

ACCOUNTABILITY AND BUSINESS

Accountability is one of the hot topics of contemporary public concern in regard to business. A lot of the discussion focuses on how to set more sophisticated standards of accountability, and how to secure compliance with them. Philosophers can contribute usefully to this effort, especially if they are engaged in close dialogue with company directors, executives, and other professionals. But here I am not trying to help formulate practical recommendations. Rather this paper remains at an abstract level of general principles.

Effective accountability is important in business for several reasons. It contributes to quality assurance – for example, by exposing poor management. It can lead to the exposure of criminal activity. It is a significant instrument for limiting and channelling power within organisations. In this paper, however, my central focus is on the moral significance of accountability.

Section 1 of the paper offers an analysis of accountability: What is it? How does it arise? I provide a taxonomy of accountability duties. In Section 2 I distinguish accountability from responsibility. In Section 3 I distinguish between *being accountable* and its being the case that *one should be made accountable*.

These initial three sections are mainly concerned with structural description. They set the scene for my moral discussion of accountability in business in the remainder of the paper. Sections 4 and 5 address the questions: Are there are distinctively moral accountability requirements on businesses that are not derived from the demands of law or convention? If so, *why* do such moral requirements exist?

The paper does not offer a full-fledged philosophical theory of accountability. It identifies some benchmarks for the construction of such a theory.

1. The nature of accountability

There are many concepts of accountability. For example, there are writers who use ‘accountable for’ to mean ‘blameworthy for’.¹ A second meaning is ‘liable to be brought to judgement for’: that is, being liable to a favourable or adverse verdict by people whose proper role involves reaching such verdicts. Maybe sometimes ‘accountable to’ is used to mean ‘under the control of (some authority)’.

These are not the concepts of accountability with which I will be dealing in this paper.

Rather I will investigate accountability as *a duty to describe, explain and justify*; it may include a duty to submit to investigation by others.

The possessor of the duty, and the one to whom the duty is owed, may be a human being, a group of human beings, or an organisation. What are to be described, explained and justified are in the first place one's own policies, actions and omissions. But one may also be accountable for actions of others who have acted with one's authority, or whom one is responsible for supervising. One may also be accountable for states of affairs, but this idea can be best explained in terms of accountability for actions and omissions. The duty to provide the account may, or may not be, conditional upon one's being asked to provide it.

Here is the first stage of my analysis of the target concept of accountability. Consider cases in which x is accountable to y for z, but neither x nor y is here acting merely as the agent for some other person, group or organisation; nor is x's involvement in z merely indirect, deriving from actions of x's subordinates which x did not intend or negligently fail to prevent. Then we can say that x is accountable for y if and only if:

- (i) x has a duty to provide y with an account concerning z
- (ii) x's duty is to y
- (iii) either x has a duty to show y in x's account that x's conduct in relation to z meets certain standards – standards of success, or competence, or moral integrity, and so on – or else x has a duty to excuse or express repentance concerning x's failure to meet those standards²
- (iv) x has a duty to y to take into consideration y's evaluative response to x's involvement in z.

The use of the letters 'x', 'y' and 'z' is one way of achieving generality, and of reflecting the fact that the possessor of the duty, and the one to whom the duty is owed, may be a human being, a group of human beings, or an organisation.

We sometimes say something of the form 'x is accountable to y' with no mention of any z. Here the z place is implicitly present. For if x is accountable to y it is with respect to some limited range of actions, omissions or states of affairs. For example, typically a business executive's accountability concerns his work-related performance, and has nothing to do with church attendance, parenthood, football club membership and so on.³

I can illustrate the role of the various clauses of the analysis by means of some examples. The first of these pertains to clause (ii). You have smashed a rear window and entered a stranger's house to use their phone in an emergency. The owner is away, but a neighbour comes along just as you are going out the front gate. This person is unaware of what you have done. You are accountable to the house's owner for breaking in to the house. You are not accountable to the neighbour. But if the only practicable way of getting a message to the house's owner is via the neighbour, then you have a duty to explain your conduct to the neighbour. So here is a case in which you have a duty to provide the neighbour with an account concerning the break-in, but you are not accountable to the neighbour. Why not? Because my clause (ii) is not fulfilled: you have no relevant duty to the neighbour; the neighbour has no right or entitlement to an account.

