Journal of Business Ethics (2010) 94:239–253
DOI 10.1007/s10551-011-0754-8 © Springer 2011

Speaking Platitudes to Power: Observing American Business Ethics in an Age of Declining Hegemony

Richard Marens

ABSTRACT. Over the last generation, American Business Ethics has focused excessively on the process of managerial decision-making while ignoring the collective impact of these decisions and avoiding other approaches that might earn the disapproval of corporate executives. This narrowness helped the field establish itself during the 1980s, when American management, under pressure from finance and heightened competition, was unreceptive to any limitations on its autonomy. Relying, however, on top-down approaches inspired by Aristotle, Locke, and Kant, while ignoring the consequentialism of Mill and Rawls, made the field totally reliant upon the good will of these same corporate executives for generating any impact. Trends in employee compensation, finance, regulation, government procurement, and taxpayer subsidies suggest that Business Ethics has failed to significantly influence corporate behavior, a result that would have not surprised the realists of the post-war generation of Business and Society scholars. If Business Ethics is to prove relevant in the contemporary world, the field needs to acknowledge past failures and develop new approaches. The decline of American economic hegemony coupled to the increased internationalization of the discipline may create the opportunity to do so.

KEY WORDS: academic history, American hegemony, history of ethics, consequentialism, managerialism, Mill, Rawls, stakeholder theory, social contracting, utilitarianism, voluntarism

Imagine a parallel universe in which an organization that includes the CEOs of major American corporations – Call it the Business Conference Table – monitors the academic field of Business Ethics, and its Office of Censorship enforces the following taboos:

1. No references should be made to research that might measure how businesses treat their stakeholders or the degree to which businesses honor social contracts.
2. Never propose new regulations that would reduce the autonomy of business executives or acknowledge any efforts on the part of executives to block such regulation.
3. Never suggest that stakeholders require countervailing power to protect themselves in relation to top management.
4. Because it is presumed that business leaders champion free markets, never mention that many businesses benefit from government procurement or taxpayer subsidies, let alone argue that certain obligations ought to attach to such assistance.
5. Never recommend that the United States should emulate any legal or ethical practices of other nations.
6. Any negative examples of business behavior must be selected from a short-list of ''bad'' firms (e.g. Enron) or indefensible practices (bribery).

While no such office exists, if it did, it would rarely find fault with the published output of ethicists employed by American business schools. There are exceptions, but these are typically written by newcomers or do not appear in business journals (Ciulla, 2000; Freeman and Evan, 1990, Hsieh, 2005; Radin and Werhane 2003; Van Buren, 2003). By avoiding issues that might disturb corporate executives, the field of Business Ethics has abandoned any vestige of the venerable role of the ethicist as ''gadfly'': willing to push elites beyond their comfort level. Instead of conducting informed analyses that would inevitably

lead to a degree of criticism of common practices, the field has clung to the safe, often lucrative, ''continued devotion to the noncontextualist abstractions found in the lore of conventional philosophy,'' a devotion that requires a ''nearly studied ignorance of what has actually taken place within the American business world'' (Frederick, 1998, p. 44). As a result, Business Ethics has fulfilled DeGeorge's (1991, p. 49) two-decades old prophecy that, ''[i]f Business Ethics is tailored to the wishes of established business, then it will become the inculcation of established norms, a handmaid of business's vested interests, and it will cease to have the objectivity and critical function that justifies it as an academic field.''

This article will examine the intellectual and practical failures of American Business Ethics in five parts. The first part examines the regime of *de facto* censorship, while the second chronicles the political-economic pressures that encouraged it. The third and fourth parts consider how Business Ethics responded to these pressures, finally resulting in support for an ineffective paternalism. I conclude by noting changing conditions that may potentially create opportunities for new approaches to Business Ethics.

A random walk through American Business Ethics

An appropriate example of how Business Ethics restricts its own discourse can be found in an exchange held at the Markkula Center of Ethics of Santa Clara University between two highly respected members of the field, Valesquez and Freeman (2003), on the impact of teaching Business Ethics. Early on in the discussion, Velasquez claimed that ''in a number of areas, such as the environment, race relations, and consumer relations, business has cleaned up its act.'' His choice of positive examples is revealing. Velasquez not only failed to acknowledge that these particular areas were subjected to heightened regulatory and judicial scrutiny that certainly encouraged such acts of cleaning, he neglected to even mention other trends – employee compensation, union busting, abandoning communities, lobbying against regulation and for subsidies – which would not generate any grounds for optimism. While Velasquez did mention financial scandals, he actually brings them up for the purpose of downplaying their significance, dismissing them as but a few rotten apples in supposedly immense barrel of integrity. Freeman's only substantive objection to these claims was over whether academics deserve the credit for all of this allegedly good news.

This exchange is sadly typical: a cherry-picking of facts coupled to a disregard of government, all in the service of protecting the field's meta-narrative: That a generally well-intentioned executive stratum requires little more from the field than a set of coherent principles and assurances that these are economically viable. It is easy to understand that corporate executives, like almost anyone else, would prefer *not* to be judged, bullied by governments, constrained by countervailing power, or reminded that governmental assistance implies reciprocity. Understanding a point of view, however, does not require accepting it, and a serious ethicist cannot reasonably expect to avoid criticizing her intended audience from time to time or challenging its complacency.

A gradual and subtle process of groupthink, rather than outright corruption or explicit threats, best explains the field's self-restraint. Ethicists were first brought into business schools in the 1980s to fill a long-noted pedagogical gap (Gordon and Howell, 1959). Some business schools already employed Business and Society scholars, and a few of these grappled with ethical issues (Bowen, 1953; Selekman, 1959), but they were amateurs, whose expertise lay elsewhere, and their well-regarded efforts implied that hiring specialists would further advance the field (Carroll, 1999; Epstein, 1998). The new recruits, isolated among management academics, ignorant about business operations and their impact on the broader society, and experiencing flattering, sometimes lucrative (Logsdon, 1998), contact with corporate managers, were susceptible to a incremental process insightfully captured by C. S. Lewis (2001, pp. 153–154):

> Obviously bad men, obviously threatening or bribing, will almost certainly not appear. Over a drink, or a cup of coffee, disguised as triviality and sandwiched between two jokes, from the lips of a man, or woman, whom you have recently been getting to know rather better and whom you hope to know better still – just at the moment when you are most anxious not to appear crude, or naïf or a prig – the hint will come…

> And you will be drawn in, if you are drawn in, not by desire for gain or ease, but simply because at that moment, when the cup was so near your lips, you cannot bear to be thrust back again into the cold outer world… And then, if you are drawn in, next week it will be something a little further from the rules, and next year something further still, but all in the jolliest, friendliest spirit… But you will be a scoundrel.

It is in this manner that Business Ethicists allowed others to delineate the limits of their own discipline. While attending a Society for Business Ethics (SBE) in the early part of this century, I observed an example how inertia and inaction work to limit the field's horizons. When visiting the publishers' display room for the traditional last day "giveaways," I notice that virtually all that was left were copies of a journal featuring a special forum on European works councils. I found it odd that at a conference filled with stakeholder enthusiasts, no one would exercise any curiosity regarding works councils, which would appear to be the stakeholder institution *par excellence*, possibly even contributing to Germany's enviable record of retaining high wage manufacturing (Wever, 2008). After a "term" search through the business ethics journals, I concluded that I interpreted this apparent display of indifference correctly, since I found almost no references to works councils in any article.

My list of taboos does, however, explain this otherwise puzzling neglect. Whatever the ethical or economic merits of works councils, they require regulation, generate countervailing power, and perhaps most damning of all, they did not originate in the United States. It might be argued that SBE members are simply unaware of works councils or how they work, and no conscious avoidance is involved. But that is precisely my point: American business ethicists display no interest in viewing or understanding the business world in ways that violate these taboos, leading to outcomes essentially undistinguishable from censorship.

Ultimately, however, groupthink cannot explain why previous generations of business school academics appeared to have operated under fewer inhibitions. The Business and Society scholars who preceded ethicists were quite willing to criticize particular business practices and urge more responsibilities upon corporate executives (Marens, 2008). To understand the failure of the field of Business Ethics to maintain intellectual independence, it is necessary to explore the circumstances under which Business Ethics was embraced by American business schools.

Becoming Business Ethics

After Business Ethics established itself in managerial education, it did not expand its horizons as some within the field had predicted (Kahn, 1990). Rather, it was the broader area of Business and Society that shrank, as it increasingly focused on such ethical constructs as "stakeholder management," "social contracting," and "social responsibility" (Gerde and Wokutch, 1998). By the middle-1990s, commentators noted that the two fields were no longer clearly distinguishable (Collins and Wartick, 1995). Moreover, Business Ethics ultimately obtained an institutionalization than Business and Society had failed to achieve on its own.

Ethics may have won greater acceptance in part because it was more obviously relevant to management education than more macro-level B&S topics. Some Business and Society scholars had, in fact, won recognition for their own forays into Ethics, but if an industrial relations scholar could write a successful book titled *Moral Philosophy for Management* (Selekman, 1959), then it was reasonable to hope that trained ethicists might contribute even more to the topic (Carroll, 1999; Epstein, 1998). Commentators, however, had been encouraging more ethics in business school curricula since at least to the interwar years (Heilman, 1928; Lord, 1936), and the influential Ford Foundation report on business education had echoed this sentiment (Gordon and Howell, 1959), so the emergence of the field only in the 1980s requires further explanation. Epstein (1998) argues that corporations and individuals began only then to fund ethics chairs and establish ethics centers, and these philanthropies were, in turn, motivated by the sudden prominence of various ethics-related issues that included financial and procurement scandals, environmental callousness, and support for apartheid. While these issues help explain a concern for managerial ethics, they do not demonstrate why such interest would be more intense than at earlier times, since business-related scandals were hardly unique to the 1970s and 1980s.

Moreover, scandals do not explain why the ethics scholarship that originated in business schools took the form that it did: nonconsequentialist and focused largely on managerial decision-making. It would have been equally valid for the field to engage in more macro-level analysis regarding the relationship between the business sector and the rest of society (DeGeorge, 1991), perhaps by considering – to offer one possible example – the degree of fidelity of businesses to the political arguments behind the original creation of the corporate form (Dodd, 1954; Roy, 1997; Seavoy, 1982). Ethicists might also have considered the efficacy of using state power to encourage more ethical behavior, whether, for example, a Tobin Tax on security transactions would incentivize longer-term thinking. None of these alternatives were embraced, nor did the field meet its own professed twin hopes of applying more social science research (except, perhaps, for psychology) and pursuing dialog with stakeholder groups other than top managers (Kahn, 1990).

The narrow approach that Business Ethics ultimately settled upon becomes explicable by viewing the discipline's choices through the lens of political economy. The beginning of the 1980s were hardly a time to expect to influence American business leaders by advocating additional regulation or reminding managers of neglected social obligations. Rightly or wrongly, corporate managers felt under siege and were in no mood to be either coerced or shamed. During the 1970s, American businesses experienced a productivity slowdown at a time of heightened competition, and combating these problems were further complicated by creeping inflation, often blamed on the power of unions to raise wages and retard productivity (Clawson et al., 1998; Mills, 1979). Furthermore, executives not only saw themselves as assaulted from the left, but pressured as well from the other end of the political spectrum, with champions of "shareholder value" charging them with using "social responsibility" as an excuse for neglecting the interests of investors (Friedman, 1970; Jensen, 1989).

Moreover, there were reasons to fear that U.S. economic malaise was not a temporary condition, but the start of a less bountiful age. The structural changes of the time has generated a stream of studies (e.g. Arrighi, 1994; Brenner, 2002; Pollin, 2003), which, while not in agreement on every matter, do present a consensus that the peculiarly American institutional arrangements that had dominated the global economy for most of the twentieth century were reaching their limits, making the financial manipulation of already accumulated wealth increasingly more attractive than further investment within the domestic economy. The "visible hand" of the continent-spanning corporation, whose success was tied to Fordist sharing of prosperity, a wary truce with labor, and various Keynesian interventions, had apparently run its course, having reached a point where it could be successfully imitated or superseded by foreign competitors, or even brand new American entries incubated in a very different "Sunbelt" milieu.

The central institution of American economic leadership, the stable vertically integrated corporation, could no longer fulfill expectations nurtured during the post-war generation. However, the guardians of the institution still possessed the resources and political connections to push back at their critics. Once mobilized, they reshaped the law to inhibit corporate raiding, eventually establishing a truce with investors on the basis of stock-related compensation (Jensen, 1989; Useem, 1996). No truce was necessary on their left flank, where they successfully routed any political, labor, or ideological threats. In his prescient memo to the U.S. Chamber of Commerce, future Supreme Court Justice Powell (1971) argued that management actually faced a more realistic threat from skeptical and demanding liberals than it did from left-wing anti-capitalists. Whether or not they were influenced directly by Powell's memo, by the end of that decade, corporate executives acted as if they had memorized it. Top management organized the Business Roundtable to oppose pro-labor and consumer legislation (Mills, 1979), while pooling their collective financial clout to discourage both major political parties from making additional efforts to regulate business or extend the welfare state (Clawson et al., 1998).

They also became more actively involved with the "idea industry," establishing new think tanks and educational programs while monitoring older ones (Burris, 1992; Callahan, 1999). The corporate-funded Committee for Economic Development, for example, shifted its focus from mildly Keynesian to an anti-regulatory stance during the course of the 1970s. As one of the Council's trustees explained it, "In the

early [post-World War II] days the trustees were men who saw a need for some more government intervention. Now some of the trustees believe the intervention has gone far enough'' (Clark, 1976, p. 38). Corporate leaders also renewed their concern over the ideological content of business school curricula, as one CEO indicated in his frankly titled *Harvard Business Review* piece ''Corporate Support of Education: Some Strings Attached'' (Malott, 1978).

Under such circumstances, Business and Society scholars, with their roots in Keynesian economics, labor studies, and New Deal pluralism, could hardly expect to influence business behavior, let alone expect support from their business schools. When American economic hegemony was at its height, the future was naturally viewed with optimism, and arguments in favor of responsible unionism, generous compensation, and occasional state intervention might be tolerated, and even occasionally endorsed, as expressing an enlightened self-interest. Bowen's (1953) seminal book actually received a more positive review from *Management Review* than it did from *The Nation* (Marens, 2008). New circumstances, however, had made toleration of the liberal viewpoint both undesirable and unnecessary. One Business and Society program was closed at the University of Washington; another at Berkeley shifted its focus to microeconomics. Those few Business and Society scholars who continued to work outside of ethics trimmed their sails, and newcomers arrived sails pre-fitted, prepared to ignore facts or insights that might be regarded as critical of business (e.g. Getz, 1997).

If academics who advocated liberal policies were destined to be ignored by corporate leaders in the 1980s, philosophers of ethics, still relatively new to the business school world, at least had some chance of being heard. Certainly, executives were much more likely to tolerate suggestions that they treat their stakeholders fairly and sensitively (Freeman, 1984) than arguments in favor of recognizing and bargaining with unions. Similarly, asking executives to respect social contracts that executives themselves specified (Donaldson, 1982) was considerably less threatening than expecting them to accept additional regulation. While it was understandable for ethicists to focus on the decision-making of corporate executives – that is, after all, what won them entrée into the business world – doing so implicitly legitimized the right of top managers to decide for themselves what ethical standards they intended to apply, and how they would apply them. In effect, business ethicists conceded this power and autonomy of corporate executives in order to try to convince them to employ their autonomy in ways ethicists regarded as appropriate.

Embracing managerial autonomy may have been defensible as the last plausible defense against the challenge posed by rapacious proponents of ''shareholder value.'' Unfortunately, however, no one in the field seems to have noticed that this experiment in promoting enlightened despotism failed. Ethicists put too much faith in the intellectual authority of the canon they imported into business schools and too little on making a good faith attempt to evaluate the outcomes of their efforts.

Following the classics over the cliff

Given the inherently top-down nature of the ethics promoted within American business schools, it is not surprising that business ethicists choose to build upon the work of thinkers who themselves analyzed the ethics of governance from an elite perspective. The most influential models, virtue ethics (Solomon, 1992), voluntary social contracting (Donaldson, 1982), and stakeholder management (Evan and Freeman, 1988), owe their inspiration to the work of Aristotle, Locke, and Kant. (Among contemporary philosophers, only Rawls has received comparable recognition, but, as discussed below, the way he is used provides the exception that proves this rule.) Unfortunately, the field not only absorbed the insights of these three thinkers but a limitation they all shared, what Bowen had dismissed a generation before ''as the discredited notion of the benevolent use of power'' (1953, p. 42).

These thinkers were not, in the context of their time, extreme authoritarians, as apparent when comparing Aristotle to Plato, or Locke to Hobbes or Filmer, or Kant's enthusiasm for the French Revolution. They were all, however, overly confident in the efficacy of *noblesse oblige*, a confidence bolstered by insensitivity to the conditions of their social inferiors. Aristotle, employee of three Macedonian kings, was no egalitarian. While he conceded the need to grant some political rights to small

landholders – unlike merchants, craftsmen and, most notoriously, slaves – he trusted only oligarchs with political governance because he felt that only great landowners possessed both the motivation and the leisure to cultivate the virtues essential to good government (Wood, 2008).

The concept of social contracting has had a rich history, but it is Locke's version that has influenced contemporary Business Ethics, less with regard to its specific elements than with its method of derivation through voluntarism. Locke's claim, however, that voluntary contracting in the formation of property rights held historical precedence over the coercion of government was disingenuous, since Locke must have been aware that courts and Parliament had actually reshaped property rights over the preceding century, often over violent opposition of the dispossessed (Reid, 1995). Locke postulated a pre-governmental voluntarism, not to solve an abstract philosophical puzzle as Donaldson (1982) suggests, but to give priority to property rights over state action in order to justify the opposition to the Stuarts by his patron, Lord Shaftsbury, who feared their threat to his own extensive holdings (Haley, 1968).

In fairness, Locke was no oligarch, and the precedence he gave social contracting over government favored that sizable minority of his time who owned property. However, much of the "oppression" these feared from government was in defense of the customary rights of the poor, and Tory opponents noted that Whig demands for "freedom" did not extend to their own tenants or, presciently, their own employees (Ashcraft, 1986). While Locke had stretched the definition of "voluntary" acquiescence to include even those lower orders who chose not to flee the country – a contrivance demolished long ago by Hume (1951) – the actual interests of his social inferiors were invisible to him, as revealed in his famous aphorism: "Thus the grass my horse has bit, the turf *my servant* (italics mine) has cut; and the Ore I have digg'd in any place where I have a right to them in common with others, become my property" (Locke, 1967, p. 307). Worse, where he does discuss the lower orders, he is invariably contemptuous, blaming the suffering of the poor, "not from want of employment, but [due to their own] relaxation of discipline and corruption of manners" (1969, p. 380).

Nor were these words merely the expression of seventeenth century snobbery, unpleasant, perhaps, but irrelevant in assessing Locke's relevance for constructing an ethical approach to business. The point here is that Locke's social contract, much like Aristotle's virtue, was intended only for those with sufficient wealth and autonomy to engage in it, and the interests of the disempowered were simply dismissed, if considered at all. Modern business ethicists are not as callous as this, of course, but they share a delusion with Locke and Aristotle, that, even in the absence of any pushback from stakeholders applying what Mill called the right of self-protection, and Galbraith (1952) labeled "countervailing power," those who possess power over the lives of others can *still* be cajoled and educated into using this power fairly, compassionately, and wisely.

Even Kant's writings reveal something of the limits of over identification with the interests and class of a patron, or, in Kant's case, a would-be patron. Kant claimed to prefer the wisdom of Frederick the Great over any republican government (1967), yet Frederick's own experience as a would-be reformer provides an object lesson for an overreliance on great men or women to serve the needs of the powerless. While democratically chosen assemblies and parliaments were eliminating various forms of bondage in neighboring nations, Frederick, for all his enlightenment, could do little to advance his desire to abolish serfdom in the face of the opposition of the Junker class, whose political support he required (Kuehn, 2001).

If the analyses of governance on the part of even these classic thinkers were distorted by their social position or those of their patrons, it is not surprising that modern business ethicists proved susceptible to the same limitations. Moreover, since studying or promoting managerial ethics would typically put a scholar in closer proximity with management than more macro-oriented Business and Society scholars, the need to maintain good personal relations with those who actually run businesses has only been acerbated since the rise of Business Ethics.

While this over-identification with their subjects may be understandable, it is not necessarily forgivable. Business ethicists received plenty of warning from the pioneering scholarship of their academic predecessors, the early Business and Society scholars. A half century before Freeman (1984) and Donaldson (1982) wrote the books that put philosophically based Business Ethics on the academic map, E. Merrick Dodd held a far more realistically contingent view:

> It may well be that any substantial assumption of social responsibility by incorporated businesses through voluntary action on the part of its managers can not reasonably be expected. Experience may indicate that corporate managers are so closely identified with profit-seeking capital that we must look to other agencies to safeguard the other interests involved, or that the competition of the socially irresponsible makes it impracticable for the more public-spirited managers to act as they would like to do, or that to expect managers to conduct an institution for the combined benefit of classes whose interests are largely conflicting is to impose upon them an impossible task and to endow them with dangerous powers (Dodd, 1932, p. 1162).

Dodd's concerns were echoed repeatedly by that first post-war generation of Business and Society academics. This cohort was a worldly group that had not only lived through depression, war, and McCarthyism, but had been active in dealing with these cataclysmic events, not only as academics but as public intellectuals advising governments, arbitrating labor disputes, and guiding foundations (Marens, 2008). They worked and within an intellectual climate that encouraged a pluralism based on multiple institutions, each with its own legitimate, but necessarily subjective, viewpoint. Their hope was to resolve these differences through a balancing of countervailing power and occasional government intervention (Bowen, 1953; Galbraith, 1952; Selekman, 1959), and virtually all of them warned against excessive reliance upon the exercise of goodwill by corporate executives.

Howard Bowen, for example, had been an economic advisor to Congress and the National Council of Churches, a former business school dean and would be a future university president at three different schools, so he was hardly naïve about the world outside of academia, and he presciently dismissed the basis of what would one day become "stakeholder theory" as self-serving: "The businessman's viewpoint is that management should function as a trustee mediating among the several interest groups, but that the power of decision-making should rest exclusively with management … is … just another application of the familiar but discredited doctrine of benevolent use of power" (1953, p. 42). Benjamin Selekman, who had worked in journalism and labor arbitration before joining Harvard, noted that "[i]t is much easier to dispense justice, to be benevolent, than it is to share power – especially with those who have the means to compel such sharing" (quoted in Heald, 1970, p. 286). And their contemporary Karl Kaysen, a Harvard economist who advised American presidents, echoed these sentiments:

> But what management takes into account is what management decides to take into account, and however responsible management policy is,… it is responsible only in terms of the goals, values, and knowledge of management. No direct responsibility, made effective by formal and functioning machinery of control, exists. No matter how responsible managers strive to be, they remain in the fundamental sense irresponsible oligarchs in the context of the modern corporate system (Kaysen, 1957, p. 316).

Finally, Ernst Dale, a Wharton professor, who, as a refugee from Nazi Germany, understood the dangers of tyranny first hand asserted that it was in the self-interest of business leaders to respect democratic interventions:

> Is it desirable… that managers be given the broad social responsibility for allocating resources among the various interest groups?… If managers really begin to function in this way, all the various parties at interest, and the general public, may well begin to ask for a voice in selecting them. It is contrary to all democratic tradition for constituents to have no say in the selection of their representatives and no way of calling them to account (Dale, 1960, pp. 54–55).

While these individuals were not themselves philosophers, other models available within the philosophical tradition would have provided a counterbalance to an excessive faith in the ability of ethicists to persuade business leaders. The work of John Stuart Mill ought to have an appropriate model for mixing abstraction and realism. Long before philosophers entered the field, Mill's work was known among business intellectuals; Ordway Tead, an important book editor and author, quoted him in an early and influential personnel textbook that "[h]uman beings are only secure from evil at the hands of others, in proportion as they have the power of being… self-protecting" (Tead and Metcalf, 1933, p. 444). Mill himself was intimately familiar with business as the Corporate Secretary of

the East India Company, but he was also sympathetic to the more moderate elements of the then nascent British labor movement, and, while not without blind spots himself, he was generally informed and nuanced in his discussions of many of the morally ambiguous aspects of Britain's rise to economic powerhouse. His mix of empathy and insight combined with his empirically based consequentialism should have influenced modern Business Ethics. Yet the field, beyond paying obligatory respects in its classroom textbooks, has largely ignored his work.

Mill is often labeled the founder of modern liberalism (he was not really a socialist in the modern sense), and during a period when many influential figures, such as the then future Supreme Court Justice Powell (1971), viewed liberal demands for justice as a greater threat to business than the kind of radicalism that Mill himself abhorred, Mill's approach may have simply appeared as too critical for gaining the ear of current and future business leaders. Mill was also a consequentialist, and business ethicists, despite early claims to the contrary (Kahn, 1990), have shown little interest to examining the aggregated consequences of managerial decision-making. Even the skepticism of Adam Smith, whose pro-capitalist credentials are presumably unimpeachable, has been largely ignored, with the notable exception of Werhane (1991), perhaps because Smith (1902) admired business more than the people who engaged in it. It is almost unimaginable that modern Business Ethicists would question the motives of corporate managers as Smith had done in his famous comments regarding conspiracies to fix prices and hold down wages (1902).

A search of the appropriate journals suggests that business ethicists have proven to be no bolder with respect to twentieth century philosophy. The field has largely neglected well-known contemporaries who would seem relevant to Business Ethics but are decidedly liberal on specific issues. