lecture 3 - 22 November 1989
THE MORAL MANAGER

GRESHAM COLLEGE

THREE PUBLIC LECTURES

PERSONAL MORALITY AND BUSINESS MORALITY

by

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delivered at the Parish Church of
St Edmund the King
Lombard St London EC3

November 1989

I. Business and Moral Compromise
II. 'Just Follow Your Conscience'
III. The Moral Manager

I

Business and Moral Compromise

The first series of lectures which I gave as Mercers' School Memorial Professor of Commerce at Gresham College explored the subject of *Business and Ethics: Oil and Water?,* or in other words, are Business and Ethics compatible? In a later series, on *The Social Responsibility of Business*, I aimed to investigate the degree to which the modern business company incurs responsibilities to society, and how it should consider discharging those responsibilities. In this series of Gresham lectures I wish to consider more the role of individual business men and women in their chosen occupation, and to explore the degree to which people feel uneasy that successful business appears of its very nature to call for different ethical standards from those which we aim to live up to in our private lives. Hence my title for this series of lectures is *Personal Morality and Business Morality,* and I propose to consider it under three headings, 'Business and Moral Compromise', 'Just Follow Your Conscience', and 'The Ethical Manager'.

To set the scene, let us enquire, does business require cutting corners, shading the truth or telling downright lies, manoeuvring columns of figures, or abandoning colleagues and friends? Are business standards *different* from ordinary moral standards in everyday life? And does this mean that to be successful in business we have to compromise our personal ethical standards?

'Compromise' is an interesting word. No-one likes to find themselves in a 'compromising' situation. On the other hand, in many walks of life, including business, compromise can be considered a valuable and approved strategy, whether in industrial relations, or negotiating a contract or a price. It involves give and take, making reasonable adjustments to one's wishes and needs, and identifying room for manoeuvre in one's position.

In moral matters, however, compromise has an uncomfortable ring to it. It appears to involve a betrayal of principles, a moral trade-off, leaving an unpleasant taste in the mouth, or an uneasy conscience. It appears to deny the feeling that morality is surely a seamless robe, requiring above all that we should be personally consistent in all our decisions which have an ethical dimension to them.

Notice that I am not considering deliberate wrongdoing or unscrupulous behaviour. What I am more concerned with are what we might consider the 'little betrayals' in business, or the reluctant rationalisations with which some people uneasily feel they have to justify the decisions they have made or feel funnelled into making.

Perhaps, however, we are making a major presupposition that needs questioning. Is it true that business decisions are in principle no different from decisions which we make in other, more personal and domestic areas of life? Consider some of the features which apply to many decisions which call to be made in business: the scale of a decision in terms of the sums and territories involved; the constraints of the time-factor in rapidly changing markets; the pressure for results; the degree of impact on other people; the lack of information and the uncertainty as to the consequences of one's decision. Could it not be that the very scale of the decision to be made puts it in an entirely different arena of action and deliberation from the little private and personal choices we make in the rest of our lives?

All these factors tend to confirm the distinction made by some writers between public morality and the morality of private life, and the point of view that different standards are called for in handling matters of public morality from those which apply in private life. And certainly the individual can easily feel overwhelmed at times by the apparent inadequacy of the canons of private morality to cope with the scale and the complexity of public matters.

Eliminating compromise

Hence the attraction, or perhaps the seductiveness, of the ethical theory which goes by the name of utilitarianism, or seeking in all one's decisions to bring about the greatest satisfaction for the greatest number of people. As propounded by Jeremy Bentham and refined by John Stuart Mill and later thinkers, the theory has been enormously influential and humanitarian in political and social philosophy, and it appears to have many advantages as a theory of moral decision. It is eminently reasonable, and indeed morally admirable, in aiming above all to increase the sum of human wellbeing. It is egalitarian in refusing to distinguish between individuals on irrelevant grounds, and benevolent in declining to presume *a priori* that the individual faced with any particular decision is to be numbered among those who will benefit from it. Perhaps best of all it makes morality an empirical matter of calculating the likely consequences of one's decisions and of simply choosing the alternative which will lead to the most favourable consequences all round.