My second example concerns clause (iii). You have promised to tell some friends about your recent holiday. As a result, you have a duty to them to give them an account of your holiday. But this does not mean that you are accountable to them for the way you spent your holiday. Why not? Because even though clauses (i) and (ii) are fulfilled, clause (iii) is not. You do not have to justify or apologise for anything.⁴

My final example illustrates the role of clause (iv). An insurance company is taking part in a lawsuit over a serious industrial accident at a factory. It needs to discover whether the accident was caused by equipment failure. You supplied and installed the equipment. You know that the equipment was then in good condition, and was properly installed. The insurance company pays you for a long interview at which the matter is explored in great detail, seeking to test your claims. Here clauses (i), (ii) and (iii) are all fulfilled, but nevertheless you are not accountable to the insurance company for the way you installed the equipment. Why not? Because clause (iv) is not fulfilled: having answered the insurance company's questions, you have no duty to the company to take seriously any comments it might make on how you installed the equipment.

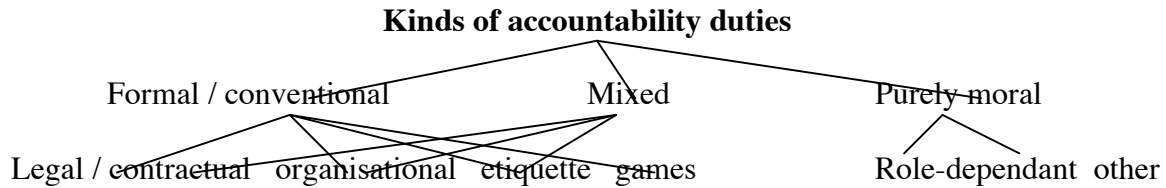
To achieve full generality, the analysis must now be made more complicated to deal with cases in which one person is authorised to act on behalf of another, and in which one person has duties in virtue of being the supervisor of another. Let us say that one person is a principal and another is the first person's agent if the latter is authorised to act on the former's behalf. (Typically the source of the authorisation is the principal, but sometimes it is another entity, such as a court.)

We can now say that *x* is accountable to *y* if and only if:

- (i)* *x* has a duty to provide *y* with an account concerning *z*
- (ii)* *x*'s duty is either a duty to *y* or else a duty to *y*'s principal, if *y* has one, where some *y* is authorised to receive and evaluatively respond to *x*'s account on the principal's behalf
- (iii)* either *x* has a duty to show *y* in *x*'s account that *x*'s own conduct, or the conduct of *x*'s principal, or the conduct of *x*'s subordinates, in relation to *z* meets certain standards – standards of success, or competence, or moral integrity, and so on – or else *x* has a duty to excuse or appropriately deal with failure to meet those standards⁵
- (iv)* *x* has a duty to *y*, or to the principal for whom *y* is acting, to take into consideration *y*'s evaluative response to the contribution made to *z* by *x*, or *x*'s principal, or *x*'s subordinates.

Sometimes we believe that it would be good if one gave an account, even when one has no duty to provide any account. For example, it might be good if you explained to your travelling companion's family how he or she came to die, but you might have no duty, or perhaps no duty *to them*, to do so.

The third stage of my analysis of accountability is in terms of the following classification:



That one has a formal or conventional duty to do something may ground a moral duty to do it. But not all formal or conventional duties give rise to corresponding moral duties. Consider gangsters whose organisational duty is to murder someone. They have no moral duty at all to perform the murder – not even a merely *prima facie* one which is overridden by a stronger moral duty to abstain from murder.

Let us consider the last line in the foregoing diagram. Legal/ contractual duties of accountability include those imposed on individuals and corporate entities by law, by regulations enacted by bodies with authority derived from law, and by legally enforceable contracts. The duty of businesses to submit a tax return, and to answer reasonable questions by taxation office officials, falls into this category, as does the duty of a government department to co-operate with an investigation by the auditor-general.

Organisational duties of accountability derive from the rules of organisations, such as clubs and business firms, of which one is voluntarily a member or employee. Sometimes the duty is specified in some explicit rule -- eg., when a manager's job description says that the manager is accountable to the board of directors through its chair. Sometimes the duty is uncoded, but part of an informal understanding of one's place in the organisation.

Some accountability duties derive from considerations of etiquette. For example, if you are late for an appointment, it may be incumbent upon you to explain the cause of your lateness, as part of an acceptable apology. The requirement need not be laid down by any authoritative body, or codified in any way; but nevertheless there may be informal, well-understood conventions of etiquette, regarding when a person should explain their actions or omissions to others.

The final kind of formal/ conventional accountability duty is generated by one's role in a game, or other activity constituted by conventions. The duty holds only relative to the game. For example, it might in certain circumstances be presumed that a player is out, unless they can rebut the presumption to the umpire's satisfaction. Here the authority of the rules need not be derived from any organisation, but merely by agreement amongst the players.

Let us turn now to moral duties of accountability, my main concern in this paper. Some of these are *role-dependant*. Consider schoolteachers whose job descriptions specify lines of accountability to department heads and the principal. The teachers may well properly regard themselves as also accountable, in various ways, to colleagues, the students, the parents, and the local community. The teachers' professional identities as teachers, and

the legitimate trust that people have placed in them, engender a moral duty these people to explain, and perhaps also to justify, their performance as a teacher.

A huge range of moral duties of accountability do not depend on any particular role that one occupies. We usually think that if one person has voluntarily made a commitment to another person then the former is accountable to the latter with regard to the commitment. For example, suppose that someone promises to keep watch over a friend's child, but becomes distracted and lets the child wander off and get lost. Surely they should give the promisee an explanation, for reasons extending far beyond considerations of etiquette. There is also, of course, accountability without prior commitment.

My systematic classification recognises that legal/contractual, organisational duties, and those bound up with etiquette and games, may be in origin *either* formal / conventional, or else *mixed*. The mixed ones may be further sub-divided into two classes, which I have not inserted on the chart above. Firstly, we have moral duties which are generated by formal/ conventional duties. For example, you may have a moral duty to supply certain information to your client *because* you have a legal duty to do so. Secondly, there are mixed duties which are partly constituted by a pre-existing moral duty or norm and partly constituted by law or other rules. For example, it may be a moral truth that people should pay taxes, in order to contribute their fair share of the cost of providing certain public goods such as roads and policing. But for an initial period after the community is founded, there may be no identifiable way of making a contribution. Suppose that a legitimate government is formed, and enacts that residents will pay income taxes at levels determined by information supplied on tax returns, submitted to a commissioner of taxation. The residents will thereby acquire accountability duties to the commissioner of taxation. The duty to *submit a taxation return, supplying these details to this person* obviously derives from law; but the relevant law has moral authority derived partly from the moral truth that people should *pay taxes in some way or other*. The content of the law is one way of implementing this moral truth.

A purely moral duty of accountability may arise in the context of a relationship whose nature is defined by law or convention.. What makes a duty of accountability *mixed* is not merely that some role is played by convention, but rather that firstly it is a moral duty, and secondly its content is also the content of a legal/ conventional duty.

It follows from what I have just said that classifying a duty as 'formal/ conventional' rather than 'mixed' does not rule out the possibility that there is a *moral* duty with the same content, and that the former gives rise to the latter. The point is that a formal/ conventional duty is not derived from a prior moral duty such that implementing the formal or conventional duty is one way of implementing the moral duty.

2. Accountability and responsibility

There is a sense of the phrase 'is accountable for' in which it is synonymous with 'is responsible for'; and the phrases 'is accountable to' and 'is responsible to' are typically

used interchangeably. Nevertheless in the central range of meanings of the word 'accountable,' accountability and responsibility, while closely related, are distinct.

One can be morally and causally responsible for some state of affairs, but not accountable to anyone concerning it – eg., typically you need not tell anyone what novel you read before going to bed last night, and need not justify your choice of novel.

One can also be accountable concerning states of affairs for whose occurrence one is neither morally or causally responsible. For example, a parent may have a moral duty to account for the misconduct of their young child, even when the child was being supervised by someone else. And the new owners of a firm may be accountable to the firm's creditors for its past business transactions. True: the new owners' accountability duties are amongst their responsibilities – ie., duties – in relation to the firm's past activities. But new owners made no causal contribution those activities, and are not praiseworthy or blameworthy for them.

3. Making people accountable

We sometimes say that some person (or group or corporate entity) *should be made accountable* for their conduct. Whether or not we think that the person has relevant moral duties, we are saying that (1) there should exist some law or rule which creates a formal/ conventional duty to provide an account, and that (2) there should exist effective ways of enforcing the duty. A great deal of the literature in law, political science, economics, management and social policy is concerned with the wise formulation of laws and regulations for the creation and enforcement of accountability duties.

Consider, for example, political accountability. One of the central ideas of democratic political thought is that the legislative and executive branches of government *are accountable* to the people. Accountability to the people must involve more than liability to be voted out of office in a parliamentary election. How much power do the people in practice have to extract an accounting from ministers and civil servants? Democracy has been only partially secured if the answer is 'little'. In that case, democrats think, ministers and civil servants *should be made more accountable*. Other things being equal, democracy is strengthened by measures which enhance the ability of parliament to obtain information and explanations from government departments and agencies, and which open up administrative decisions to scrutiny by ordinary members of the public. Devising appropriate measures along these lines is an important and difficult task.

4. Do businesses possess purely moral accountability duties?

Business firms possess a great many formal/ conventional accountability duties. Government bodies are currently spending much effort in devising new laws and regulations concerning information that firms must supply to shareholders, to creditors

and others. What information, exactly? And how can the requirements best be enforced? These are important matters, indeed vital ones for the economic well-being of our society. This paper, however, is not concerned with them. Rather I aim to discuss underlying moral issues.

It is obvious that firms possess moral accountability duties derived from formal/ conventional accountability duties -- ones specified in law, contracts, or the rules of organisations the firms have joined.⁶ It is also obvious that it is often in the long-run commercial interests of a firm to provide information and explanation to various people even when it has no formal/ conventional duty to do so. Frequently, openness will preserve good relationships with present suppliers and customers, and will encourage people to become future suppliers and customers. Such effects are obviously conducive to the long-run profitability of the firm.

But does a firm ever possess moral accountability duties which extend beyond its corresponding legal duties, and possess them when compliant behaviour is not in the long run interests of the firm? Some people would say, flatly, *No*. There are other people who would say *Yes, but such accountability duties are held only to the firm's current owners*. Amongst the thinkers who hold one of the foregoing views -- we need not here decide which one, exactly -- is the American economist Milton Friedman, whose best-known works on business ethics do not discuss accountability, but commit him to a negative answer. Friedman writes:

[In a free economy] there is one and only one social responsibility of business -- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud.⁷

[The responsibility of a firm's executives to its owners] is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom.⁸

Notice in the second quotation the legitimate relevance of ethical custom is presented as depending upon the assumption that the owners want ethical custom taken into account. This suggests that in the first quotation what Friedman means by 'the rules of the game' is the law.⁹ If what Friedman says is correct, then businesses have no moral accountability duties which do not depend on legal accountability duties (or, perhaps, on the desires of shareholders).

But are there strong arguments in favour of a drastic restriction on firms' range of moral accountability duties? The two most significant arguments are what I will call *the argument from property rights* and *the rule-utilitarian argument*.¹⁰

The former says:

- 1) The firm is the property of the owners
- 2) The owners typically want the firm to maximise its profits
- 3) Therefore the owners have a moral right that the firm maximise its profits within the law
- 4) Therefore the firm can have no moral accountability duty which is inconsistent with maximising its profits but not generated by a legal accountability duty.

One response to this argument is to reject the inference from 1) and 2) to 3), on the grounds that it rests on too crude a view of property. There is a complex set of legal and moral claims that people have on the firm in virtue of holding shares in it. Alongside these is a complex set of legal and moral claims that other people have on the firm. Why should we accept that the wishes of shareholders have overriding moral authority in all matters not determined by law?

There is no real need here to develop a sophisticated account of property rights. It suffices to observe that in general there are moral restrictions on how individuals use their property, and on what principals can legitimately expect their agents to do on their behalf. Premises 1) and 2) offer no reason to think that businesses are exempt from moral duties to which individual consumers and non-commercial organisations are subject. If it would be morally illegitimate for the owners to demand that firms act in certain ways, then the firms cannot be morally required to act in those ways in virtue of the rights of the owners. And (frequently, at least) it *would* be morally illegitimate for shareholders to demand that firms act unfairly or malevolently, say, on their behalf.

Obviously if the argument to 3) is unsuccessful, then the argument from property rights fails to establish 4).

The rule utilitarian argument deserves greater respect, but it still fails. Rule utilitarianism is a moral theory which says:

- in any particular situation the right thing to do is to act in accordance with the relevant valid moral rules; and
- the valid moral rules are those whose adoption will maximise net happiness (or preference-fulfilment) for the whole population of society.

It is now claimed that the happiness-maximising set of moral rules will exempt firms from requirements that apply to other organisations and will ascribe to firms only the moral duty to maximise profits within the law. This conclusion in turn implies the thesis that we are most interested in here, namely that the firm cannot have any moral accountability duty which impedes profit but is does not depend on a legal accountability duty.

There is little reason to believe the key claim that the happiness-maximising set of moral rules and will require of firms merely that they maximise profits within the law. For example, the moral values which permeate relationships between members of a firm, and between the firm itself and its employees, have a major effect on job-satisfaction. If the firm itself -- really, not merely in pretence -- regards its employees as more than tools for use in making money, cares about them, remains loyal to them, then people's morale will

be far higher than it otherwise would be. Hence a happiness-maximising set of moral rules will require that the firm have such attitudes, and act appropriately.

The fundamental truth underlying business ethics is that commerce cannot be walled off morally from the rest of life. Individuals who are not running businesses are linked by a webs of gratitude, loyalty, friendship, professional responsibility, promise-giving and other interpersonal and communal relationships which give rise to moral accountability duties. So are organisations such as sports clubs, orchestras, trade unions, churches and schools. It would be implausible to maintain that businesses are not linked to individuals and organisations by gratitude, professional responsibility, promise-giving etc. This would be a manifest sociological falsehood. It would be equally implausible to maintain that they are, but these relations never give rise to moral accountability duties, beyond those generated by a basic imperative to maximise the interests of the shareholders within the law. Given the failure to the argument from property rights and the rule utilitarian argument, such a claim would stand out as arbitrary.

5. Grounds of purely moral accountability duties in business

From now on I take it for granted that firms have moral accountability duties which extend beyond their corresponding formal/ conventional duties. I will not attempt here to chart their contours and bounds. Amongst other things, there is a need to examine how accountability sets limits to legitimate claims of privacy and confidentiality, and vice versa. There are many moral aspects of social life which play important roles in generating purely moral accountability duties. They include requirements of gratitude to benefactors, and requirements that one disclose hazards to people's safety and health. I will sketch two such considerations.

In what follows I abstract from the political context in which business operates. True: the moral and the political interpenetrate each other. Nevertheless there are moral principles concerning accountability – as there are concerning justice – which *hold* (whether or not they are *recognised*) across a very wide range of cultures and political systems, and which hold even in the complete absence of sovereign authority.

(a) The firm should provide information and explanations in partial fulfilment of its moral duty to inspire and preserve trust in its own integrity.

My claim that a firm has a moral duty to inspire and preserve trust leaves does not identify *whose* trust the firm should seek, or exactly *what* information and explanations the firm should provide. In this respect it is like 'You should get regular exercise', which does not tell us what sort of exercise, or how much. Despite their lack of specificity, both claims state important truths.

The principle concerning trust rests on two ideas. Firstly, there is a link between trust and the Kantian moral requirement of respect for persons. Kant's idea is summed up in his

third formulation of the Categorical Imperative, known as the Formula of the End in Itself:

Act in such a way that you always treat humanity, whether in your own person or in the person of any other, never simply as a means, but always at the same time as an end.¹¹

Admittedly, desiring and promoting other people's trust in you can involve treating them as mere means to the attainment of your own goals. You might, for example, be manipulating them by creating unwanted pressure to fulfil your aims. Nevertheless desiring and promoting other people's trust in you can also constitute a way of expressing your recognition of other people's value as moral agents, whose esteem is worth having for its own sake. And if you know someone at all well, failure to desire that they trust you typically involves disrespect for them, a failure to recognise them as an end in themselves. I assume that corporate entities, as well as individuals, can and should treat individuals as valuable for their own sakes. So businesses, along with hockey clubs, have a moral duty to specific people to create and sustain their trust.

In many situations, creating and sustaining certain people's trust in the firm will involve:

- providing information and explanations to them, and answering their legitimate questions, and
- justifying the firm's conduct, or else admitting fault and apologising for wrongdoing or other kinds of sub-standard behaviour, and
- being prepared to take on board the evaluative responses of the people in question.

In these situations, the duty to create and sustain the trust of specific people has given rise to moral accountability duties to those people.

There is a second argument in favour of a duty to inspire and preserve trust. In promoting trust in its own integrity, a firm contributes to the general trust in the integrity of the commercial and other institutions of our society, and such general trust is obviously a great public good. The duty to make a contribution of this kind flows from everyone's moral duty to help upholding the basic structure of our society, if it is largely just. (I assume that there *is* such a duty, and that it applies to corporate entities as well as individual citizens, but there is no space to argue this here.) Now this duty is one of fairness: a duty owed to other members of society not to free-ride. After all, the great good of general trust might not be diminished, at least not much, by this or that person's failure to contribute: one central reason why free-riding is wrong is that it is unfair to those who do contribute.

Now there are times when everyone's duty to raise, or at least maintain, the general level of trust within a community will give rise to accountability duties owed by a firm to the community. (I take it as obvious that a firm can have duties to a community – eg., to the town in which its premises are located. Whether duties to the community can be completely analysed in terms of duties to each of the individual members of the

community is an issue we need not deal with here.) A firm's duty to the community to promote the general level of trust will sometimes, maybe often:

- offering information and explanations to the community, and
- justifying the firm's conduct, or else admitting fault and apologising for wrongdoing or other kinds of sub-standard behaviour, and
- being prepared to take on board the community's evaluative responses

In such cases, the duty to create and sustain a general climate of trust has given rise to moral accountability duties to the community.

(b) The firm should provide information and explanations to people it has wronged, and to people whose legitimate hopes it has intentionally created, and then failed to fulfil.

Typically if you wrong another person, and it is possible for you to give an account to them of one's behaviour, then you have a duty to give an account. With minor offences, the duty frequently derives from a moral duty to be civil. Requirements of civility include showing respect to other people by fulfilling whatever the relevant conventions of etiquette may be – for example, to apologise for being late for an appointment.

Often, however, duties of accountability also have sources other than, or as well as, civility. If you violate someone's basic rights or badly let them down, then depending on the details you may owe them compensation; but what is more to the point here, you should apologise; you should explain, to them (or their heirs or representatives) how you came to do this thing – perhaps by offering an excuse, or by frankly admitting that it was due to your carelessness, bad temper, etc.

Why? Well, consider a parallel question: why should people be grateful to someone who has intentionally benefited them, and why should they express their gratitude in thanks? Gratitude, and the disposition to thank can be identified as virtues via their role in enhancing individual human lives, and social wholes. But we need not be able to spell out this rationale in detail to be confident about the basic point. After all, the belief in the importance of gratitude and thanks is deeply entrenched in human nature, holding across virtually all cultures.

Similarly with accountability for wrongdoing. The disposition to account to people whom you have wronged is a moral virtue at least partly because they help restore, safeguard and enhance peace and harmonious relationships. They do so by expressing respect and assuaging resentment. These facts also assist us to identify accounting to people whom you have wronged as a moral duty – whether we fill out the story in Kantian, utilitarian, contractarian or other terms., and whether 'you' are an individual or a corporate entity.

Developing the foregoing considerations, we can see a business's moral accountability duties arising from wrongdoing as forming part of its duties of reparation. Consider a case in which the firm negligently harms someone else who does not know of its involvement; indeed, they do not even know that the harm was due to agency (rather

than, say, a phenomenon of nature). Here is one way of looking at the matter. It is good for the person harmed that they know that the harm was due to agency, that this firm was the agent, and that this firm was morally to blame. The firm's explanation of what happens therefore benefits the person harmed (though it does not even partially compensate them for the harm). The firm has a duty to provide this benefit, as a proper expression of its recognition of the person's dignity as a rational agent, as opposed to a passive victim.

Furthermore the firm has a duty to take into consideration the person's evaluative response to its confession – eg., statements about what steps should be taken to prevent future accidents; statements to the effect that the company employees most directly involved in causing the harm should meet face-to-face with the victim, and so on. This duty exists because in the absence of openness to such feedback, the firm's accounting is an interpersonal transaction only in a thin sense, and therefore inadequately reflects the dignity of the person harmed, and so constitutes inadequate reparation..

Thus in this example, the various conditions for the existence of an accountability duty are fulfilled.

Accountability to others for causing harm extends beyond wrongdoing. Suppose that a child is killed by a freak accident while visiting a factory. The child's death was in no way the fault of the firm or any of its employees. The firm may have legal duties to answer questions by the coroner. But over and above any legal duties to the authorities, morally speaking the firm owes *the child's parents* an accounting, an explanation of what happened. If the firm merely confines itself to expressions of sympathy but (perhaps on legal advice) is unwilling to talk to the parents about the accident, then it manifests a kind of disrespect for the child and the child's parents. In Kantian terms, explaining to the parents how the child came to die is one way of treating the child and the parents as ends in themselves, rather than merely as means.

