

THE CONSCIENCE OF THE CORPORATION

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Abstract. *The article investigates the possibility that the concept of conscience can be attributed not only to human beings but to more abstract entities like corporations. For such an analysis we need to look closer at the idea of conscience (this is being done in the first part of the article) and at what defines a corporation through the looking glass of notions like capitalism, socialism and democracy. Briefly, the conclusions of this investigation make us believe that conscience is not only a legitimate term when talking about corporations, but is a necessity if such an organization aims to better fit today's world.*

Keywords: corporation, conscience, capitalism, ethics, legitimacy

“Labor is prior to, and independent of, capital. Capital is only the fruit of labor, and could never have existed if Labor had not first existed. Labor is superior to capital, and deserves much the higher consideration.”

Abraham Lincoln

Can a corporation have a conscience or is that a property of only flesh and blood rational beings? And if a corporation cannot have a conscience, how can it act in an ethical manner? And if it cannot act in an ethical manner, why should it exist? Let us examine these questions.

Although the modern firm is legally owned by the stockholders who elect the board of directors to oversee and control its operation, the corporation's day to day running is handled by the managers or executives who are chosen by the board and answerable to the board. The board members are, in turn, responsible to the stockholders. In reality, since the ownership of the large public corporation is so widely dispersed among possibly millions of stockholders, the managers, who may own little or no stocks, actually often exercise most of the control of the firm to the degree that the board members are often indirectly chosen by the managers. The board of directors are typically not familiar with the details of the management of the firm and often become a rubber stamp for the decisions of management.

This managerial revolution, as it often referred to, which is the separation of ownership and control, raises many issues about who is in control of the firm and how the control is exercised and the transparency or lack thereof, of this control. This problematic nature of control raises issues about responsibility which obviously can have serious ethical ramifications.

Many agree that the unethical behavior of firms is partly the failure of government,

the structure of the corporation and partly the greed and immorality or amorality of individuals.¹ For illegality and immorality to occur all that is needed is a weak or nonexistent conscience, secrecy and an opportunity for illicit gain. A weak conscience allows one to act contrary to basic moral values and to violate core laws and secrecy makes getting away with one's criminality more likely. It follows that to eliminate or limit one these preconditions for immoral/illegal actions would greatly reduce the scope of corporate crime. The goal is to show how that can be done consistent with the evolving structure of capitalism and Rawls' theory of justice.

To address this problem, we must look at what a conscience is, its origin and function. A conscience is a part of the mind which consists of cognitive and emotive elements. As cognitive it presupposes knowledge of concepts of right, wrong, duty, whereas the emotive element includes the feelings of guilt or shame for falling short of one's sense of duty. One's conscience involves a sense of responsibility for past actions and an awareness of obligations with respect to anticipated future actions. It consists in the capacity for self-observation, and criticism by comparing our actions with values, ideals and group-norms one accepts as correct.

A conscience is formed by the process of socialization when the individual internalizes the customs, beliefs and moral rules of his or her society as taught by parents, teachers and peers. These customs, values and moral norms are believed by the society to preserve and promote the common good. To be sure, having a conscience does not make one morally perfect for the conscience is as mentioned, a product of socialization which is a product of the society one happens to be born into whose moral system may not be perfect. Hence, one's conscience must be subjected to critical reflection, what Rawls includes in his theory of reflective equilibrium, to expose problematic beliefs and values, difficult this is to be sure. Let us call such a conscience a well-formed conscience which will generally control selfish and immoral tendencies and promote, or at least not grossly violate, the common good of the community.²

The advantages of conscience to mere external monitoring and attempted control of behavior are clear. The judgment of a properly formed conscience is ever-present, whereas external authority and punishment may be more easily avoided, is more uncertain, and may be more often mistaken. It follows that a society where individuals and basic institutions have something like a conscience will tend to act in harmony with social norms and the prevailing conception of justice then those institutions which lack internalization of moral norms and thus would tend to a more amoral, immoral and conflict-ridden society. Since a corporation is a legal person not a biological person it cannot have a conscience in the same sense, but it can have an objective structural correlative of a conscience.

However, a conscience is not sufficient for moral behavior because socialization is always more or less incomplete and defective and because the self-interest of individuals is rarely fully controlled by socialization. What is also needed to maximize (but still not perfect) moral behavior is an environment of norms and laws which will provide the necessary 'carrots and sticks' to encourage ethical actions and discourage unethical conduct. Hence, a conscience is a necessary but not a sufficient condition for moral action.

