

THE FIRM'S SOCIAL RESPONSIBILITIES

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Introduction

The present paper attempts to analyze the topic, so much discussed over the last few years, of the social responsibilities of the firm. It aims to do so in such a way that the conceptual schemes and methodology employed in it will be useful not only to institutions whose ends are primarily of an economic nature and promoted by free initiative, but also to institutions of a different promotional approach and even with other primary social aims.

Although the main emphasis in this paper will be on what, in IESE's Corporate Policy Model, is designated as the "indicator of social responsibilities", account will also be taken of such responsibilities as a firm might, in a larger context, be held to have. We shall analyze some of the ways in which they are conceived nowadays as well as how different schools look upon them.

This paper has taken as a reference point the position occupied by the course on Responsibilities and Preferences of Top Management, within the general context of the Corporate Policy courses in IESE's Master's program.¹ For this reason, we do not develop in greater depth such topics as reform of the firm, diverse aspects of the structure and institutionalization of society or certain complex problems of the socio-politico-economic environment; the study of which does not belong in a course of the Responsibilities and Preferences of Top Management.

On the other hand, since this paper's approach is intended to be practical rather than unduly speculative, dealing with the identification and solution of problems for the purpose of shaping a sound corporate policy, we will not review here aspects more related to sociological analysis, as would be the case, for example, in a study of the evolution of labor movements.

It should be borne in mind that IESE's Corporate Policy Model is a comprehensive one and that it is so for a number of reasons. In the first place, because it views the firm's social function as a whole, consisting of: "rendering services or goods-services and achieving an increase in economic value in a free market. This should be enough, at least in the long run, a) to satisfy

¹ This scheme distributes the eight Corporate Policy courses as follows: 1. Objectives, Policies and Action Plans. 2. Elementary Problems of the Socio-Politico-Economic Environment. 3. Structures in Action. Dividing and Assigning Managerial Action. 4. Institutions and Structures in the Total System. 5. Structures in Action. Action Processes. 6. Complex Problems of the System as a Whole. 7. Responsibilities and Preferences of Top Management. 8. Top Management. Changes in the System as a Whole.

all the employees with a certain amount of economic benefit, b) to satisfy the capital resources, c) so that the firm may make the expected investment to guarantee its long-term evolution and to make social investments, that is, investments derived from the firm's obligations to the society in which it exists".² This means that the greatest emphasis should be placed on knowing how to achieve the best possible delivery of goods and services and obtaining a sufficient added economic value as well as an adequate distribution of it, as this is the clear and effective manner of working out the specific way in which each individual firm should collaborate toward the attainment of the common good.

In the second place, because the application of said Corporate Policy Model is not limited to the design of objectives, policies and plans of action, but also deals with the manner of making real the firm's collaboration in attaining the common good by skillfully guiding a whole set of actions which make up the effective implementation of its system of objectives and policies.

And, in the third place, because of the fundamental importance assigned in the implementation to individual professional development, that is, the professional training of all employees. Such individual development is, undoubtedly, one of the firm's most significant contributions to society.

IESE's Corporate Policy Model therefore expressly emphasizes, in the context of an ethic for the top management of the firm, the fulfillment of the firm's social function; a fulfillment leading to the development and improvement of all employees and keeping in mind it's the firm's duty to contribute in a subsidiary form to the common good. It should be made very clear at the same time that the fundamental responsibility of all employees is to know how to add sufficient economic value and to deliver the goods and services needed by society, for we should not lose sight of the fact that this is a point where a measure of irresponsibility is frequently shown.

The use made in the Corporate Policy Model of the Indicator of Social Responsibilities – as the “responsibility of attending to the needs appearing in the immediate environment to which the firm is linked by moral or geographical ties”³ – also clearly contributes to making that model complete, both when selecting the firm's objectives and when working out the means for attaining them. In fact, by taking this indicator into account when a firm designs its system of objectives and policies, an additional link is made between its strategy and society, helping in its elaboration and improvement while, at the same time, guaranteeing that it has a responsible task looking beyond its sole particular advantage. And it does this, as an effective firm usually does things, specifically and with the amplitude of vision and effectiveness in action that should characterize long-range planning.

The Indicator of Social Responsibilities not only specifies the firm's relation with society, but also identifies the actions of the firm in terms of the state,⁴ ranging from fiscal obligations to “promotional decisiveness”.

Since it is not able to be the sole definer of the characteristics of the common good and the responsibilities arising from its pursuit, the state is evidently not able to satisfy all the requirements that are essential in a living, developed society. To be convinced of this, it is

² Valero, Antonio, “Estructura de la Empresa” (Corporate Structure), *Nuestro Tiempo*, 93 (March 1962), pp. 351-364.