The attractions of such a theory as a means of making decisions of public morality are obvious. It appears to take the mystery and uncertainty out of ethical decisions. And given sufficient information as to consequences then such a method of moral cost-benefit analysis in principle eliminates all possibility of moral conflict from our decisions. But that very denial of conflict and elimination of moral compromise indicate for many people the unreality of utilitarianism as a satisfactory ethical theory. Its other weaknesses are well recognised, though they may not be insuperable: how to flesh out the single all-sufficient criterion of happiness, or wellbeing, or satisfaction; the difficulty of accurately predicting consequences; the problems of comparing satisfactions in quantitative and qualitative terms; and the lack of differentiation between various individuals. Where utilitarianism founders, however, is on the icebergs of promise-keeping, truth-telling, loyalty and above all of individual human rights. It is an ethical recipe for creating victims out of minorities or individuals, since everything else is negotiable provided that most people are as satisfied as possible.

In a word, for all its attractions the major obstacle to pure utilitarianism is justice. One writer has concluded that 'utilitarianism is *nearly* right'; and another has added the radical qualification that we should always aim to maximise happiness - provided we do so in a fair way.

It appears, then, that the major ethical theory which attempts to deal with conflicts or compromises by trying to prove that they do not exist is not satisfactory. It cannot explain away certain moral constants which appear to lay ethical claims on us quite irrespective of consequences, and indeed quite irrespective of business or other public circumstances. For all its rational attractiveness as a theory, it is at the very least lacking in moral imagination and defective in its denial of human psychology.

Compromise at the heart of ethics

Another approach, then, is called for in considering business decisions and the experience of moral compromise which appears to affect many who make them. My suggestion is that the answer lies not in denying that compromise can be met in business decisions, but in claiming that compromise is at the heart of all our moral decisions, not only in business but also throughout our lives. It may be that the scale of business decisions, and of their

consequences, which I considered above, are such that we may be more sensitive to the element of compromise in them than we are in other areas of life. But, I suggest, every moral decision contains in principle some elements of compromise. And this can best be understood by identifying different levels of ethical thinking and deliberation.

Most people are brought up in terms of conventional ethics. Standards of behaviour are accepted in an unreflective manner from parents, teachers, religious authorities, and so on, in the normal process of socialisation. And these standards are expressed and internalised in terms of rules, laws, and codes of conduct. Such morality can be termed without disparagement as mother's-knee, or Sunday School, ethics. But even at an early age conflicts can arise. How is one always to tell the truth and also always to be polite when asked one's view of an elderly relative's ghastly hat? As one enters into increasingly complex social relations, so various rules can come into conflict and present moral dilemmas in ordinary daily living. And such conflicts can multiply in professional contexts without being substantially different from private dilemmas. Whether to tell the truth or protect a friend or client; whether to respect someone else's property or remove it to prevent them harming themselves or others.

For some people in such situations moral choices become a matter of which ethical rule to break, with the consequent feeling of having done something wrong, or of having compromised one's moral code. The secret, however, lies in coming to realise what moral rules are, and in trying to get behind them and understand the values which they are aimed to express and protect in our actions. For I suggest that a moral rule is a single-value pressure group. Its aim is to keep one particular moral value, such as truth, or loyalty, or life, steadily before our eyes. But since a moral rule is a single-value pressure group, and since there are many such rules, it is inevitable that one or more will regularly come into conflict in real-life situations.