To create a structural correlative of a conscience in a corporation means to establish a form of control of the corporation which will produce the same results as a well-formed

¹ Lanman, Scott, Steve Matthews, "Greenspan Conceded a 'Flaw' in his Market Ideology," www.bloomberg.com, 8/23/2009.

² Loevinger, Jane, *Ego Development*, London: Jossey-Bass, 1976, pp. 397-8.

conscience so that the common good is not compromised by the actions of the firm. (To be sure, what is considered the 'common good' may be mistake as well.) This means installing in controlling positions in the corporate hierarchy individuals who represent those social concerns which constitute the common good of society.³

One group of these individuals would be the workers. Workers are a necessary part of any firm and have contributed their labor, time and often their health and lives to their work. Moreover, workers and their well being are part of the common good can be harmed and, of course, benefitted, by the actions of the corporation and as such must be protected by having worker representatives on the board of directors of the firm. Workers could then speak and act directly to protect their interests especially since they would have more complete information about the actions of the corporation. Workers would have the right to vote on any proposed action of the firm if their legitimate interests would be impacted negatively.

However, worker representation alone on the board of directors is not sufficient for the creation of an ethical firm. This is so because the interests of workers are not always consistent with the common good. For example, workers may want higher wages but wages that are too high could make the form less competitive and could ultimately bankrupt the firm. This means that the interests of the stockholders would also have to be represented on the board of directors. Stockholders, in addition to being part of the community and in part constituting the common good, have contributed their capital and as such have a legitimate interest in the performance of the firm.

However, the workers and the stockholders are not the only group that can be harmed by the corporation. The general community would also have to be represented for they too can be harmed by pollution of the environment, poorly designed products and similar problems. To be sure there are problems in defining exactly what constitutes "community" but it is clear that the community can be harmed by the actions of the firm.

This means that to make the corporation a more moral entity, there must be equal participation of workers, investors and members of the community in general, on the board of directors of the corporation. Management would also be represented since they may be stockholders and are members of the community as well as sources of information about the corporation to help the entire board make rational decisions.

This type of democratic representation would be the institutional correlative to a person's conscience for it will more effectively protect those groups and interest the corporation is most likely to offend. It will be present to protect their interest and at the same time, the general interest for the general interest is constituted, to a large degree, by these three stakeholders.

This democratization of the firm can also be part of a solution to the agent/principal problem. The agent/principal problem is the problem of how to ensure that agents act in the interest of the principal who hired and pays them to do just that. The problem exists because of three other main problems. First, there is the problem of asymmetrical information and knowledge-the agents, the corporate executives, have knowledge and information which the principals (stockholders under the current model) usually do not and as such the employee is in a superior position to his or her employer. Secondly, the agent and principal usually do not have the same interests, the agent wants to maximize his or her income while the principal wishes to minimize costs and maximize long term profits and viability. Finally, the entire

³ Similar claims for different reasons have been made by R. Edward Freeman, see: Norman E. Bowie, ed, *Business Ethics*, Mass. Blackwell, p. 2002, pp. 19-37.

scenario is in a domain of market and economic uncertainty which exacerbates all variables.⁴

Democratizing the firm minimizes these problems. A democratized firm reduces the information asymmetry which is key to the enabling of the other problems. Most importantly, executive overactive self-interest cannot be given the same room to operate in a structure where there is more publicity and transparency of corporate decisions and actions.

This argument for a more democratic corporation is supported by key ethical elements of Rawls' theory of justice, namely his ideas of stability, self-respect and social union. Stability is a basic value for Rawls and deals with the relationship between the theory of justice, human nature and social institutions. A theory of justice is stable according to Rawls if its realization by the society tends to bring about the corresponding sense of justice in people. If we accept as a psychological law that persons tend to support whatever affirms their own good, and Rawls believes his two principles do this, then all will be inclined to support the institutions defined by justice as fairness.⁵

In other words, a stable society is perceived as legitimate by the populace. As such it generates its own support because the basic structure is consistent with human psychology and individuals have internalized the basic values and principles which define the social system.⁶ In such a society the members of the community have a conscience which controls individual actions so that their actions do not override common good (as understood by the community).⁷

Self-respect, according to Rawls, is the most important primary good which he defines as having two aspects. Self-respect includes a person's sense of his own value and that his or her life is worth pursuing and that one has confidence in one's ability to fulfill his or her intentions. According to Rawls, without self-respect, nothing will seem worth doing and we sink into apathy. Self-respect contributes to self-esteem, to value oneself as good and competent.