³ Valero, Antonio, quoted by Gallo, Miguel A., in “Responsabilidades político-sociales de los ciudadanos, instituciones públicas y privadas y eficacia económica en la España de 1975” (Socio-Political Responsibilities of Citizens, Public and Private Institutions and Economic Effectiveness in 1975 Spain), *Nuestro Tiempo*, (May 1975), pp. 55-72.

⁴ At this point we should remember the obvious difference between the State and Society.

sufficient to remember that the common good is, neither more nor less, “the set of conditions of social life that make it possible for men to develop as rapidly and completely as possible”.⁵

The Indicator of Social Responsibilities, as used by IESE’s Corporate Policy Model, is based, in the final analysis, on the right and duty of the firm to collaborate in a subsidiary manner to the attainment of the common good. The concept of man and society implicit in it is a Christian one; one that strives, in its application, to constitute a workable response to the frequently repeated calls manifested in the social doctrine of the Church.

I. Model for classifying and analyzing responsibilities in the firm

The present confusion around basic aspects of ethical behavior in managerial work, and the related polemics – a good part of the time dealing with the much-discussed “conflicts of interest” – so widespread of recent years,⁶ are of very little help to a company manager at times like the present when, not only must they face a multiplicity of complex socio-economic problems but also find that such problems impinge more than ever before on society and on the people in the firm or those nearest to it, for all of us have become more sensitive to such problems.

Many managers seem to have lost confidence in their own judgment on such basic managerial aspects as whether or not business firms are beneficial to society, whether free enterprise is still effective, whether to gain profits is ethically doubtful, whether the sheer size of a firm can signify the impossibility of carrying out tasks in an ethical way, etc., and end up not knowing what are the just and effective realities⁷ for which business firms should fight.

Such confusion does no one any good, for not only do truths begin to be forgotten (such as, for example, that if business firms did not exist, citizens would have no goods or services and this would erode the common good), but it also leads to an inability to distinguish between different things on the basis of their relative importance, their significance in the context of the fulfillment by the firm of its social function (as, for example, to consider of equal importance, when judging the firm and its role in society, the possible venality of some of its salesmen and the failure to fulfill a responsibility towards its immediate environment).

Society as a whole is progressively harmed by such a situation, for it cannot come to a precise conclusion regarding the role of business firms, nor how such a role should be played by the people who – often exercising enormous power – manage them.

The model for classification and analysis that will be given later in these pages starts from four closely interrelated points. These four points, coupled with knowledge of their application to the situations characteristic of the firm, are the basis for understanding the responsibilities existing in the firm (see Figure 1).

⁵ John XXIII, *Mater et Magistra*, 1961, point 65.

⁶ Clear examples of this polemic are: Andrews, Kenneth R., “Can the Best Corporation be Made Moral?” *Harvard Business Review*, May-June, 1973 and July-August, 1973. Burk, Gilbert, “The Hazards of Corporate Responsibility”, *Fortune*, June, 1973. Cabot-Lodge, George, “Business and the Changing Society”, *Harvard Business Review*, March-April, 1974. McGuire, Joseph W., “Business and Society” (New York: McGraw-Hill Book Co., Inc., 1963), pp. 143-152.

⁷ We have adopted here the definition of Political Science given by Professor Antonio Valero, as the science of true and effective realities. “Punto de Partida. (A Starting Point.)” (Pamplona, EUNSA, Biblioteca IESE, 1967), p. 34.

The first of these points is that the firm collaborates directly for the attainment of the common good by virtue of the fact that it fulfills its social function of delivering goods and services, of obtaining sufficient added economic value to the adequate compensation of its components, to fulfill its duties to society, and to insure its self-continuity.

The second is that the firm, in all of its work, should be at the service of man, being as it is a set of activities whose end is to help man attain the existential ends proper to him.⁸

“Human activity, as it proceeds from man, so also does it regulate to man. For he, by his activity, not only transforms things and society, but also perfects himself. He learns much, cultivates his faculties, improves and transcends himself. Such improvement, rightly understood, is more important than any material riches that may be accumulated. Man is valuable more for what he is than for what he has. Thus, too, whatever men do to achieve more justice, a greater degree of fraternity, and a more humane statement of social problems is worth more than technological progress. For such progress may offer, so to speak, the material for human promotion but, in themselves, cannot carry it out” (II Vatican Council, *Gaudium et spes*, point 35).