One strategy for handling such conflicts is to refine one's understanding of the rules and to work out whether they may admit of exceptions. Always tell the truth unless it will harm someone, or provided that others have a right to the truth. Always respect other people's life unless they are attacking you. Always keep your promise unless you think it would be wrong for someone to hold you to it. Such a strategy has gone historically by the name of casuistry, which acquired a bad name for the ingenuity with which some moralists managed to wriggle out of various moral rules. Yet it is back in favour under the new name of 'case-studies' and in the realisation that moral reflection engaged in simply at the level of particular moral rules is abstract and often does not do justice to the real complexity of dilemmas with which people can be faced.

Value-balancing

The basic advance is to go behind the rules to see what are the moral values which each aims to express and promote. And the basic moral exercise is to assess and contrast the underlying values which are in competition for our attention. At that level there is more room for moral manoeuvre, for it need not be a straight choice between one value and another. Some values can be judged to override others, but moral imagination can also come into play, to aim, while respecting one value fully, to do as much justice to others as possible.

Such a moral calculus may well include taking all the possible consequences into account, and to that extent it includes utilitarian considerations without totally espousing that theory. Basically, however, it comes down to trying to do as much justice as possible to all the individual values which make a *prima facie* claim on us. One verdict when all is done may be that we have done wrong, betrayed a moral rule and compromised our ethical code. But another, and perhaps more realistic or holistic, verdict could be that we have done the best in all the circumstances. For my conclusion is that some compromise of this nature between values is a central feature of many of our moral decisions, in every area of life and not just in business. Perhaps the salient difference is that it is not a compromise *with* wrong or with evil, but a compromise *between* various goods and a balance between the various values which are at stake.

Such an approach may make moral decisions somewhat easier to understand, and possibly even *may* make them easier to reach. Does it make them easier to live with? It is evident that decisions taken in such circumstances may result in regret that one has not been able to do more justice to more values, but has been forced to make a choice between them. Regret, however, is not necessarily the same as guilt. I may well regret having felt compelled to mislead someone, or to disappoint them. I may equally feel there was little else I could morally do. Then regret appears not so much to express a sense of having done wrong, as to reflect the human predicament that in our moral decisions, whether in our private or our professional lives, choices simply have to be made and not all expectations can be met.

Faced with such complexity of ethical theories and such minute analysis it may be that some people would prefer simply to invoke their conscience as guide to all their moral choices. That too, however, is not without its difficulties, as I shall show in my next lecture!

II

'Just Follow Your Conscience'

When we consider difficult moral decision-making in any sphere of life we come sooner or later to the idea of conscience. And yet, for so constant and common an idea it appears surprisingly elusive when we try to identify what it is and how it works. The Universal Declaration of Human Rights refers to 'the right to freedom of thought, conscience and religion' as an important human prerogative, but it does not tell us what this conscience is that we have a human right to exercise freely.

Freedom of conscience

In talking of freedom it sometimes helps to distinguish between two types of freedom: freedom *from* and freedom *for*. Many of today's great human needs can be described as freedoms from: from want, from hunger, from ignorance, from coercion in general. But in a sense these are secondary freedoms, aimed at removing obstacles to human flourishing and fulfilment. It does not make sense to talk of freedom *from* knowledge, from truth, from genuine love or from other values, for these are expansions, not restrictions, of the human spirit. It makes more sense to speak of freedom *for* such values. In particular, freedom of conscience is not freedom *from* conscience, but freedom *for* conscience, the freedom positively to exercise and to act in accordance with one's conscience. Put in another way, when speaking of conscience we are really talking not so much about freedom but about responsibility. Freedom here is a claim upon others to be allowed to follow my own conscience and a refusal to abdicate my personal responsibility into the hands of another, whether another person, or an institution, or the state.

