

The Rejection of Separation Thesis Examination of a Business Ethics Issue

Tahmina Yesmin Shova*

***Abstract:** The world wide discussions and developments of different approaches on business ethics is one of the subjects of great attention in the contemporary world. Its chronological normative and practical appealing has compelled every rational person to think over the relation of business and ethics again and again in an endless way. However, day to day changes of its approaches are also indicating the fact that traditional thought of accepting business and ethics separately on the basis of their nature is somehow still active today. This paper is an attempt to examine the foundational issues of both discourses as a repercussion of that conventional view. Human nature analysis will be the major focused arena to resolve their contradictions. Finally, it is going to recognize that the separation of business and ethics is not possible. Both of them belong to the same ground and purpose, and always can complement each other.*

***Key notes:** Business, Ethics, Emergence, Human nature, Rationality.*

1. Introduction

It is not a paradox anymore that philosophical studies have both theoretical and practical dimensions. The academic addition and establishment of practical philosophy at the end of ninetieth century have been a great turn in philosophical discourse. In which a number of practical issues, which are directly related to a person's regular life, have been dealt by ethical principles to be resolved. Among those issues, business ethics is one of the prominent subjects of philosophical attention. The notion of business ethics emerged in both academic and commercial fields most possibly in 1960s (Ferrell et al 2011). It examines the integration of ethical principles to business affairs in order to unravel those moral problems that arise particularly in business context. In other words, it is an approach and attempt of ethicists to make realize other experts about the importance of ethical understandings in making right judgement to concerning factors and to declare it as an opportunity where business and ethics can complement each other for the same purposes (Freeman & Werhane 2003). Apparently, the term 'business ethics' replicates that two different disciplines coming together for some different purposes. But this scenario is not as transparent as it appears to be. For many economists and philosophers, the concept of business ethics is a misleading and paradoxical thought. Business matter is

*Lecturer, Department of Philosophy, University of Dhaka

totally opposite to the matters of ethics. So any inclusion of ethical principles into business affairs or business principles into ethical affairs can harm or destroy their original essences. This above extreme idea has been the conventional background before and after the emergence of business ethics concept, which thoroughly has been dominated and still dominating the world of business, ethics, and business ethics. Prominently, it is known as 'Separation Thesis'. The current paper is intending to show that business and ethics can always be regulated in the same position following their emergence and purposes. Neither they are separated from each other nor can they ever be. The most important thing is needed here the proper recognition of ethics within the nature of business and their similar fields.

2. Objectives and Methodology

The present paper is aimed at exploring the different basic concepts and issues relating to business ethics. Particularly its objectives are to analyze the basic emergence of business and ethics from human nature, to examine their essence, nature and purposes, and finally to identify their interconnection and reciprocal status theoretically and practically.

The study is designed to be a conceptual analysis mainly based on secondary information. It has been conducted on the basis of widespread literature review using inductive method. For the specific purpose, data has been collected from various sources like published books, journals and articles following the philosophers, economists and thinkers. Relatable literatures also have been brought together from other sources like the library, Internet browsing and downloaded articles. Collected information with practical examples is arranged and putting here in such a way that the final purpose of study flourish with desired destination of understanding.

3. Separation Thesis

The conflicts between business and ethics have an historical background. From the starting, Philosophical study used to be addressed as abstract category where discovering theories is all about rather than application. All this is because different experts including analytic philosophers have intentionally made a distinction between descriptive and evaluative study on the basis of fact-value distinction, and given the title to philosophy that it can no more be a part of factual study (Almond 1991). This disputable thought of fact-value contradiction also has been an obstacle in the establishment of applied philosophy. But, however, philosophical studies has never stand apart from practical life and proved several times through the discussion of practical matters and their solution by the philosophers. Business ethics conflict is nothing but just the part of that mainstream, and separation thesis is a conceptual form of that traditional thought. Therefore, the

discussion of separation thesis must have to be involved in any kind of discussion on the nature, features and purposes of business ethics.

Generally, Business institution can be defined as the activity of manufacturing providing goods and serviced abide by its own rules and code of conduct continuously heading towards certain ends and here business means sole proprietorship, partnership business and corporation. But the term corporation is considering frequently in terms of business. A corporation is “a legal entity created by a state, and it is separate and distinct from its owners and managers. This separateness gives the corporation three major advantages :(1) *Unlimited life*. A corporation can continue after its original owners and managers are deceased. (2) *Easy transferability of ownership interest*. Ownership interests can be divided into shares of stock, which, in turn, can be transferred far more easily than can proprietorship or partnership interests. (3) *Limited liability*. Losses are limited to the actual funds invested” (Ehrhardt & Brigham 2010, 7).

On the other hand, generally, ethics referred as the set of code of our voluntary conduct in a social context. This term emerged from the Greek word ‘ethos’ which means custom or habit. According to Paul & Elder (2006), “Ethics is a set of concepts and principles that guide us in determining what behaviour helps or harms sentient creatures.” Encompassing these, ethics can be defined as the study of distinct principles and values reflecting social norms and custom to regulate human action; not only to act rightfully but to understand the impression of right or wrong and ultimate purpose of life.