Rawls is clear that persons in the original position would choose the two principles primarily on the basis that it guarantees self-respect, among the other primary goods. Self-respect, therefore, presupposes certain liberties and rights guaranteed by Rawls' first principle.

A component of self-respect is the acknowledgment by others that one's life and work are worthwhile. Our beliefs and judgments about ourselves are predominantly determined by how others view and judge us. They admire us more if our activity is complex and requires talent and is for a good purpose. This admiration is enhanced to the degree the activity is of our own choosing because merit or praise, just as blame, presuppose free-choice in some sense.

Rawls takes it as general fact that "other things equal, human beings enjoy the exercise of their realized capacities...and this enjoyment increases the more the capacity is realized, or the greater its complexity."⁸ That is, *ceteris paribus*, people would generally prefer to play chess over checkers. The Aristotelian Principle is related to Rawls' conception of self-respect in that the Aristotelian principle can contribute to the sense of competence. To be sure, the *ceteris paribus* clause is important since if one failed at chess more than at checkers one would tend to prefer checkers. According to Rawls, complex activities are more enjoyable because they satisfy the desire for variety of experience. Some have questioned whether the Aristotelean principle is generally true, but if it is true in, when successfully applied, be seen

⁴ Bernstein, Peter L., "The Moral Hazard Economy", Harvard Business Review, pp.101-3.

⁵ Rawls, John, A Theory of Justice, rev., Cambridge: Harvard University Press, 1999, pp. 119, 398.

⁶ Rawls, John, Collected Papers, Cambridge: Harvard University Press, 1999, p.171.

⁷ Bell, Daniel, The Coming of the Post-Industrial Society, New York: Basic Books, 1973, pp. 270-98.

⁸ Rawls, Theory, op.cit., p. 374.

as specifying two conditions for fully human activity, complexity and diversity.

Given the above understanding of self-respect, then clearly one's confidence in one's self-worth is diminished if the work activity is imposed on one from the outside by persons and forces one has little or no control over. But this is the condition of most employees in most corporations where the employee has no direct say in the policy decisions of his or her firm, nor about the nature and conditions of their role in the corporation. Though the worker invests a large share of his or her life in the company, they have almost no direct decision making power over the conditions upon which their happiness in work depends, he or she has no direct access to the management which affects him as a worker and consumer. To the managers and stockholders, the worker is just one more element in the assembly line.

Hence, self respect and the Aristotelean principle are consistent with the idea of worker participation in the running of the firm. The empowerment of workers adds meaningful complexity into the life of work as demanded by the Aristotelian principle and so enhanced the self respect of workers.

The next concept in Rawls for employee rights is based on the Rawlsian idea of social union. This idea of mutual support of the just individual and the just society Rawls' calls "social union."⁹ For Rawls, a society which fully implements justice as fairness will be a well-ordered society which would be conducive to a genuine community or social union. Such a society would be seen as a voluntary association among free persons for mutual advantage and where the basic structure is seen as embodying these values. It is a community where individuals have shared goals and enjoy one another's abilities and individuality. Rawls adds that when persons are secure in the exercise of their own powers, they are disposed to appreciate the contribution of others. Hence social union would obviously imply the implementation of the Aristotelian Principle and exemplify the Kantian ideal of autonomy where persons can express their nature as free and equal moral persons.

By contrast, a society where individuals try to maximize their wealth and see others and institutions as merely means to personal affluence, Rawls terms a "private society". In such a society, "each person assesses social arrangements solely as a means to his private aims. No one takes account of the good of others (and) institutions are not thought to have any value in themselves".¹⁰ Such a society would be unstable and one of increased conflict and would be the antithesis of social union.

Given the current system of corporate ownership and management, Rawls ideal of social union seems impossible. Even in a well-ordered society where the two principles are fully implemented, the current world of economic activity and corporations would seem to be closer to what Rawls calls a private society.