Let me summarise. The first part of this paper has been taken up with a general analysis of accountability. The second part used this analysis in dealing with accountability in business. There I argued that firms sometimes possess moral accountability duties which extend beyond their corresponding legal duties, and possess them when compliant behaviour is not in the firms' self-interest. I then highlighted two moral aspects of social life which play important roles in generating purely moral accountability duties for businesses.

ENDNOTES

¹ For example, the American academic lawyer Christopher D. Stone writes: When I speak of corporate accountability in morals, I refer to legal rules that govern the ascription to corporations of moral terms, such as “X Corp. was ‘blameworthy,’” “Y Corp. acted ‘wrongly’ [in the moral sense].’ Legal accountability involves the rules that govern the ascription of legal terms, e.g., “X Auto Corporation was guilty of manslaughter,” the “Y Oil Company bribed Z.” (Christopher D. Stone, ‘Corporate Accountability in Law and Morals,’ in Oliver Williams and John Houck, eds., *The Judeo-Christian Vision and the Modern Corporation*, University of Notre Dame Press 1982, p.281.) Stone goes on to discuss when a corporation is morally or legally accountable for – ie., blameworthy for – the bad actions of its employees.

² It is not necessary in this paper to present a complete chart of the array of idioms commonly used in relation to accountability. For example, we would normally say that a business is accountable to the taxation office *in relation to its profit*, but we would not say that a business is accountable to the taxation department *for making its profit*. What a business is typically accountable to the taxation department *for* is its payments to the taxation department and the information it supplies, including especially its tax return. For example, the firm has a duty to show that it has handled PAYG payroll deductions properly, or at least to appropriately deal with its failure to do so; it also has a duty to take into account the taxation office’s evaluative response to the way it has handled PAYG payroll deductions.

³ Can x be accountable for z even though there is no y *to whom* x is accountable? I will neglect the possibility. True: you can have a duty to give generously to help people in need, even though there is no-one to whom you have the duty – no-one who has a right or entitlement to help from you. So maybe we can recognise a conceptual space for you to have a duty to give an account to someone or other, without there being anyone such that you have a duty to give an account to *them*. But this argument is not decisive.

⁴ Notice that my analysis does not imply that you can discharge an accountability duty merely by saying I am sorry’; for this, by itself, hardly amounts to giving an account, an explanation.

⁵ The appropriate dealing might be limited to expressing x’s repentance or the repentance of x’s principal, or expressing a determination to oppose repetition of the sub-standard performance of x’s subordinates.

⁶ This might be denied on the grounds that firms possess no moral duties of any kind at all. John Ladd (1970) has defended this view. I will here ignore it, along with relativism concerning business ethics.

⁷ Milton Friedman, *Capitalism and Freedom*, University of Chicago Press 1962, p.133.

⁸ Milton Friedman, ‘The Social Responsibility of Business Is to Increase Its Profits,’ *New York Times Magazine*, September 13, 1970; reprinted in T. Donaldson & P. Werhane, eds., *Ethical Issues in Business: A Philosophical Approach*, Prentice-Hall 1983.

⁹ Albert Carr says: ‘I think it is fair to sum up the prevailing attitude of businessmen on ethics as follows: We live in probably the most competitive of the world’s civilised societies. Our customs encourage a high degree of aggression in the individual’s striving for success. Business is our main area of competition, and it has been ritualised into a game of strategy. The basic rules of the game have been set by the government, which attempts to detect and punish business frauds. But as long as the company does not transgress the rules of the game set by law, it has the legal right to shape its strategy without reference to anything but its profits. If it takes a long-term view of its profits, it will preserve amicable relations, so far as possible, with those with whom it deals. A wide businessman will not seek advantage to the point where he generates dangerous hostility among employees, competitors, customers, government, or the public at large. But decisions in this area are, in the final test, decisions of strategy, not of ethics.’ Albert Z. Carr, ‘Is Business Bluffing Ethical?’ *Harvard Business Review* 46 (1968), p.167.

¹⁰ Friedman, in the works cited above, offers other arguments for the claim that business firms ought not to give money to charity, or promote other socially desirable ends, unless doing so will enhance profits. But even if these arguments established this claim, they would fall well short of delivering the claims made in the passages quoted.

¹¹ Immanuel Kant, *Groundwork of the Metaphysic of Morals*, translated in H.J. Paton, *The Moral Law*, Hutchinson 1948, p.91.