So, therefore, business ethics is the merge of ethical standards in corporate strategy to examine the controversial moral issue such as discrimination, bribery, human rights violation, corporate social responsibility etc that arise in commercial framework.

The Separation thesis is that dominant approach which stands by snatching the claim of distinct character of business and ethical discourse through the rejection of possible integration between them. Freeman’s (1994, 412) famous definition of separation thesis is required here to understand this concept more deeply. As he quoted: “The discourse of business and the discourse of ethics can be separated so that sentences like, “x is a business decision” have no moral content, and “x is a moral decision” have no business content”. Since ethics is aimed to examine and evaluate the actions by its own ways regardless of any particular practical consequences like corporation, so business has no moral contents in it and conversely ethics also has no business content.

The general argument lies in the foundation here is fact-value division and this can be clear by the interpretation of ninth formula of separation thesis by Sandberg. ST9: There is a genuine difference between matters of business and matters of ethics, at least insofar as there is a genuine difference between descriptive and normative matters. (Sandberg

2008, quoted in Freeman 2008, 54) So this idea rigorously narrates the fact that descriptive and evaluative discourses are different in nature. Therefore, business ethics is not realistic view rather just mere holds juxtaposition.

Amartya Sen (1987) and Freeman & others (1994, 2008) views on business ethics can be noticed here. Where in *On Ethics and Economics* Sen showed that how the emergence of economics is related to moral and political philosophy regarding to the basic goals of human life and claim that without these philosophical grounds economic study is incomplete, but there Freeman solely deals with the separation thesis in his couple of writings in order to refute the idea of fact-value division on which separation thesis stands through the presentation of numerous considerable examples of research work and finally claims that separation of business and ethics is impossible.

Though this idea disrespects the value of ethics in relation to corporation, but it also breakouts the practical possibilities for business ethics thought. On the one hand, a number of economists, philosophers, thinkers and theorists have under the influence of such traditional thought that reflects even in their theories like moral minimalism, moral maximum idea, philanthropic idea etc., in which ethical principles has got accepted in corporate system by their own way. On the other hand, this separation outlook also compelled many of them like Freeman (1994, 2003, and 2004), Werhane (1985), Hartman (2008), and Amartya Sen (1987) to give a new looks into the true possible integration of business and ethics. The latter developments of several approaches on the refutation of that idea make new ways for the assimilation of business and ethics.

In fact, in business ethics the concerning fact different from values is actually referring only to business facts and the values they are treated as separate are moral values. Free trade itself is both normative and descriptive and therefore it respects the economic value but devalued the moral values. If, for business experts, the acknowledgement of economic value depends on its social context or factual based, then the similar context is also lying under the moral values. If the context is moral in nature than both theory and practice must have moral contents. Theory without practice and both without context is impossible, and they are interconnected with each other.

4. Business Ethics and Human Nature

If anyone tries to engage ethical principles into business strategy and decisions, he or she actually wants to do it from most probable three reasons. These are: to resolve the moral problems rise in business context, to execute the importance of ethics in business practices, or to identify the inseparable relation of business and ethics. Here final sphere is focused.

According to this endeavour, examinations of some sort of grounds are required to be placed here respectively. These are: rational nature of ethics and business, role-oriented position of individual person in business, and corporation and moral person or agent. Broad discussions and evaluations of these above grounds are mentioning below in which their interconnections and causal relations are going to have primary attention-

4.1 Rational Nature of Ethics and Business

Greek philosopher Aristotle (1985) defined human being as the social and political animal who enriched with rational and animal faculties. Generally, man and his fundamental queries concerning the world and life are the starting points of all philosophical study. A number of philosophers find human nature analysis as the most fundamental basis to start the journey of seeking true knowledge. Including the ancient philosophers, modern philosophers like John Locke (1690), George Berkeley (1710), David Hume (1775), Immanuel Kant (1781), J. S. Mill (1861), John Rawls (1971) etc have also established their philosophical thoughts and theories depend on this idea. The major faculty of human nature is rationality from which other judgemental attributes derived. Concerning the intention of examining the human nature as a fundamental source of business and ethics, this paper is holding the ethical and business understandings as inherent in rationality without ignoring the effects of explicit social or contextual factors around.

It is recognized by both philosophers and economist that free trade system shares a natural relation with human beings. Ancient classical philosophers Plato and Aristotle have indicated that market economy is the portrait of human potentiality where his rational capacities play the most important role in its systematic development (Bowie & Duska 1990). Aristotle showed in his *Politics* (1958) that how economics evolves with the basic goals of life. Latter seventieth century's classical economists Adam Smith (1776), David Ricardo (1817) and Thomas Robert Malthus (1992) have argued for the derivation that capitalism begets from unchangeable human's biological traits and replicated their interests. Man regulates his biological traits by using his rational intelligences because only rationality can control those natural traits and give them a proper direction. Value trade is the most efficient opportunity to show respect and fulfil human's natural desires. Therefore, market economy itself along with its maximum profit principle is natural, coherent and reasonable (Bowie & Duska 1990).