In the third point, the firm is regarded from the point of view of the social cooperation that should be engaged in, taking into account that society is a supra-individual unit, in the sense that social cooperation produces something new – of a synergic character – in which all of its members participate.⁹

The fourth explicitly refers to the acceptance of the Church’s social doctrine and the desire to apply it, and, therefore, to the permanent acceptance of a viewpoint corresponding to a Christian conception of life.

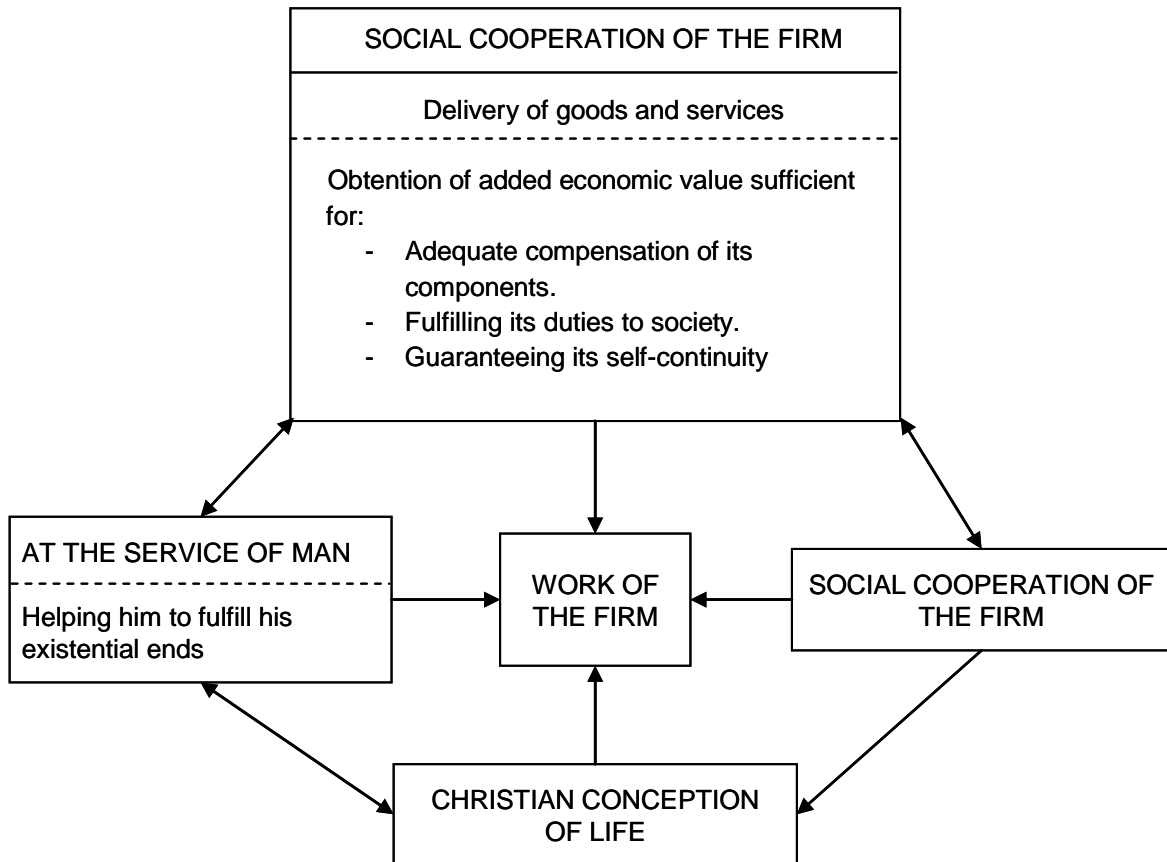
“When exercising so noble a function (the responsibility of laymen in the field of social action), it is imperative that laymen shall not only be competent in their respective professions and work in harmony with the laws pertinent to the attainment of their ends, but also that they shall adjust their activity to the social principles and norms of the Church, whose wisdom they should sincerely trust and whose mandates they must obey with filial submission” (John XXIII, *Mater et magistra*, 1961, point 241).

⁸ Messner, Johannes, in his book “*Ética social, política y económica. A la luz del derecho natural*”, (Madrid, Ediciones Rialp, S.A., 1967), pp. 38 and 39, states man’s existential ends as follows:

“Self-preservation, including the intangibly corporal and the social consideration (personal honor), Man’s own perfection, physical and spiritual, including the development of his capacities for the improvement of his living conditions, as well as the provision of his economic welfare by means of assurance of property or necessary income, The expansion of experience, knowledge and the capacity to appreciate beauty, Reproduction by means of cohabitation and the education of his children, Participation in the material and spiritual welfare of all other men, as a human being endowed with the same dignity as they. Social unity for the development of general utility, consisting in insuring peace and order and in making possible the human improvement of all members of society by means of a proportional participation in the amount of available goods, The Knowledge and worship of God and the definitive fulfilment of man’s destiny by means of union with Him”.