The question remains, however, what is this 'conscience' of which we speak so easily as good or bad or troubled or clear, or to which we sometimes appeal with such confidence? I find it interesting when discussing the subject of conscience to ask my audience what they think their conscience is. Some view it as a sense of right and wrong, or a feeling about right and wrong, others identify it as an intuitive awareness of what we should do in various situations, or a nagging awareness that we have done something we shouldn't. Some see it as the product of one's upbringing, or the superego, or of economic and social forces. If all of these approaches to conscience have something important to say about it, as they do, then clearly it's not as simple a phenomenon as we may think. For one thing, it operates in more than one direction, sometimes seeming to pass a judgment on something which we have done in the past, and at other times pointing forward to some action which we are thinking of performing in the present or the future.

Stages of conscience

This seems to point to a sort of three-fold presence of conscience in most people. First, at the back of one's mind, as it were, there is an awareness that right and wrong are important. This we could call the *awareness of morality*, or the feeling or conviction that morality as such counts and is a normal and important feature of many people's lives and self-consciousness. Then, against this background and in the middle of our minds, as it were, but not yet at the front, this vague moral awareness begins to take shape in identifying certain types of human behaviour as morally right or wrong. We could call this a sort of *habitual conscience*, almost like the rules of grammar which have become part of our minds but are used or applied only when we express ourselves. Here education and other social influences count for quite a lot in shaping our moral attitudes and teaching us the language of morality. Then finally there is what from time to time goes on at the front of our minds, our *conscience in action*, the application in particular cases or situations of both our background sense of morality in general, and our more detailed habitual attitudes to the moral quality of certain types of behaviour.

If this particular analysis of the phenomenon of conscience is accurate, then it may help to explain some of the confusions and misunderstandings which can arise when people talk simply about 'conscience', because different individuals may be referring to different aspects of conscience without being aware of it. For example, if discussion is going on about whether or not to be completely candid in a particular business transaction, some of the people involved may be insisting at a *global* level that the moral aspect of every activity is important, perhaps all-important, compared with success or profit; others may be focusing on the *habitual* level of the rules of 'moral grammar', and discussing whether truth-telling is approved of and telling untruths must be invariably considered wrong; while others again may be concentrating on the *practical*

case in hand, and exploring whether there are mitigating or overriding circumstances in this particular case.

One important aspect of conscience understood in these senses is that they all include an element of mental judgment. And this shows up the inadequacy of seeing conscience as simply a feeling or a moral sentiment. There is no doubt that feelings and emotions enter into the working of our conscience and our moral judgments, such as a profound attraction or sympathy for some types of behaviour, or a sense of outrage or revulsion in the face of other types of activity. And this can prevent us from presenting conscience as a sort of moral computer. At the same time, the basic weaknesses of all attempts to explain away moral views and attitudes without remainder in terms of feelings and subjective dispositions are that they make nonsense of all genuine attempts at moral discussion, and that they offer no explanation as to why I feel revulsion, and think you should too, at the thought of rape; or why I find attractive, and think you should also, the idea of helping to relieve the victims of famine.

Analysing conscience

The point to which I am moving is the classical Western definition of conscience as the human mind making moral decisions: in other words, conscience is me judging and me deciding what is the moral course of action I ought to choose. It is not just a matter of the mind, but of the human mind, and it is not just a matter of humans in general, but of me and my mind, with all the mental and emotional furniture and social influences which go into making me the person I am here and now faced with this particular judgment.

What I propose to do now is to take a closer look at this conscientious judgment and examine what goes into its making. What sorts of judgments are moral judgments? My first reply is that they cover a much wider area of human activity than is sometimes supposed. There is a convention in Parliament, for instance, which seems to consider that some issues are moral issues and matters of conscience, while others are not. Free votes in accordance with conscience are sometimes permitted MPs in the Commons on such issues as capital punishment, abortion, or embryo experimentation, but not when it comes to matters of defence, housing, education and the National Health Service. Whatever be the party political reasons for such a distinction, in moral terms it makes nonsense to consider that there are some areas of human judgment which are outwith the scope of moral consideration and therefore of our consciences.