Two things clearly drawn from that business concept that is: it is a transparent combination of rationalistic and animalistic attitudes, and it has both subjective and

objective dimension evolving with the question of basic goals of human life. However, not analogical to economists, philosophers demonstrated that human nature confined not only in biological and rational features but also abide by moral conscience which is an inevitable elements of human behaviour. The emergence of business is not solely the result of biological desires rather man always tries to execute his all potentialities which ultimately intending to lead a highly qualitative life. Where a person can exercises all the power and rights that he possessed.

On the other side, conventionally ethics used to be executed largely as a study of normative principles regarding human behaviour and rationality used to be referring as one of the sources of ethical principles. A man with autonomy, freedom and judgemental ability of right and wrong refer him as moral agent. He knows about his act limitations and responsibilities as well. These are most powerful components basically derivation of rational efficiency; even the moral virtues and virtuous character that a man structured within himself and the sense of moral responsibility are also the result of his rational understanding. Each of the notion 'voluntary', 'power of judgement', 'choice' and 'consequence' are all rational in nature. Nonetheless, moral statements like 'every action must have a consequence whether it is good or bad' (the cause-effect principle), 'a particular human's judgement can be the judgement of all humans' are also confined by rational nature, as Desjardin (2011) said "moral knowledge is impossible without reason and any moral dilemma requires reasoning process and understandings". Understanding of moral concepts like good, bad, right, wrong etc need a context in which one can impose his moral judgements or can be aware about it. But, in fact, ethics is both normative and practical system of principles. Personal inherent moral sense forms the ground of social moral sense. The societal association of individuals and their judgements give an objective ground to ethics.

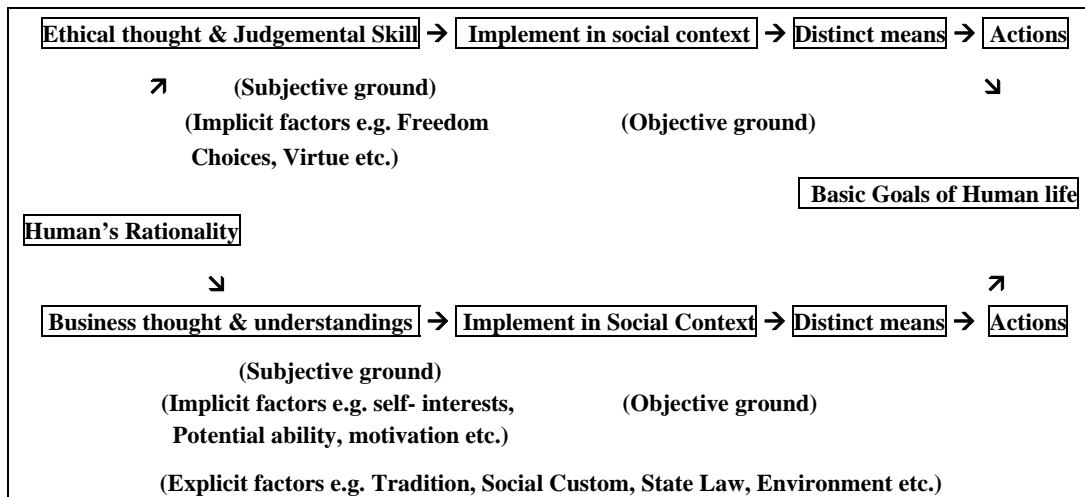
Peter Voss (1997) has articulated a view on the rational objective nature of ethics. He tried to execute a scientific rational non-contradictory ethics regarding to the fundamental queries that ethics deals. Rational nature of morality not only deals with guiding principles but it also helps to eliminate contradictions, detrimental beliefs, and inappropriate emotional responses, he said. It is non-contradictory because this sense of ethics abides by both implicit and explicit factors, so any personal or public interests would not be resulted in conflicts. He believes that the approach of rational ethical principles practically lead us to the desired purposes of life and living a best possible life of own is appropriately a virtuous character. Any ignorance and misuse of such nature can refute his moral identification directly.

But unlike others, some thinkers (Munoz, Encinar, and Canibano 2012) endeavor to characterize distinct nature of economics as a theory of production-of-action instead of it as a technology of choice in order to understand the relation of ethics and economics. For them, every human creation is the execution of action plan that constituted by the rational analysis and ethical reasoning of individuals. Human beings usually presuppose his rational and ethical thoughts and understandings in every voluntary action. Even means and goals are produced and set by the moral agent first. Since business organization and its purposes are also one of the executions of such plan which is right for one according to the consideration of ethical and rational judgment, therefore, any corporation cannot be blamed for any moral issue and forced to any social responsibility.

Person’s moral nature rewarded him with many basic qualities and attributes that shape his acting efficiency. So, the noticeable features of ethics are that it is a subjective and objective understanding along with the practical affairs of human life; it is a guideline for man to comprehend the ultimate goals of life.

Finally the idea reduced from above is that the existence of human being with rational attributes is a fact, and the values created from the association of individuals and their collective judgement is also a fact. Values relate to that social context where business does. Moral values derived from the same rational judgement of humans from where the economic values derived. Both of them are regulating following the same basic purposes of life. Their relation is like a both side of the coin and of course reciprocal. Any kind of rejection of moral contents from fact will be proved as self-contradictory. The whole matter can be portrayed by the following way-

Figure1: **Diagram showing emergence and purposes of business and ethics**



4.2 Role-Oriented Position of Individual Person in Business

The role-oriented position of an individual in terms of corporation is merely a tiny part of his world of role notion. Apart from corporate or professional role, a person has to face and maintains a variety of role-related affairs in relation to others within particular contexts (Duska 1990; Hartman 2008). Making balance in all particular roles is actually a rational and ethical challenge. However, the role-position of an individual is one of the effective ways to execute one's rational and ethical character.

Whenever the notion of role-oriented position, role-oriented responsibility or corporate social responsibility etc. put forward in business discussion, most of the scholars put their attentions in explaining the nature of corporate moral responsibility or moral decision making process, and respectively to identify the person or group of persons to whom the moral responsibility would be ascribed. Many of them focuses on internal factors like virtues or character of person and find those as a major component in role position (Hartman 1998), some emphasised on explicit factors and some have deal with the moral issues in terms of their moral intensity (Thomas 1991). That means, they strongly focused on how and which ethical principles should be embedded in business principles. Such normative approaches are, in large part, quite impressive and applicable since all of them contain the common basis; this is human's rational and ethical understandings.

It is a fact that business is an artificial institution created by humans or group of individual persons (DesJardins 2011; Werhane 1985; and Almond 1991), and thus individuals are the basic components of business. It is the humans who together thought it, made it and give it a look of distinct entity. So obviously, business is nothing but all about the rational creativity of people for some practical ends. Individual's own fundamental nature reflects in his role performance which justifies his position and role duties.

The term 'role-orient position' is an inseparable part of a corporate structure. Role-oriented task, role-oriented responsibility and role-oriented decision are one of the major functions in corporate arrangements which execute the accurate nature of that given organization. A company's role-oriented job disposition is more or less multi-dimensional where each role-position contains specific responsibilities, decision and accountability. Basically, Board of members of that given company select or hire different employees for each position according to the post requirements and employees eligibility, so if a corporation consists of multiple arrangements in which each group of individual persons constitutes each distinct section then each group also can be identified by their role-oriented activity. Distinct role creates distinct duties, obligations and decision though such activities assessed and selected by the higher authority following

corporate rules and general conventional laws. Again one can find here the common basis lies behind each view is the person's inherent faculties.

Werhane (1985) illustrates the multidimensional status and role-oriented responsibility of individuals in the arrangements of a corporation in *Persons, Rights and Corporations*. He showed how individual person of each section do their job through their own efficiency in the sphere of law and how each single decision plays its role together with other decision in making the final decision. He also implies that role, role-oriented responsibility and role-accountability beget from moral rights. This interrelation can be depicted by the following way:

Human's Rational Faculty → Moral understandings → Moral Judgements → Moral Rights → Moral Responsibilities → Moral Obligations and Accountabilities

Thus it can be observed that a balanced and successful corporation always includes a reciprocal relationship, since all the moral traits of person like autonomy, freedom of choice etc. make an invisible boundary of obligation and accountability in relation to others. Individuals own moral judgements help them to work together and give a collective form to corporation. Therefore, person's moral role responsibility is not the credit of systematic and strategic or rules arrangements of that given company. The actual credit goes to individual person who gives the real meaning to role position and its relative duties and obligations. So, whatever reflections of company are actually rational and moral efficiency of individuals. These also take the sphere of role position much beyond of that limited sense.

Man's inherent faculties make him understand what and how he should do, what he wants to be, and what life is worth of living. Every decision made by individuals first involves his own personal integrity; human's common rationality and morality always guide his thoughts and actions, said Hartman and DesJardins (2008). If every possible thing of a man's life bears the fact of staying rational and ethical sense together, then how anyone could claim that ethical judgement cannot be a part business organization, or can mere hold juxtaposition.

A person gets aware about his inherited rational and moral efficiency when he plays different roles in his daily life, even in an organization. Will a manager be recruiting any employee who is rationally and morally inefficient? The person who is unable to take reasonable decision independently cannot do justice to his holding position. Rather rational understandings, moral ability, autonomous character, honest attitude etc. are those features of persons which convince a manager to hire that person for the long term success of the corporation. Note that manager or any other authorized person himself

seeks moral traits in candidate selection since he firmly believes that this person will do possible contribution for the betterment of the company. Therefore, it will be justifiable to say that moral traits with ethical understanding are one of the unexpressed requirements of role position in business.

4.3 Corporation and Moral Person or Agent

The consideration of analogical debate of corporation and moral person is of much important and relevant, especially when any approach try to indicate corporation as individual entity entitled with all the privileges. Of course, effort to justify corporation as an individual moral agent also indicates the rational ground of its constituents. The accusation of business practices as the causes of raising moral problems in commercial environment coherently pointing out the finger on the moral character of business which it violates at the time of operations. Business and its moral character thus turnout as query that whether corporation is moral person or agent or not, from which we are not expecting immoral behaviour or for which we are making it responsible for its immoral actions. In fact, it is one of the debating issues among economists and ethicists, even within the ethicists. Three claims are very common among those views. First, business is a legal person or institution. Second, business is a moral person. And third, business is an association of individual moral persons.