⁹ Messner, Johannes, op. cit., p. 160. “Society is the union of men to help each other mutually in the achievement of the fully human being demanded for existential ends”. “They are united by cooperation based on need and in the individual man’s capacity to complement. United efforts attain, in their reciprocal complementation, a considerable greater effectiveness than the sum of individual efforts”.

Figure 1



“Distrust of human sciences affects a Christian more than it does others, but does not find him unprepared. Because – as We ourself have written in *Populorum progression* – it is at this point that the Church’s specific contribution to civilizations is to be found: participating in the best aspirations of men and suffering to see them go unfulfilled, the Church wishes to help them attain their full development, and this precisely because it proposes to them what is its own: a vision of man and humanity as a whole” (Paul VI, *Octogesima adveniens*, 1971, point 40).

A business firm has a personality of its own, fitted to the social end it seeks. This personality is specified to a great degree not only by what goods and services it wishes to deliver to society but also in the manner in which it chooses to do so and even according to the circumstances of the times in which it happens to exist.

A firm’s personality may be said to be constituted by the integration of a multiplicity of processes, some pertaining to policy, such as the management process,¹⁰ others of a more technical nature, such as basic production operations,¹¹ and it is by doing things in all of these

¹⁰ Set of activities carried out by the manager to “lead a firm from a present situation to a future one that is relatively better”. Valero, Antonio, quoted by Lucas, José Luis, in his Doctoral thesis, “Sistema de Objetivos y Políticas y Proceso de Negocio”, (IESE, May, 1975, Chap. I).

¹¹ Logical grouping of activities representing clearly differentiated stages in the process of the transformation of materials; these are normally separated by the existence of inventories and they usually coincide with the groupings of men and resources useful for the progress and development of the manufacturing processes. Gallo, Miguel Angel, “La Dirección de los Procesos de Compra”, (Pamplona: Ediciones de la Universidad de Navarra, S.A., Biblioteca IESE, 1975), p.40.

processes that if fulfils – to a greater or lesser degree – or, conversely, leaves unfulfilled, its responsibilities.

If any advance is to be made in analyzing the responsibilities of a firm, the four points in Figure 1 must be broken down into their component details in regard to what is appropriate to such processes. And, logically, the best way to do this would be to achieve it gradually, basing it on the most transcendent process of the firm, its managing process, going deeply into the two parts constituting it: the design of the System of Objectives and Policies and its implementation (see Figure 2).

In the first place, therefore, “the orderly set of objectives, policies and action programs that, starting with what the firm is now, shows what it should be at some specific point in the future”,¹² that is, the System of Objectives and Policies should be designed taking into account all of the indicators that have been shown to be useful for the purpose (opportunities, perils, strengths, weaknesses, and policy preferences), but doing so from the standpoint of the four basic points shown in Figure 1. This means that we must know how to incorporate into the System of Objectives and Policies the fulfillment of certain responsibilities internal to the firm and certain others external to it.

The opportunities and perils arising in the environment should be dealt with by the firm in the context of a complete fulfillment of its social function, collaborating in the attainment of what is authentically for a common good and accepting the fact that other groups of people have the right to take the initiative in seeking objectives similar to theirs.¹³ This attempt to authentically fulfill their social function will lead them to put a special – responsible – emphasis on the selection of the sort of goods and services to be delivered to society and, in developing this function, to look into them so that they can collaborate in developing the personalities of the people. Such emphasis should also be laid upon keeping very much in mind the social demand that consists of knowing how to make resources and instruments productive, as well as committing ourselves to the task of making sure that, in the long run, society does not lack – because of the negligence, weariness, incompetence or lack of audacity of businessmen – the goods, services or added economic value that the firm can provide, the employment of capital that it achieves, or the jobs and professional careers that it gives to people.

“The fundamental aim of such production (agricultural, industrial or the rendering of services) is not the mere increase of products, nor profits, nor power, but service to man, to the whole man, taking into account his material needs and his intellectual, moral, spiritual and religious demands” (II Vatican Council, *Gaudium et spes*, 1965, point 64).

The strengths and weaknesses in the firm will have to be used to advantage and directed toward obtaining the abovementioned points. Nor should it be forgotten that it is in carrying out such tasks that the people who constitute the firm have to fulfill a goodly part of their duties and exercise some very important rights of their own.

With the indicator of social responsibilities, we can proceed to analyze the socio-politico-economic environment and discover and select what the firm can and should do, to the extent of its ability, to cooperate socially with the people who constitute that environment as well as with

¹² Lucas, José Luis, op. cit., Chap. I.

¹³ “Offering to society, and considering for itself that such competition constitutes a guarantee of the quality of its effort, of the continuity of its stimulus and of the contents of its service”. Valero, Antonio, “Base y orientaciones para la reforma de la empresa en España”, *Información Comercial Española*, (March, 1969).

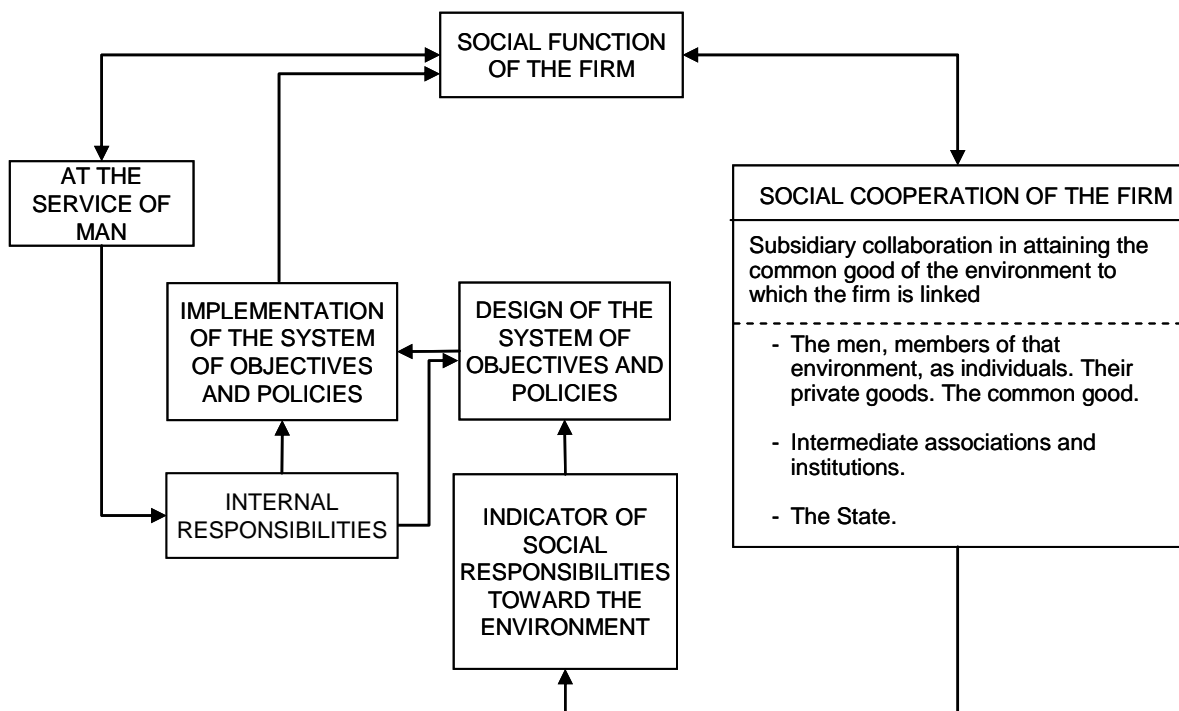
the diverse intermediate associations and institutions that these people, honestly engaging in free enterprise, constitute and develop for the improvement of their own particular good and of the common good. The points that this indicator may lead us to include in the System of Objectives and Policies of the firm will constitute a subsidiary contribution of the firm to society in its advance towards improvement and collaboration with the objectives of the State. Such a contribution is very different from that pertaining to goods and services and economic values.

In the second place, “the set of activities carried out in a firm for the purpose of turning into a reality the future situation defined by its System of Objectives and Policies”,¹⁴ i.e., the “implementation”, should also be “responsible”. That is, the execution of a set of actions leading to its implementation should be such as to contribute to the self-improvement and improvement of the personal goods of the people who carry it out – those who belong to the firm and are an integral part of it; hence the designation “internal responsibilities” given in Figure 2.

This constitutes a new way of organizing for action which, while effective for attaining objectives, is also useful in allowing people to exercise their rights and fulfill their duties, bearing in mind the fact that much of their time is spent in the firm. And it also constitutes the way of acting, the behavior of people going about their daily tasks, their working decisions, their attitudes and style of doing things, in an ethical manner, that also has the moral dimensions appropriate to human beings.

Having commented in general terms on the points of social and internal responsibilities, and indicated the aspects of organization and action, we now examine their contents. And it is from this moment that, in the proposed model for the classification of responsibilities, the fourth point of Figure 1, referring to a Christian conception of life, should be uppermost in our minds.

Figure 2



¹⁴ Lucas, José Luis, op. cit., Chap. I.

Regarding the manner of organizing for attaining objectives, we must remember, in the first place, that work as a right and as a duty is, in its execution, opposed to the dignity proper to man only when it absorbs an individual's energy to such an extent that it makes it impossible for him to attend to the needs of the soul,¹⁵ bearing in mind at the same time that social justice calls upon every individual to work.

In the second place, the manner of organizing should take full account of the fact that work is man's way of contributing to the common good as well as for earning a living for himself and his family.

In the third place, such a responsible way of organizing should correspond to a manner of structuring for the division of labor that is effective in attaining its objectives, respects and channels the inequalities that exist among people¹⁶ and helps to make sure that specific people participate in everything they are capable of, without forgetting that:

“Participation consists in each person having the opportunities to which he can presumably respond in a positive way”¹⁷

In short, that a given structure is the best suited for attaining the objectives of the firm, it should at the same time apply its conception of the Principle of subsidiarity, in order to allow and attain the best possible personal participation from the people involved (see Figure 3).

“The entering into the field of politics also represents an actual demand of men: greater participation in responsibilities and decisions. Such a legitimate aspiration is above all manifested to the degree that the cultural level improves, the sense of freedom develops and men become aware, with greater knowledge, how, in an uncertain world, today's decisions already condition the life of tomorrow. In his Encyclical, *Mater et magistra*, John XXIII emphasized that admittance to responsibility is a demand of man's nature, a specific exercise of his freedom, a way for his development; and he pointed out how in economic life, particularly in business, such participation in the responsibilities should be assured”. (Paul VI, *Octogesima adveniens*, 1971, point 47).

In the set of processes which comprises the firm, we should not forget that the most important – from every point of view, especially from the point of view of responsibilities – are the people carrying out the processes; the people who, in the course of their daily work analyze, evaluate and select – make decisions – among the different alternatives; the people who contribute their time, imagination and effort to the attainment of objectives; the people who accept the risks proper to such a task and being committed to obtain results; and, finally, the people who, being at the top of their companies, give a daily example of workable and effective action,

¹⁵ Millan Puelles, Antonio, “Persona humana y justicia social”. (Asociación de La Rábida, Colección Estudios, 1962), p. 19. Because of their usefulness for the following paragraphs, we recommend reading points 28 to 34 in the Encyclical, *Pacem in terra* on “the duties of man”, here we will only quote the following:

“It is a further consequence of what has been said that, in human society, to each natural right of each man corresponds a duty in all the rest to recognize and respect it. Because any one of man's fundamental rights derives its obligatory moral force from natural law, which confers it and imposes the corresponding duty. Therefore, those who, in defending their own rights, completely disregard their duties, or fail to give them due importance, are like those who tear down with one hand what they have built up with the other”, (John XXII I, *Pacem in terra*, 1963, point 37).

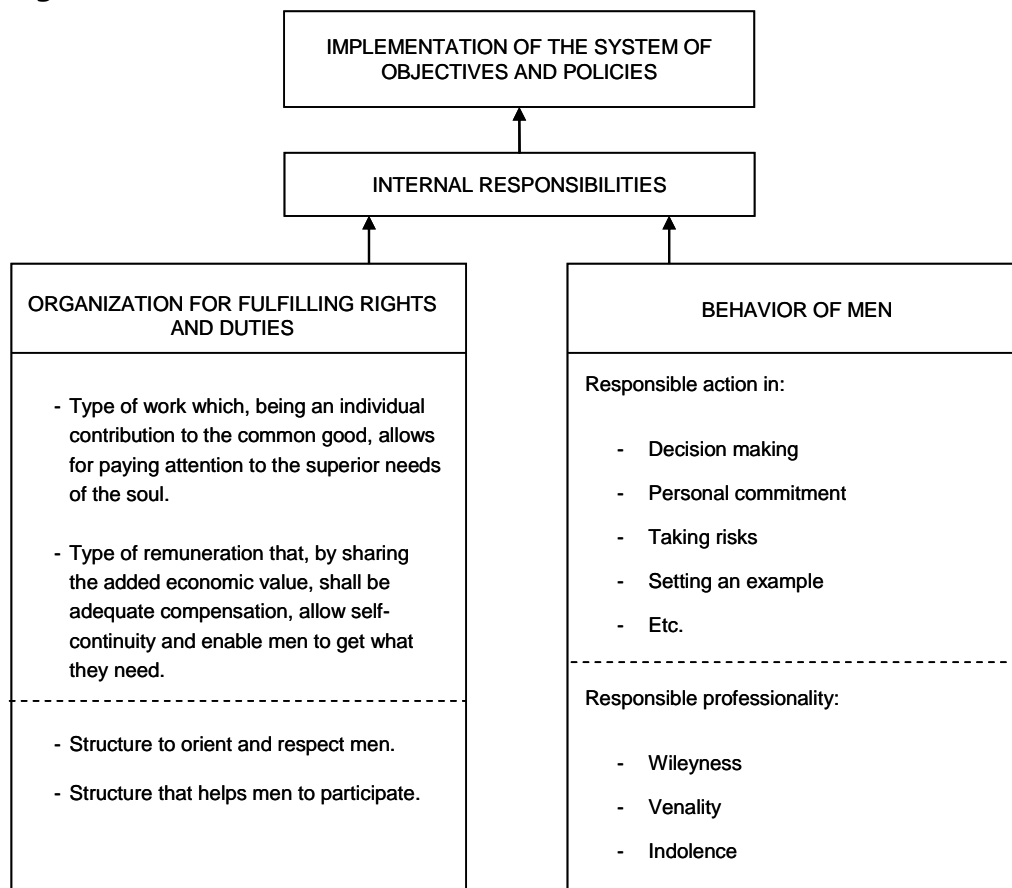
¹⁶ “so that it may redound to the benefit of all, it is a norm of good social organization, whenever it exists, to try to give everyone the necessary opportunities to manifest their personal aptitudes”. Millan Puelles, Antonio, op. cit., p. 33.

¹⁷ Valero, Antonio, DGN-163, “Una nueva empresa para una nueva sociedad” (Technical Note of the Business Policy Department of IESE, 1975), p. 7.

constituting at the same time a model which – sometimes without being conscious of it – the new generations of managers copy.

In these activities, people might be tempted to take short cuts for gaining a greater material effectiveness, to get things done or to attain things more quickly or with less effort. This might include wiliness,¹⁸ leading them to try to attain objectives “not by honest means but by similar ones”; means that cannot be called honest because they do not consider the rights of others or because they impede other people from progressing on their way to ends of a higher nature. Temptations in the form of venality, subjecting the part of the company directed by them to the doubtful intentions of third parties or attempting to force decisions in other companies by expeditious unethical means (commissions paid to sales managers, stock options and other incentives for general managers, etc.). Temptations, lastly, in the shape of ease, leading them, when selecting objectives, not to choose those that would bring about a greater internal responsibility for the firm, or a more efficacious fulfillment of its social responsibilities, but, instead, such as may be attained most easily and, probably, with a magnificent superficial aspect of effectiveness. In other words, the permanent temptation of seeking implementation by procedures contrary to prudence.¹⁹

Figure 3



¹⁸ The word wiliness is used in the pejorative sense, “to obtain an end, whether good or bad, by feigned means and false appearances”, “to use dissimulation and falsehood”. Saint Thomas Aquino (3 Th., 2-2, q. 55, a. 3).

¹⁹ It should be borne in mind here that prudence, as defined by Saint Thomas Aquino, is “correct reason in action”. (S. Th., 1-2, q. 57, a. 4).

Nevertheless, regarding points like those touched upon in the previous paragraph, it is necessary to emphasize that one can only pass a correct judgment on them after one has attained very advanced professional knowledge of the subject. Thus, for instance – and this is easily seen in the case of laboratories that give a direct commission (at so much per prescription) to doctors who prescribe their products, leading to doctors giving such prescriptions to patients who do not need them or who would be as well served by smaller doses of the same medicine or by less a expensive medicine – where it is necessary to learn a great deal about the purchasing process²⁰ so that, knowing how to act in the different phases of it, it will be possible to make a sound judgment over each of its different aspects and circumstances.²¹

“Christians who participate actively in the socio-economic movement of our time and fight for justice and charity, be sure that you have much to contribute to human welfare and world peace. Individually and collectively, set an example in this field. Having acquired the professional competence and the experience that are absolutely essential, respect in temporal action the just hierarchy of values, be faithful to Christ and his Gospels, so that all your lives, both individually and socially, shall be saturated with the spirit of the Beatitudes, most particularly with the spirit of poverty”. (II Vatican Council, *Gaudium et spes*, 1965, point 72).

In the context of each specific situation, the things that will be identified as social responsibilities in a given firm will depend largely on the education of the managers and their value systems. That is, the application of the Indicator of Social Responsibilities (an application that materializes with the inclusion of specific points in the firm’s System of Objectives and Policies) does not depend solely on such specific and objective aspects because, in a given situation, it is necessary to improve to better the common good of the environment to which the firm is linked; it also depends on which of these diverse aspects the managers are capable of identifying by reason of their knowledge of what the common good might be; and which, among the various aspects of the common good that they identify, they prefer.

Such perceptiveness is, to a significant extent, related to the manager’s value system.²² Thus it will transpire that the perception of some social responsibilities will be difficult for managers lacking training in social science, knowing little about the different tasks and manners of organizing existing in society, and not having thought enough about this field or had much occasion to act in it: it is most probable that such people have never completely defined their

²⁰ Total evolution in time of the organization of each sale, or succession of states gone through for satisfying each specific need (knowledge of the need, knowledge of providing sources, selection of a sales plan, etc.).

²¹ Sick people are generally, because of their lack of medical knowledge, not sufficiently capable of self-prescription. Nor can they figure out different ways to attain the same final effect, due to their ignorance of pharmacology, nor can they purchase from different laboratories. It is interesting to compare this situation with the purchase of a washing machine, in which latter case, a person is able to define their needs with precision (load capacity, type of clothes, frequency of washing, etc.), knowing by mean of normal propaganda the characteristics of the machine available and, due to the competition in that sector, and thereby is able to choose among a multiplicity of distributors or sources of supply.

²² IESE’s Corporate Policy Model aims to classify the values of managers in three stages:

- a) The scale of operational values: points in everyday activity which, on the purely practical, workable level, the manager puts before other things.
- b) The scale of specific values: important points, concepts of what is desirable, expressed in terms of criteria for action, that is, as norms that give priority to carrying them out.
- c) The scale of basic values: most important points of his life, essence of his reason for acting.

(Minutes of the Scientific Seminar of the Corporate Policy Department, November 17, 1970).

own concept of what is desirable, what we have designated specific values. Managers with their specific values already formed will, on the contrary, not easily perceive as social responsibilities points not in accord with their ideas of what it desirable.

A Christian conception of life, which takes into account the Church's social doctrines, presupposes the willingness to apply such doctrines to specific situations as they arise; it presupposes a willingness to study these doctrines, to find out which aspects of society the Popes have felt concern about, how they have progressively specified what the common good consists of, and it presupposes going deeply into the analysis of the degree to which, in such situations, said aspects are applicable.

A Christian conception of life presupposes a permanent effort to perfect one's own system of values. To perfect it because value systems are enriched and become more complete to the degree that one has more concepts of what is desirable in a greater number of situations, avoiding over-simplification; to perfect it by bringing one's concepts of what is desirable into ever greater harmony with natural law and positive Divine law.

The model for the classification and analysis of responsibilities in a business firm, after all these considerations, can be graphically represented as in Figure 4, with whose aid it is easier to understand that there are a great many points to be improved in the activities of business firms and that, therefore, it should not seem strange that so many opinions and experiences of improvement should have been given.

Furthermore, with its aid it is easier to analyze what the place is, in the firm's management process, of a given point which someone has classified as a social responsibility (as may, for instance, be the case of "pollution of the environment", which will often be no more than a peril for the firm causing the pollution because of its not having fulfilled a previous obligation, while in others – probably only a few – it will indeed be a social responsibility to the immediate environment: or as regards information to workers about the things being done in the firm, which will be an internal responsibility, related to its manner of organization so that people can exercise their right to be informed, etc.). It will also make it easier to understand with which basic aspects such responsibility is related.

Finally, this model, at least most of it, is also useful for understanding the responsibilities of other institutions in the firm's environment. A labor union or a museum, for instance, must shape its social function without losing sight of the fact that adding sufficient economic value – although by procedures different from those of a business firm²³ – will also be important for them. Their organization, certainly peculiar to their type of institution and the behavior of their people (in processes and topics different from those proper to a business firm) must be fully as responsible. Aside from that, the environment of a museum or labor union undoubtedly also needs help to improve specific aspects of the common good in such aspects as said institutions are best able to give such aid (for instance, education in the one case and social peace in the other).

²³ To make the point clearer, the museum might be considered a tourist enterprise and the union a service enterprise.

Figure 4