There is also empirical support that contemporary workers are interested in more than only wages. Research shows that workers are more productive when they are consulted and treated with respect.¹¹

In the interest of clarity, we need to consider other alternatives for making the firm more ethical and law binding.

Another proposal for improving corporate behavior through outside public directors.¹² The role of these public directors is to be an ethical watchdog on the affairs of the firm and be

⁹ Ibid., pp.456-7.

¹⁰ Ibid., p.457.

¹¹ Werhane, Patricia, & R. Edward Freeman, eds, *The Blackwell Encyclopedia of Business Ethics*, Malden; Blackwell Publishers, 1997, p. 622.

¹² Stone, Christopher, *Where the Law Ends*, New York: Harper & Row, 1975, pp. 122-4.

available for consultation with employees.

The strength of this idea lies in that the public director has no financial interest in the corporation and can be, in theory, an objective watchdog of corporate activities. However, the proposal makes the determination of the public interest an interpretation of one individual, the public director. More importantly, there is the problem of selecting and maintaining the independence and moral integrity of the director. Moreover, this approach would not enhance the self-respect of the workers to the same degree as worker participation.

Another approach that has been suggested is the formulation of code of ethics for each corporation. A code of ethics which is followed and implemented would surely help make firms more ethical.

A code of ethics would surely be part of making corporations more moral but it can hardly be the best solution. First, there is the problem of moral relativism, can there be one code of ethics for all firms in all societies? Even if this problem could be answered, there is the question of what is in the code of ethics, who writes the code and how it is promulgated? Most importantly, there is still the problem of motivating persons to conform to the code, discovering when it has been violated and enforcing it. Finally, a code does not enhance the self-respect of the employees as directly participating in the running of the firm.

Another objection to the model of corporate governance defended here is that government law and regulation is sufficient to control the actions of corporations. There are several theoretical and pragmatic problems with this approach. First, as the current financial crisis and other corporate scandals show, this is simply not the case. In addition, as has been argued in previous chapters, the current political system is still under the dominant influence of the entrenched economic elite and more and radical campaign reform and the right to political leave is necessary before legislative enactments would perform the necessary social functions of controlling corporate actions.¹³ Moreover with the growing global economy and the multinationals, legal control of corporate entities which can flee to any part of the world to find cheap labor and corrupt governments is becoming increasingly difficult.

These problems are exacerbated by the theoretical limitations of positive law. Legislative enactments are limited in that law as a system of general rules cannot deal perfectly with all specific circumstances. Further, law is by nature a reaction to a problem that has already occurred, and thus will always allow certain immoral actions to occur until the legislature acts. Thirdly, law is usually negative in formulation, telling what not to do, but moral behavior does not just involve the avoidance of evil, but the promotion of good to some degree. Moreover, the law can never completely express the full content of morality, but only that enforceable component; being moral means more than just being law-binding.

In addition, even when there is legislation which is passed, its implementation is thwarted by what has come to be called "regulatory capture."¹⁴ Once congress enacts laws, regulatory agencies are engaged to implement the legislation by making various decision and rules. The regulatory agencies often have substantial discretion and often function as legislative and judicial agencies. Regulatory capture exists when government agencies which exist to regulate corporations for the public interest are often improperly influenced by the very industry it needs to control which then shapes regulation to promote the individual interest of the firm even when in opposition to the common good. This influence can be exercised indirectly by campaign contributions to the political elite which then selects

¹³ Greider, William, *Come Home America*, New York: Rodale, 2009, p.225.

¹⁴ Talbott, John, R., *The 86 Biggest Lies on Wall Street*, New York: Seven Stories Press, 2009, pp.29-31.

regulators sympathetic to various industries and/or by promise of lucrative employment to underpaid government regulators or, of course, by outright bribery of the regulators.

Finally, there are the questions of sufficient motivation and the secrecy of illegal activities. Corporate leaders are often not sufficiently motivated to act legally or morally because the legal system does not provide sufficient penalties to act as a deterrent. In addition, the bureaucracy can act as a shield of anonymity protecting malefactors. Moreover, the anonymity problem is exacerbated by the problem of secrecy which illegal actions require. Participation of employees and the community in the very heart of corporate decision-making will greatly reduce the opportunity for anonymity and secrecy and thus reduce illegality.

Milton Friedman has objected to theories of the corporation similar to the one presented here.¹⁵ Defending what he calls the “stockholder theory” against the stakeholder theory or the “socially responsible corporation” Friedman argues that the corporation has no moral or social responsibility because the corporation is not a real person and only real persons have moral responsibility.¹⁶

Friedman further argues that in a free market capitalist system, the executives and managers of a firm are the employees of the stockholders and their only responsibility is to increase profits, within the parameters of the law, the reason stockholders invested in the company to begin with. To take into account social responsibility, such as reducing pollution beyond what the law requires, or hiring the poor and not the most qualified, would be inefficient, reduce the profits of the company and thus harm the shareholders. For Friedman, it is the job of the government not corporations to make socially responsible laws to protect society.

For Friedman, to talk of the stakeholder model or the socially responsible corporation is to move from capitalism to socialism. To talk of the social responsibility of the corporation beyond obeying the law is to politicize the firm and reduce the power of the free market and this, Friedman fears, will lead to socialism. Friedman believes that the only correct way to require change in the behavior of firms is to pass new laws, which is the function of government, not the managers.

Furthermore, Friedman adds, that corporate executives simply do not have the knowledge to deal with the ethical and social problems. Again, for Friedman, this is the function of government and other social institutions. Friedman’s arguments defending the traditional view of the corporation are significant and demand a reply.

First, Friedman’s charge of socialism raises several points.

To argue that departures from the traditional stockholder model to the stakeholder model will lead to socialism is arbitrary and an example of black and white thinking. It also begs the question that all forms of socialism (which he does not examine) are inferior to the current corporate paradigms. Socialism is usually defined as a social arrangement where there is no private ownership of the means of production but rather government or social ownership of all (major) economic establishments and resources. The stakeholder model is far from such a social order and moreover Friedman ignores that there are many different social and economic arrangements possible, within the large middle ground between the extremes of traditional capitalism and full socialism.

Friedman’s charge of socialism also brings up the issue of the status of property rights, the corporation and the US Constitution. The Constitution does not say anything

¹⁵ Friedman, Milton, “The Social Responsibility of Business is to Increase Its Profits,” New York Times Magazine, Sept., 13, 1970, pp.17-21.

¹⁶ Cf., Freeman, R.E., Strategic Management, Boston: Pitman, 1984.

specifically about employee rights nor are business corporations explicitly mentioned. Chief Justice John Marshall of the Supreme Court in the landmark decision of *Dartmouth v. Woodward* (1819) interpreted the contract clause of the constitution (Article I, section 10, clause 1) to mean that the corporation “an artificial being, invisible, intangible, and existing only in contemplation of law.” Later in 1886 (*Santa Clara County v. Southern Pacific Railroad* , 118 U.S. 394) the Supreme Court declared the corporation a “person” with the rights of the Fourteenth Amendment including the right to property and due process.

One central period of the Supreme Court known as the *Lochner* era had a dramatic impact on workers. In *Lochner v. New York* (1905) the court ruled that New York state law limiting working hours in bakeries was unconstitutional claiming it was a violation, among other reasons, of the freedom of contract. This questionable interpretation was abandoned during the depression when the court allowed unprecedented federal regulation of the economy.

More recently, the Supreme Court has interpreted the idea of the right of eminent domain in a manner which can be used to justify the restructuring of the corporation. The Fifth Amendment of the US Constitution reads “...nor shall private property be taken for public use without just compensation.” Eminent domain is the right for the government to take private property for public use if proper compensation is made. The right of eminent domain places an important limit on private property but what this limit is has varied in constitutional interpretations.

The original interpretation of the Fifth Amendment was narrowly construed to mean that the land and property taken must be used for a public purpose such as a road, military installation and the like. In rulings such as *Berman v. Parker* (1954) the Supreme Court interpreted the eminent domain clause more expansively allowing the taking of property to enable private developers to remove blighted areas and allow economic development. The court held that “public use” can be interpreted to be any action which promotes the “health, welfare, safety, moral, social, economic, political or aesthetic ends.”¹⁷

In *Strickley v. Highland Boy Gold Mining Co.* (1906) the court ruled that “public use” does not necessarily imply actual public use such as a highway, but some action that is of use or promotes the good of the general public. In a case more relevant here, *Hawaii Housing Authority v. Midkiff* (1984) concerned the Hawaiian government actions on the Island of Oahu. The government deemed the land ownership on this island to be so concentrated in only a few owners that it constituted an oligopoly. To rectify this problem, the Hawaiian government increased the number of owners by granting land to previous tenants on the land. The supreme Court saw this as constitutional. The promotion of economic development was interpreted even more widely in the *Kelo v City of New London* (2005) where public use was interpreted more expansively to include any legitimate public purpose.¹⁸

The proposal for employee and community participation in the running of the corporation does not imply the taking of property but it does place a limit on property but this limit is consistent with the right of eminent domain as interpreted by the court rulings explained above. These court rulings clearly expanded the idea of public use to encompass a public good and the preservation of the common good including health, safety and moral concerns. As argued above, the democratic corporation seeks the empowerment of workers, among other ends, to make the corporation more moral and law abiding, two essential components of the common good. To follow the logic of eminent domain, the “compensation”

¹⁷ www.law.cornell.edu/supct

¹⁸ *Ibid.*

to the corporation would be the improved legal and moral stating of the firm, greater legitimacy and, if the empirical findings are correct, improved productivity and profits as well.

Part of the empirical support for the democratic corporation as efficient and as not necessarily a form of socialism is the experiment in Germany. Germany is by all accounts a vigorous capitalist state even though the German law (*mitbestimmung*) passed in 1974 requires worker representatives on all firms with over 500 employees.¹⁹

Secondly, to argue as Friedman does that only real persons can act in a socially responsible manner seems simply false. Corporations are considered legal persons and are lead by real persons who certainly can act morally. Friedman seems to see the corporation as an amoral machine but that he has not proved. For even if it is viewed as a machine, it is a machine which can be controlled by persons and if something can be controlled by persons it is subject to moral norms.

Thirdly, Friedman believes it is the function of government and the law to make laws dealing with issues of social responsibility. However, as argued above, the law is not alone adequate to ensure the moral behavior of the firm.

Fourth, to argue that managers are employees of the stockholders is simply to restate the current model, not to argue against the reform. In fact, in cases such as *A. P. Smith v. Barlow*, the courts have upheld the right of managers to contribute to charitable causes without the expressed approval of the stockholders.

To argue that executives lack knowledge to act morally is arbitrary and, if so, is really a reason for the model of the corporation defended here. Although theoretical ethics is a field which requires some special philosophical training, acting morally usually does not. Managers can ask for the input of various experts and with the input of the community and the employees can generate corporate actions that are consistent with these findings. Friedman simply assumes that the stockholders are concerned about one thing-profit, but this is often not true. Stockholders are often interested in questions of pollution, the rights of workers, etc., even if these concerns go beyond the requirements of law.²⁰

Friedman's traditional model of the firm cannot adequately deal with the problem discussed in the current crisis that some corporations are "too big to fail." To say that some firm or institution is too big to fail means it would have vast negative consequences on stakeholders and society in general if it did fail. But if a firm is too big to fail than it has moved from the domain of private property into the realm of the social property. As such it has acquired a quasi political status and as such it must share the governance of the political institutions. Friedman's model would presumably let these firms fail but that option has problems as well. If failure is allowed in institutions such as major banks and insurance firms, it could cause major social disruptions which could have severe political consequences. Secondly, if firms are not allowed to grow, given the reality of global competition of multinationals, domestic corporations would be at a clear competitive disadvantage.

Conclusion

Corporations are not eternal Platonic structures but human constructs created to achieve some goals. For the corporation to survive and thrive it must adapt to its changing

¹⁹ Kuhne, Robert J., *Co-Determination in Business*, New York: Praeger, 1980, pp.28-39; Cf. Pope Benedict XVI, *Caritas in Veritate* encyclical.

²⁰ Cf. Pfeffer, Jeffrey, "Shareholders First? Not So Fast" *Harvard Business Review*, July-August, 2009, pp.90-91; Michael Kinsley, ed., *Creative Capitalism*, New York: Simon & Schuster, 2008, pp.7-16, et al.

social and moral environment and to this it must change and evolve to better fit into the new cultural context which places increasing value on the dignity and self-respect of workers and all persons. The democratic model of the corporation does not treat people as merely a means or tools of the firm but as ends in themselves with rights and dignity as human beings. A corporation which embodies these values will have greater legitimacy which will enhance its long term survivability and flourishing.