At the first place, no one probably would be disagreed on that business is a recognized legal institution in any society. Legal status, legal authority, legal member etc. are the common using phrases of business definitions. In a state, both business institution and state are confined together through some visible or invisible commitments. This reciprocal relation entails that corporation is committed to state to respect and obey its rules of law, to fulfil the expectations and demands of its citizens. Where, on the other hand, the government and entailing laws of that state permit corporation to enjoy the basic rights and freedom, and consume the privileges in the same way like other individual citizens consume. Thus, business referred as a legal member of society lawfully. Following the above reasons, business can be referred as legal institution since it maintains primarily a legal contract with the state and its members. This idea is significantly known as contractual idea in political philosophy.

In addition to this, many economists and thinkers argue that business institution also can be identified as legal person along with the identity of being legal institution. Because the contract for which corporation certified as legal institution equates the identity of corporation with individual citizens at the same time. This concept largely accepted and practiced in many states, especially in USA. The common analogies presented by the defenders between corporation and individual are like individual person corporation is

considered as a legal member entitled with the basic rights and freedom under law, and it is allowed to enjoy the privileges of the society.

Following the *Stanford Encyclopedia of Philosophy*, there are also some practical executions of corporation's individual personality along with the normative perspectives like corporation is always concerned with taxation in the same way the gift which is exchanged between two persons is also concerned with income tax. Corporation itself has some distinct social obligations apart from its own responsibility to its stockholders and shareholders. Besides, corporation also has criminal liability because of its individuality.

Seventeenth century's classical economists, ethicists and many thinkers defend this ground by providing several arguments to establish corporation as legality entity. Economists like Adam Smith (1776), Milton Friedman's (1970) argued for the identical position of law and ethics. They hold that entailing laws of government is general and equal for every citizen in any particular state and, therefore, the basic rules of law always overweigh than ethical custom. If corporation do anything for maximum profits within the restrictions of law, then the activities of corporation are not going to be addressed as unethical.

But conversely, a number of moralists and business ethicists refute that classical economic idea on the basis of some valid reasons. They might be agreed with the claim of business as legal institution since, for them, this claim is established on social contract theory but not with the claim of business as legal person, especially when the notion of 'person' imply to it.

DesJardins in *An Introduction to Business ethics* (2011), and with Hartman in *Business Ethics: Decision-Making for personal Integrity and Social Responsibility* (2008) contend that any examination of norms and standards of human action requires the consideration of both law and ethics, though both of them are not identical. Three reasons seem quite elementary among several arguments placed by them. Firstly, in their view, the law can be an efficient mechanism to prevent serious harms but it is not very effective at promoting goods, rather sometimes immoral actions are also not considered as illegal from the viewpoint of law. Secondly, if law itself is clear and transparent, then it would be identified as common and not fitted for the new arrival crises in business. Besides, regulation of more and more laws by government is subject of ethical evaluation. Finally, on deontological ground, they advocated for moral rights derive from the rational and moral nature of human being. So these rights can be referred as 'natural rights' and thus get more fundamental and wider look in scope and thought than legal rights. The latter stage is going to examine this dispute more clearly.

Nevertheless, both of their views are warmly acceptable since they retain the fact that contractual state laws emerged from natural and moral law. Corresponding second notion is directly related to the moral nature of business and this notion has, in many ways, emerged from the previous notion. The question of whether a legal person can be meant as moral person or not impose another debating query that is whether a corporation is individual entity or not.

Many divergent approaches have been exhibited by thinkers on the identity of business as moral person, among whose Peter French (1979) and H.L.A. Hart's (1961) theories are well known. French (1979) in his article "The Corporation as a Moral Person" posited that human nature is 'non-eliminatable' and 'intentional agent' to whom moral rights can be ascribed and who can maintain a reciprocal moral relationship with others. Corporation also poses these same features, and therefore, also can be considered as moral agent. Here French includes the term 'intentionality' as a necessary and sufficient condition regarding this issue. Werhane in *Persons, Rights and Corporations* (1985) has also drawn her attention on some other approaches in this regard. For some thinkers, a corporation works like an organism which responses to the social and political moral demands in any given context and it itself can act or react on the feedbacks of its actions through the moral responsibility and accountability. But some thinkers tried to portrait the nature of corporation as machine which designed for some practical purpose exactly like machine that invented by the humans for specific ends. So, the analogy between machine and corporation is lying in the particular goals of both. So unlike French, this view stresses that corporation is not any moral agent or person rather it is an pre-arranged artificial system created by humans which neither has no idea about right or wrong nor it can evaluate its actions, and therefore, no moral responsibility and accountability can be ascribed to it.

However, all these views drastically criticized for holding such sort of weak analogy. The holding place of individual person by all of them is directly or indirectly disrespects the dignity of human being. However, Person's intrinsic value, superiority, and dignity are severely penetrated.

