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Book Review: Business Ethics at Work

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Elizabeth Vallence: Business Ethics at Work

1995, Cambridge: Cambridge University Press. 191 pages.

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The author considers this book, which is primarily based on British discussion and experience, as ‘an attempt to outline a business ethic based not, like the classical theories of moral philosophy, on notions of personal self-development but the idea of business itself’ (p. 10). The monograph is intended as a suitable starting point for business practitioners to look at the relevance of practical ethics in their own work sphere.

In the first chapter, Elizabeth Vallence tries to determine and to delineate the content of (business) ethics, focusing on the systems aspect of modern economic theory and practice by discussing Milton Friedman’s famous claim that the social responsibility of business is to increase its profits (and nothing else). The creation of wealth — the classical legitimation for capitalism — is no longer considered to be sufficient, not only because of its inequal distribution among individuals and groups in society (the traditional socialist criticism), but also because of its neglect of basic issues such as human self-realization and the preservation of the environment.

These issues, together with more traditional questions such as capital-market imperfections, asymmetric information between suppliers and customers as well as problems of corporate control are discussed in Part 2. Considered from a theoretical perspective, the ethical questions discussed here can all be looked at as real-world deviations from idealized general competitive equilibria where everything is harmonized and compensated through market-clearing prices (and nothing else). Business ethics are viewed here as fulfilling some complementary functions in dealing with these real-world imperfections. At the same time, though business ethics form the starting point for any real economy in that all human beings are considered not only as a means, but also as purposes in themselves (Kant’s famous personhood principle). Of course, as Vallence argues, considering human resources as a particularly scarce and valuable asset for business, which therefore should be treated in a decent way is perfectly legitimate, but does not exhaust the ethical issue at hand. We might ask: How should we treat people who have no economic value at all? Is the negative public opinion caused by the potential mistreatment of these people the only barrier we should bear in mind, if we act from a practical business ethics standpoint?

Vallence’s deliberate abstention from ‘fundamental’ questions of moral philosophy and her laudable emphasis on ‘practical issues’ demand their price. Two major problems in business ethics remain a little bit vague. First, there is the unclear distinction between business ethics as personal ethics aimed at business people, and business ethics as an ethic of economic systems and subsystems (such as corporations), directed towards systems of rules and interactions. Second, although the author argues at times that business ethics is more than enlightened self-interest, she tends — for understandable reasons — to present ethical considerations primarily as beneficial

to business itself. Certainly, in many practical cases, this will fortunately be true. But what should we do in the case of conflict?

The book concludes by briefly sketching elements of an ethical organization, such as an 'ethical audit' scrutinizing the basic value statements and policies of the business, as well as the structures and systems within the business as expressing and supporting (or possibly contradicting) these values. Using Albert O. Hirschman's terminology, we could speak of the 'ethical audit' as the application of the 'voice option' to ethically relevant issues in business. The book concludes with some sketchy ideas about the future of business and business ethics whereby the latter is considered as a 'strategy' more than an 'instrument'. I would prefer to speak of business ethics as a 'frame' which allows conflict resolution in situations where a resolution would not otherwise be possible.

It would have been interesting to relate the topics dealt with in this book to the discussion about 'organizational culture' (cf. Schein 1988) and with the continental debate on economic and business ethics (cf. Hoffman and Blome-Drees 1992). Unfortunately, this discussion does not take place, presumably for reasons of practical application and brevity, but it would have contributed to the clarity of the reasoning, as well as to the practical applicability of the 'ethical decision model' developed in this monograph. Nevertheless, the book gives many theoretical and practical insights into a field of growing importance, both in terms of theoretical discussion and of practical application.

References

Homann, K. and F. Blome-Drees
1992 *Wirtschafts- und Unternehmensethik*.
Goettingen: Vandenhoeck.

Schein, E.H.
1988 *Organizational culture and leadership*. San Francisco: Jossey-Bass.

Book Notes

Chris Rojek: *Decentring Leisure, Rethinking Leisure Theory*

1995, London: Sage. 215 pages.

This book is part of the series on theory, culture and society that caters for the resurgence of interest in culture within the contemporary social sciences and humanities. The book explores the meaning of leisure in the context of the key social formations of our time: capitalism, modernity and postmodernity. In doing so, the book offers a survey of the writings within a sub-field of the social sciences. The argument is that from capitalism to postmodernity, the meaning of leisure has changed considerably. In the postmodern tradition, for example, new terms such as disembeddedment,