My second reply is that moral judgments are remarkably like other human judgments, in being the end result of a process of reflection. The judgment of conscience, as I have argued, is not a blind stab in the dark, or simply a gut reaction. It is a reasoned conclusion into which has gone, depending on the gravity of the matter, an appropriate amount of effort, including reflection, information, consultation and weighing up of pros and cons of alternative courses of action. This is where the resources available to conscience take on particular significance, not at the stage of judgment but at this prior stage of what we call 'informing' or 'educating' our conscience.

And here two factors in particular might be mentioned. One is that this is the stage where various moral theories come into play in trying to help us discover what is the right thing to do, whether in terms of utilitarianism, or Kantianism, or human rights theory, or the various other ethical theories which compete for our attention and acceptance. The other resource available to conscience at this stage is not so much what others propose or commend as theories to reach a moral conclusion, but the individual who owns his or her conscience. For we can shape our consciences and in some sense programme and even manipulate them, by choosing to concentrate on some considerations and avoid others, or by according too little time (or too much) to the decision which falls to be made. The computer maxim GIGO, 'garbage in, garbage out', applies to the mind and the conscience also. If I feed mental junk food or a diet of trivia or inadequate or even false information into my mind, then it is scarcely surprising if what comes out by way of so-called 'conscientious' decisions shares the qualities of what went in. In this sense, when we speak about conscience and moral responsibility it is important to appreciate that we are not only, as it were, responsible *to* our consciences; we are also in an important sense responsible *for* our consciences.

Many analyses of conscience stop short at this stage of exploring the input which shapes and leads to the final decision of our consciences, but if it is true that the moral conscience is the human being making moral decisions, then there is a deeper stage which calls for consideration. That underlying stage is the sort of human being each of us is. How much care and attention I give to approaching a moral decision depends to a large extent on my character as the product of inheritance, upbringing and my own previous personal history. If I am by temperament a worrier, or an optimist, for instance, this disposition will tend to influence how I approach the making of decisions. More signifi-

cantly, if I am a conscientious individual or somewhat casual in my general approach to life, this too will be reflected in how I set about discovering where my responsibility lies.

This is where the classical idea of the moral virtues comes into play, and the idea that it is not just actions which are moral, but people, possessed of certain moral qualities, such as wisdom, courage, balance and self-control, which then express themselves in their actions. Looked at in this way, morality is not simply a matter of knowledge; it is also an art, or at least a matter of moral skills. As in learning to drive a car or make an omelette, there is much more involved than reading a how-to-do-it book or article. There is a familiarity and an ease and even a sense of fulfilment in making and putting into effect the decisions appropriate to the occasion. For the approach to such decisions can become almost instinctive through practice, to the extent that the idea of the moral virtues is sometimes referred to as being 'second nature', whether it be in developing a 'feel' for the just or the honourable thing to do, or in actually doing it without too much struggle.

If the judgment of conscience can be analysed along the lines which I have suggested, then this throws light, finally, on what tradition regards as the authority of our conscience. I began this lecture with the title 'Just follow your conscience'; and the implication of that is that not only are we obliged to follow our conscience, or put into effect the decision at which we arrive after careful deliberation, but that we have a moral right to follow our conscience. Where does this authority of conscience come from, for which we can claim respect and freedom from others - even if it may be mistaken? Ultimately, I suggest that the respect which we can claim for our conscience and the respect which we owe to the consciences of others comes not from any mysterious inner reality which we call our 'conscience'. It arises from the respect claimed for, and due to, human beings as persons in their own right. If conscience is the human mind reaching moral decisions, then its authority is to be located in the humanity of the individual as an expression in action of the profound dignity of persons. The authority of conscience is no more than that. Or, to put it more significantly, it is no less than that.

III

THE MORAL MANAGER

In the first lecture of this series of three lectures on *Personal Morality and Business Morality* I considered the subject of 'Business and Moral Compromise', and explored the tension experienced by some people in business between the values which tend to operate in business and the values by which they try to conduct their personal lives. My conclusion was that in many, if not most, of our moral decisions in any area of our lives our decisions partake of the nature of compromise *between goods* rather than of compromise *with evil*. Hence in principle there is no difference between moral choices facing business people in their professional lives and choices facing them in their private lives. There may well be differences in scale, in what is at stake, in the need for urgent decisions, and so on. But this does not mean that moral compromise is peculiar to public or professional or business activities.

My second lecture, entitled 'Just follow your conscience', attempted to explore what this inner moral resource is which many people claim to experience, and to analyse its various depths and layers. And here my conclusion was that conscience is nothing more, and nothing less, than the individual human person reaching free and informed decisions about the moral quality of the decisions facing him or her. In this third and final lecture in my series I propose to look more closely at the manager as a moral agent, under the title of 'The Moral Manager'. Much of the recent work in business ethics has rightly drawn attention to corporate as distinct from personal responsibility for the activities of large business companies, and in an earlier series of Gresham Lectures I considered in some detail this idea of corporate moral accountability and the degree to which a company as such could be said to exercise moral responsibility for its policies and actions. In thus stressing the collective or corporate nature of many of the business decisions taken today I was not, however, denying that individuals still count, and that the moral stance of business companies depends to a very great extent on the contributions made by those in positions of power and responsibility within them.

Qualities of leadership

In a recent book of the same title as my lecture, the experienced American writer on business ethics, Clarence Walton, observes that 'a very important role of an executive [is] to serve as a moral teacher for the company's employees'. My guess is that

many English business managers would cringe at the very idea of appearing to set themselves up as moral teachers, or as an authority on moral matters in any sphere of life, perhaps least of all in business! But perhaps they understand the term 'teacher' in too formal or didactic a sense. It is a truism in education that the most important things are 'caught, not taught'; and that quiet influence is of at least as much importance as formal pedagogy. So perhaps it would be more acceptable to suggest that, whether they like it or not, and whether they set out to do so or not, managers exert an important moral influence on all those with whom they come in contact in their business lives, and perhaps particularly on those over whom they are set in authority. If this is so, then presumably the moral manager would prefer that this influence be for good rather than for bad.

Walton also quotes the sociologist Max Weber as distinguishing between an ethics of conscience and an ethics of responsibility. The ethics of conscience he sees as acting according to one's inner lights, although the view of conscience which he holds is somewhat more secret and subjective than the way in which I explained the idea in my last lecture. In fact, the classical view which I expounded is quite close to what Weber calls an ethics of responsibility, 'a total commitment to search for facts, courage to act in conformity with such knowledge, and constant awareness that inadequacies of that knowledge impose limited possibilities for action'. Whether this is a description of conscience at work or not is of little importance here. What is of importance is the identification of the various qualities of commitment, courage, and awareness of limitations. For all of these are moral qualities, and qualities not of a moral teacher, but of moral leadership.

They also fit in nicely with the point with which I concluded my last lecture on conscience, that an all-important background component to the conscientious reflection which leads to a final decision of conscience is the quality or character of the individual who is involved. As I explained, this is where the traditional quartet of moral virtues, fairness, courage, self-control and balance, can come into play; and my point now is that these moral skills can also be viewed as qualities of moral leadership in the business manager. I suggest that this consideration can be expanded in four terms on which we might briefly reflect: moral skill, moral authority, moral sensitivity, and moral communication.

Moral skill

The idea of personal moral qualities is as old as Plato and Aristotle, and the latter in particular noted that such qualities were a natural endowment in some people. He also stressed, however, that they could be acquired through practice. One becomes habitually truthful by constantly telling the truth, one becomes characteristically just by continually trying to act justly, and so on. It is possible, then, for any person to work at being, or becoming, ethical. Practice makes perfect. And interestingly, there is a snowball effect involved when the person who is becoming more fair in his dealings acts fairly, for the action in turn reinforces and confirms the moral quality of the person.

What this also brings out usefully is that ethics is not just something to be called upon when we are faced with major dilemmas; it is a dimension of every considered human action, ranging from returning library books to refraining from mayhem. Of course, it is true that if all actions are ethical, some are more ethical than others; that is, some of our actions are trivially good or bad, because the matter involved is unimportant and trivial in itself. But there is such a thing as the 'moral life', as there is the intellectual life, or the cultural life, or the spiritual life, which pervades all our behaviour in greater or less degree. And the moral life is expressed just as much in what Blake called 'minute particulars' as in the dramatic choices with which we may occasionally find ourselves confronted.

Moral authority

If we can talk of 'the moral life' in this sense, then ethics is seen as a total way of living and not simply as a way of occasionally acting. It is a matter of moral consistency, which, when perceived by others, carries a certain authority. We mostly think of authority as power conferred officially, or by virtue of one's position, to influence other people to act in certain ways. But there are other types of authority than this 'juridical' kind. There is the weight of learning and expertise which results in one's being considered 'an' authority and of 'commanding' respect rather than 'demanding' it. There is the charismatic authority of particular individuals, or 'born' leaders. And there is also the moral authority of the 'good' person who is recognised as such without necessarily making a thing of it.

Whatever other types of authority a manager may possess by virtue of his office or status, the moral authority of which I am speaking here is quite different. It is basically a reputation for integrity, in small as in large matters. And this confers a quite unique type of authority, for which no amount of corporate power can substitute.

Moral sensitivity
One of the features of moral experience in the view of many writers on the subject which I find particularly interesting is the idea of a 'moral sense', a 'feel' for the right answer in a dilemma, or what Aristotle compares to the 'eye' which an experienced builder can acquire. There is almost an aesthetic quality at work here, but I am far from suggesting that it is innate in everyone, or even that some people are born with it. Rather, it results from what I earlier described as virtues being built up to become a sort of 'second nature', thus giving one a built-in bias for the virtuous course of action. It is not unlike an acquired instinct, which possesses a certain immediacy, but only as the result of long training and experience.

Moral communication
Most moralists, however, accept that instincts or 'hunches' are not enough, particularly when one is sharing one's moral decisions with others. In such cases there is no substitute for reasoned arguments as a medium of moral communication. Moreover, reasoning of this sort can also be a useful, and sometimes highly advisable, rational check on the conclusions to which one may have leapt by moral instinct born of experience.

A community of reflection
By way of conclusion let me undertake what may sound like folly by trying to identify some points which might figure at the top of the agenda for a moral manager. The first is to take up the phrase which the American psychologist, Gordon Allport, applies in a different context and to suggest that the moral manager try to make his role one of creating a 'community of reflection'. In other words, the most important stage in promoting ethical behaviour in a company is to get it to think seriously about itself and its values, including its ethical values. Here is where such steps as Mission Statements and Codes of Conduct *can* be of help, but only if they are seen as incentives to, or resulting from, regular briefings, discussions, planning meetings, and other corporate activities which accept seriously that ethics is part of the agenda of the business. To recommend or to introduce such corporate reflection calls for considerable courage and wisdom, and will carry credibility only if the manager is possessed of the qualities which I have been discussing, and of the quiet moral authority which accompanies them.

People count
My second point is the truism that people in corporations count as a priceless asset, but also in their own right as individuals. Hence the obvious need to respect them and their autonomy and individuality. A basic question which this raises for the business company is whether it is seen as an environment which absorbs individuals into its collective identity, or whether it is an environment which encourages people to flourish and develop as persons within it. At the same time, since business is a corporate enterprise, and the company is desirably, as I have suggested, a community of ethical reflection, then it has to face the age-old tension between individuals and communities and find its own balance between them.

