ABSTRACT. Culture is shaped by a handful of people who are guardians of the vision and the shapers of the corporate conscience. It is especially the role of the chief executive to define the character of the business and to establish the corporate culture.

A corporation can instill within its basic policy structure and patterns of behavior a corporate culture, a corporate conscience that can prevail.

On this premise, the author enunciates the following values: the dignity of the individual, openness to people and ideas, optimum standards of service, entrepreneurship, synergism, leadership through competence, and behavior based on values.

I'm grateful for the opportunity to take part in this seminar on corporate ethics and values. This is not only a chance for me to benefit from your research and thoughtful consideration of important issues. It is also an opportunity for me to offer some ideas of my own. The theories generated in academia have significant long-term influence on the business community. But it is also important for business people to join in the academic debate so we can help define these values. Just as business can benefit from academic concepts, academic concepts can benefit from the pragmatism born of business experience. A useful analogy comes from an article by Irving Kristol in the July 16 Wall Street Journal. Kristol writes, and I quote:

Substitute "ethics" for "economics". Our task is to discuss and crystallize issues of a corporate value system — values that have meaning and are useful in reality, as well as in the forum that created them. In short, we should be able not just to define a value system — we must be able to live by it!

Ameritech — the corporation I head — is in an unusually favorable position to reflect on values. We are a new corporation, half a year old. We are in the process of building a corporate culture for ourselves. We want to build our value system thoughtfully — by reexamining the values we inherit from our past, and by establishing fresh values appropriate to our new circumstances. There is a saying attributed to Hegel that "Minerva's Owl takes flight in the gathering dusk". Minerva, as you know, is the goddess of wisdom, and so, I presume, of culture. In my opinion, old cultural values are becoming obsolete. A new environment will bring forth new values, on which we will build a new corporate culture.

The dusk is beginning to gather on many years of regulatory orders, court decisions, and arbitrary changes in our industry. The competi-
tive marketplace is beginning to rule. Let us hope that the Owl of Wisdom can now take flight.

As a way to begin, I will discuss some principles that can serve as the framework for the corporate values I wish to bring into focus today.

First, there is a question — that of corporate conscience. Is there such a thing? Or is it only the individual who has a conscience? Conscience is a practical judgment about the morality of a concrete action or decision. Ultimately, this means that the corporation's leadership must determine its value system and lead the management team to behavior that conforms to it. I am not suggesting that individuals do not have their *individual* values — the ethical guidance system for their own lives. It is clear to me that I cannot check my own value system at the door when I arrive at the office. I should be as comfortable at work as I am at home. I translate my own behavior into being willing to look into the mirror in the morning. I suspect this is not unique to me. Cicero said, “The best audience for the practice of virtue is the approval of one's own conscience” (Disputations, II, 26). However, there does result a corporate culture which effectively creates a corporate conscience. Given sufficient time, this set of ethical standards does begin to have its own momentum.

Second, reality is essentially ambiguous. Dilemmas arise not just between good and evil, but, most commonly, between the good and the good. We are, of course, dealing with *perceived* good and *perceived* evil. There is often good even in a perceived evil. The choice is most difficult when one must decide which is the lesser of two perceived evils and choose accordingly. This is why a manager must sometimes make a decision — one over which he has, perhaps, agonized — a decision that appears unethical to many. Let me cite an example.

Suppose there is a trend in business — as there has been — to offer financial incentives to encourage early retirement. A chief executive does not favor such a plan, and plainly says so to his employees. On the basis of his word, many employees take early retirement — employees who might have waited for the incentive to be offered, had the chief executive not expressed his views.

A year and a half later, the course of events in the business dictates that you must offer such incentives. What do you do? What comes first — the corporation's financial health, or your previously expressed views — which to the employee body were accepted as your given word?

You can walk down a whole list of such pragmatic questions and ask, "What is the reality of this issue?" There are very few easy answers. The ideal exists only in the mind. The world itself is concrete, and human behavior is determined not only by principle but by circumstances. Now, I am not attempting to establish that the end justifies the means — or that changed circumstances necessarily change one's obligation to ethical consistency. Perhaps the least I can offer is that a corporate conscience at least forces one to weigh a decision — any decision — within that framework.

A third principle is that values are related to purpose, which is the governing value. Every decision, every action, is for a purpose. Society's purpose for business is to contribute to economic well-being by producing and distributing goods and services. Making a profit is required to stay in business.

The various constituencies of business have