ABSTRACT. During the last decade, the intensity of interest in the subject of business ethics has surprised even the most ardent defenders of the movement. It is easy to become euphoric over such developments. Yet, we should not be lulled into believing that such growth has no limits. The fact is that the movement stands at a watershed where certain alternative courses of action are available. In this paper, I outline what some of those crossroads are and what the consequences will be if certain actions are or are not taken. The key to success is dependent upon a multidisciplinary approach that relies on dialogue and cooperation among colleagues in the academy and in business. This will ensure a true mix of theory and practice.

The rise of interest in business ethics among ethicists during the last five years has been nothing short of phenomenal. Though concentrated primarily in departments of philosophy and religion, there has been a dramatic interest manifested in undergraduate and graduate programs in business. And to a significant degree, there has been a growing interest in the subject on the part of corporate managers and business entrepreneurs; though this often is tempered with a certain amount of skepticism. The popularity of books such as *In Search of Excellence*, *The Change Masters*, *Corporate Cultures*, and *The 100 Best Companies to Work for in America* are indicative of this emerging interest; for what separates the excellent companies and managers from the rest of the pack is not simply reduced to a consideration of profit. Rather, the common thread that such companies share is a commitment to the dignity of the individual within a strong culture that is bound by a set of shared values. In essence, there is an implicit, if not explicit, concern for the ethical dimensions of managerial decisions and corporate policies. Unwittingly, the authors of these texts have provided us with fertile directions to pursue in our study of the ethical implications of corporate decisions and policies.

Such developments coupled with other positive inputs has a tendency to create an atmosphere of euphoria. Teaching in a school such as DePaul where the commitment to business ethics is strong and working in a city like Chicago where many members of the business community have been supportive of such efforts, it is easy to fall prey to this euphoria. Yet, to put things into a balanced perspective, we must not forget the recent past.

Just a few years ago, things were quite different. Most, if not all ethicists, were generally hostile to the idea that ethical theory could and should be applied to the major professions. People who attempted to do this were often viewed as charlatans who lacked the theoretical purity needed to do serious philosophical or theological research. At best, we were considered apologists for or pawns of the system. The idea that constructive dialogue and meaningful application was possible was a foreign idea to many of our colleagues and was viewed with suspicion by many business practitioners. Anyone who happened to attend some
of those early conferences on business ethics remembers that often it turned out to be a setting for wholesale criticism of the business community, rather than a constructive attempt to break down false stereotypes. In such an environment, communication was impossible.

What progress did occur was often initiated in business schools, where there had been a longstanding interest in the social implications of managerial decisions and corporate policy. This usually came under the rubric of “social responsibility” or “social responsiveness.” Courses in Business and Society became a standard part of the curriculum. Of course, some of this impetus was generated by the business community in its attempt to come to grips with some of the social demands of the consumer movement and the regulatory bodies of the federal and state governments. As Silk and Vogel noted in Ethics and Profits, businessmen and businesswomen were at a loss to understand the basic hostility directed at them by society during the social upheaval of the 1960s and early 1970s. Whatever reasons are given for this emphasis on social responsibility, the fact remains that business schools and the business community laid the groundwork for this interest in business ethics.

Ethicists were then able to progress beyond the discussion of social responsibility to take a hard look at the ethical implications of managerial decisions and corporate policy. Please note that I will not develop an elaborate explanation of the differences between social responsibilities and ethical ones. Let it suffice to say that just because it has been determined that Company A has certain social responsibilities to the local community does not mean that these are equivalent to ethical responsibilities; e.g., MacDonalds may feel it has a social responsibility to dismantle the restaurant where a sniper went berserk, but anyone would be hard pressed to find a moral obligation here, at least one that is persuasive.

From this author’s perspective, the growth of business ethics has progressed through at least two phases. The first I shall call “the Skeptical Phase”. During this period, ethicists and practitioners alike felt that maybe something of value could emerge from an examination of the ethical dimensions of business practices and policies. Yet, stereotypical thinking and mutual distrust often prevented any meaningful progress. Without serious dialogue and mutual understanding, progress was impossible. Unfortunately, some people are still caught up in this stage of development.

Fortunately, many people from all of the interested constituencies: business, labor, education, and government had the vision to start talking to each other. This gave rise to the second stage of development, “the Idealistic Phase”. This period was and is characterized by a flourish of activity in identifying some of the key ethical issues the contemporary manager and entrepreneur face, whether it be in the area of product safety, performance appraisal, the quality of work life, or environmental impact, to name just a few.

Certainly, this period of growth is preferable in the first since real dialogue has started. The barriers of distrust and misunderstanding have begun to be dismantled. And this gives rise to optimism or a sense of euphoria in some quarters. Yet, until we are able to integrate the conceptual frameworks we have developed with the practical demands faced by the contemporary manager or entrepreneur, what has been accomplished will lack relevance and credibility. We must be able to bring the discussion to the level where all interested parties can participate in a meaningful way. We must begin to address the functional needs and demands of the manager or entrepreneur. Otherwise, business ethics will go the way of the hoola hoop or the cabbage patch doll.

In other words, we must move into a new period of development, what I shall call “the Realistic Phase”. This does not require that we abandon conceptual frameworks, intellectual rigor, or the principles of ethical reasoning. Rather, we need to recognize that there are certain crossroads or watersheds to be faced. How we respond to these alternative choices will determine the viability of business ethics in the future.

There are at least four major areas where we find ourselves at a crossroads.