In Western society we have a long history of individualism stemming from what I consider the systematic and pernicious dualism introduced by the French philosopher Descartes. In philosophy, in his search for absolute certainty, he began from inside the solitary individual mind, and attempted to argue logically from there to the existence of the body and other similar individuals in the world. In social and political terms this programme was expressed most strongly by Thomas Hobbes who maintained, in the words of John Macmurray, that 'the persons who compose society are, by nature, isolated units, afraid of one another, and continuously on the defensive'. It doesn't surprise me that another writer once described Hobbes as 'a frightened Puritan'.

The answer which Macmurray and others, including William Temple, have proposed is that the fundamental human unit is not the individual as a solitary person, but what has been called 'the person-in-relationship'. In other words, we must never be so submerged in a group as to lose our individual identity, and yet we flourish precisely as individuals only in interaction with others. This is what constitutes the difference between human individuals and human persons, for the latter includes not only the unique individual dimension but also the inherently social dimension of what it means to be a human person.

Subsidiarity
Is there any way in which these dimensions of a community of reflection and respect for people can be institutionalised and so become more than vague ideals in a business? The answer, I suggest finally, is to be found in the principle of subsidiarity. Some commentators consider this one of the new terms of Eurospeak emanating from Brussels, and certainly the principle of subsidiarity has been given prominence there, particularly under the influence of M Jacques Delors. It is, however, considerably older than the EC, and goes back to Christian social thought in Germany at the turn of this century. According to this general social principle higher bodies or levels of

organisations should not undertake the functions of bodies or individuals lower down, but leave these to get on with exercising their own responsibility unless and until they require help, or in the Latin, *subsidium*, from above.

What is at issue here is not the idea of delegation, or of a trickle-down theory of authority or power carefully doled out. Subsidiarity recognises authority and power as already existing at 'lower' levels, respects it, and above all takes care not to absorb it. And the application of this as the final point in my agenda for the moral manager is that as a matter of principle and regular practice it recognises and respects the role and functions of the various individuals or groups who exist and work together at difference levels within the company. For the application of the principle of subsidiarity to ethical responsibility has various practical implications.

For one thing, it recognises that ethical responsibility is spread throughout the company at all levels and in varying degrees, from the shareholders to the work force. The manager's leadership role is to promote, coordinate and monitor ethical responsibility and responsiveness in all those for whom he or she is responsible. Again, the principle of subsidiarity recognises the ethical contribution and responsibility of one's fellow members in the company, especially subordinates, and does not try to absorb them or to override those contributions and sharing in responsibility. In this way communication becomes more a matter of suggesting than of ordering, and allows for intelligent and responsible agreement, as well as for moral initiative, as the most effective way of obtaining compliance with the wishes of authority.

Conversely, the principle of ethical subsidiarity is completely counter to passing the buck, or abdicating ethical problems upwards to one's superiors. In respecting the power and authority of lower bodies or individuals it also firmly locates responsibility for the exercise of such power and authority at the same level, and can often call for moral courage on the part of individuals. At the same time, it may be observed that the principle of subsidiarity is two-edged. On the one hand, it involves non-absorption on the part of superiors, but at times it can also call for intervention on their part, either for the common good or when lower agents do not have the necessary resources or are not capable of discharging their own responsibilities.

In these ways, I suggest, it is possible to identify at least some of the desirable qualities in the ethical manager, qualities not only of personal integrity but also of moral leadership, particularly in the respect and care for persons as is perhaps best structured by the systematic application of the principle of subsidiarity.

By way of conclusion to this whole series on Personal Morality and Business Morality, perhaps I may sum up with the observation that business is a human activity conducted in a society which is not made up of interchangeable parts but of members each of whom is unique and beyond price. The conduct of business need not, and must not be allowed to, introduce a moral schizophrenia into the lives of business men and women. It must also respect and leave room for the exercise, and proper understanding, of individual consciences. And it is also a most suitable and fruitful field for the development of responsible and satisfying moral leadership.

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