Distinguished from those above two approaches, Patricia H. Werhane (1985), May (1987), M. Phillips (1992), Velasquez (1983), Michael Keeley (1981) etc. are the stronger proponents of third view which rejects both the views by arguing that neither a company is distinct entity nor it possess any attributes so as natural person holds, business institution is a comprising of individual persons and, therefore, secondary moral

agent. They indicate French's theory merely an interpretation of explicit traits of business. Because, French's theory fall weak when somebody asked him to show the distinct entity of corporation apart from the individual person's touch. Michael keeley (1981) has reasonably shown this claim in his article "Organization as Non-Persons" when he said "the term 'corporation' is merely a mental contract or convention used to describe the particular legal contractual relationship represented by the voluntary association". (Quoted in Werhane 1985, 40). Werhane (1985) narrates the differences between individual rights and collective rights, and has provides a logical syntax in the place of individual and corporation in which corporation can never exceed or prior to humans.

Explicitly, a corporation looks like an independent operating system. But implicitly, all the operating functions are just the game of individual's rational strategy or plan. The existing moral or immoral issues within business are of those individual's and their decisions in the same way. The arrangements, strategy, rules, ends etc in business are the execution of human's rational creativity which guided other individuals further. Corporation is not only an association but a voluntary association of agents also. It is voluntary because the individual rational persons who are the basic constituents of a corporation willingly wish to build the corporation of their own for some practical purposes. Individual persons come together through the contract within them to give it a form and denominated it as a corporation. So, it logically flows from those facts that any decision, action or moral action of corporation is in reality the action of those individuals. And the moral accountability and responsibility are actually ascribing to them. "Attributing moral agency to corporations opens the door to the intuitively implausible conclusion that a corporation can be morally responsible for something no natural person connected with it is responsible for" (Stanford Encyclopedia of Philosophy).

However, a corporation stands in a socio-political sphere, its authorization power given by society, its own rules and regulation, its decision-making process, its target goals, and its responsibility and accountability each and every section directs and operates by individuals. It is the persons who are moral beings and have moral rights, and so have moral obligations. So whatever legal and moral rights are claiming to ascribe to corporation is only because of the individuals. Werhane's two arguments are apt here. Firstly, if it is reasonable to say that the existence of corporation depends on the individuals who make it, then it is better to refer a corporation as an association of persons, and secondly, she has argued that the idea of corporation as association of persons itself makes sense for the concept of corporation as moral agent. Encompassing

both the aspects it can be said that a corporation is a secondary moral agent, next to individual persons.

5. Discussion with Practical Examples

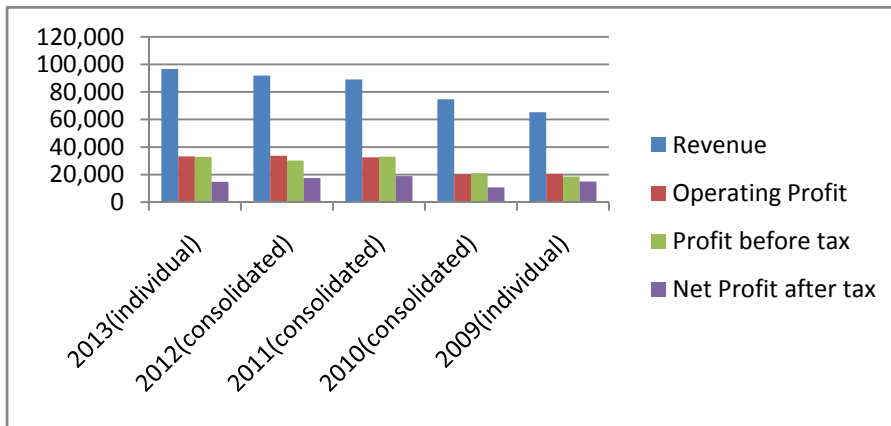
It is observed from the above discussion that theoretically person, business and morality are inseparable concepts in business ethics in which each of them inevitably includes the other two concepts. But practically in our daily life, these sorts of interconnection are rare to be seen. However, apart from international corporate governance board, Bangladesh has launched its own national ethical committee named Bangladesh Medical Research Council (BMRC). Following some examples can be considered here which flourished in this regard and of some which face great fall because of ethical degradations.

Example 1: Grameenphone (GP) Company- working with social and ethical issues.

Starting its operations on March 26, 1997, GP was the first operator to introduce GSM Technology in Bangladesh and also the first telecommunication operator to introduce the pre-paid service in September 1999. It established the first 24-hour Call Centre introduced value-added services such as VMS, SMS, fax, and data transmission services, WAP, EDGE, 3G, and many other products and services. Today, GP is the leading and largest telecommunication service provider in Bangladesh with more than 50 million subscribers as of October 14, 2014.

Figure 2.

Operational Results (in million BDT)	2013	2012	2011	2010	2009
Revenue	Individual	Consolidated			Individual
	96,624	91,920	89,060	74,733	65,300
Operating Profit	33,199	33,675	32,572	20,207	20,518
Profit before tax	32,852	30,193	33,006	20,913	18,596
Net Profit after tax	14,702	17,505	18,891	10,705	14,968



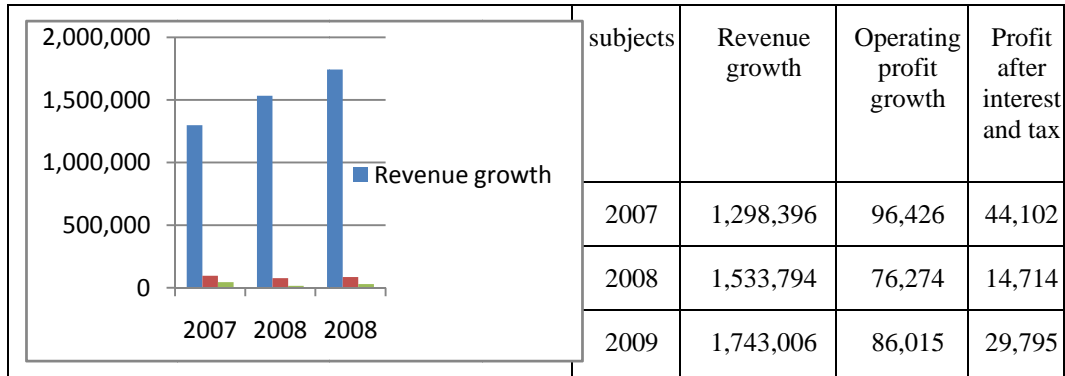
Source: http://www.grameenphone.com/sites/default/files/investor_relations/annual_report/Full-Report.pdf

The upward trend from 2009 to 2013 in the above graph is the sign of flourishing of this company. GP has adopted a Code of Conduct approved by the Board of Directors, which reflects GP's core values, integrity, respect, trust, and openness. Providing clear direction on conducting business, interaction with the community, government, partners and general workplace behaviour, it also includes guidance on disclosure of conflict of interest situations, maintaining confidentiality, good international practices and internal control and the duty to report where there is a breach against the Code.

Example 2: Primark company- raising profit by applying ethical standards in business strategy.

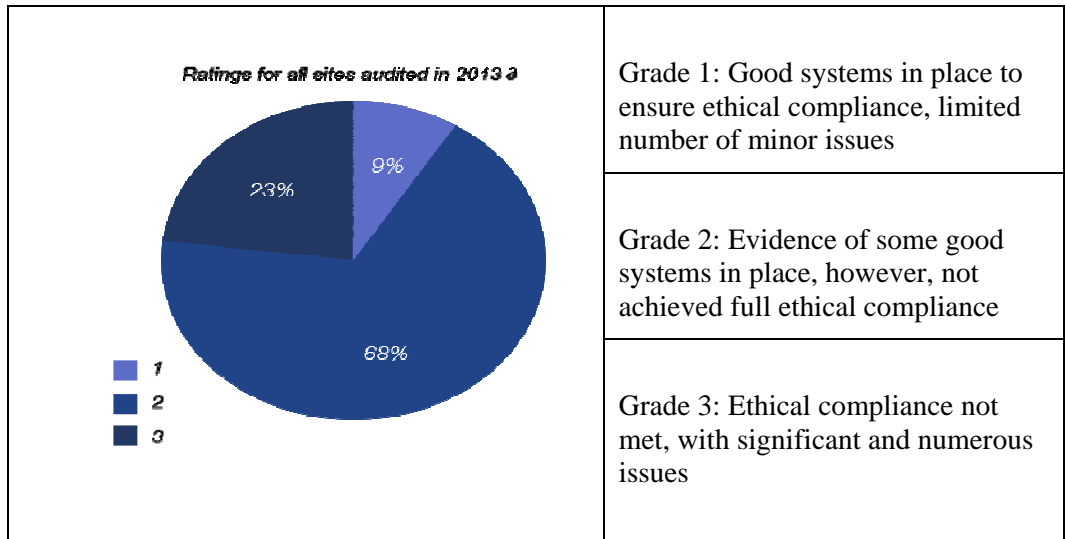
Primark is a subsidiary company of the ABF (Association British Foods) Groups, launched in 1961. This company offers innovative, fashionable clothes at value-for-money prices. It works with its suppliers to produce goods to Primark specification. The following statistical information shows their financial upward trend following three fiscal years.

Figure 3:



Source: <http://www.prnewswire.com/news-releases/primark-reports-third-quarter-results-revenue-growth-of--252-highlights-third-quarter-results-77390097.html>

Audit for code of conduct of Primark



Source: www.primark.com/en/our-ethics/our-performance/annual-performance

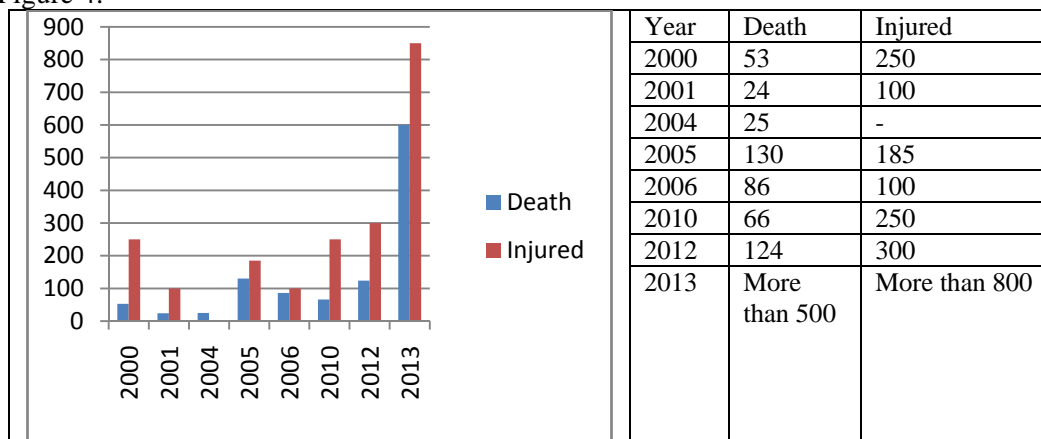
The above growing profits scale and good grading position show that this company continuously made profit despite of economic mishap. Though being criticized, it is making profit due to many reasons like low cost strategy, cheap price, effective cost management etc. but the noticeable one is their efforts towards having the most ethical working conditions, concern for environmental and human values.

Example 3: Downfall of RMG sector in BD because of ethical issues

Bangladesh is the second largest exporter of readymade garment products trailing China according to the McKinsey report (2011). Bangladesh’s garment exports during July-June 2012-13 period climbed by about 12.7% to US\$ 21.515 billion over exports of US\$ 19.089 billion made during the corresponding period of 2011-12. In 2012-13, the top three export destinations for Bangladesh garments were Europe, which accounted for US\$ 12.56 billion, followed by the US and Canada. But now it has received bad news. Recent incidents like fire in the Tazreen Fashions factory in November last year that killed more than 110 and the collapse of the Rana Plaza garment factory building in April that killed over 1,100 people and more than 2,500 were injured in the disaster. It may be the second biggest industrial accident in recent history.

biggest industrial accident in recent history.

Figure 4:

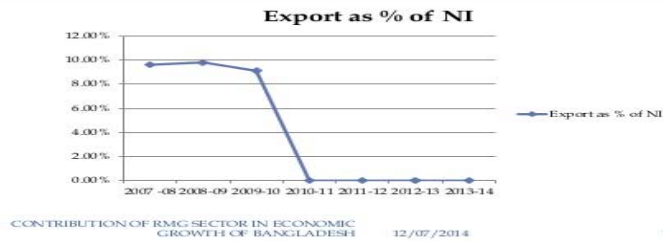


Source: <http://textilebulletin.com/present-situation-rmg-sector-bangladesh-2013/>

Reasons of the present conditions are: pressure from retailer to cut cost, facing unacceptable risk because of poverty, child labor, environmental pollution, corruption, dangerous construction, lower standard of life, irresponsible behavior of foreign buyers, neglecting attitude of the audit department, and ship on time command, only profit making sense etc.

FORECAST ON PERCENTAGE OF RMG IN NI.

Fiscal Year	2007 -08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Export as % of NI	9.6%	9.8%	9.1%	-	-	-	-



Source: <http://www.slidesearchengine.com/slide/contribution-of-rmg-sector-in-economic-growth-of-bd>

In the above following graph the contribution of the RMG sector in the economic growth of Bangladesh clearly shows the downfall of this sector.

Example 4: Eron corporation- business falls because of ethical collapse.

Eron Corporation, one of the leading electricity, natural gas, communications and pulp & paper companies of America founded in 1985, bankrupted in late 2001. In 1990, this company got an extensive competitive advantage when low passed in the United States Congress relation to the deregulation of natural gas price. The following data portraying fall of this company due to flaws in management along with ethical corruption.

Figure 5:



Source: www.enron.com

Following the charts, its annual revenues rose from about \$9 billion in 1995 to over \$100 billion in 2000. At the end of 2001, it was revealed that its reported financial condition was sustained substantially by institutionalized, systematic, and creatively planned accounting fraud. Eron revised its financial statement for the previous five years and frauds that there was \$586 million in losses. The lack of truthfulness by management has been found.

6. Conclusion

It can be concluded that the foreseeable interconnection is portraying in the casual connection of each above mentioned parts discussed throughout the paper. If business and ethics both holding same grounds and deal with the same ultimate purposes of life then the whole business ethics picture is incomplete due to the lack of presence or ignorance of any them. Though they take different means to accomplish their tasks but that does not mean that they are distinct in essence and nature. It is suggesting that the thought of new assimilation of business and ethics is not acceptable since attempt of that sort refers their distinction in essence and nature. Approaches for new integration of moral principles into business practices are most welcome for making the practical nature of corporate moral responsibility more transparent and business decisions more judgemental. Indeed, there are more things are open to find out regarding this. Since practically corporations with ethical attitude can be seen few in number in comparison to huge number of company of the world, so further researches can be suggested to concern upon the standards and flaws of each company to know their plans to work with these. Each company should be scrutinized following their particular deficiencies, and consideration should be made on the establishment of individual ethical board to observe each particulars of each institution.

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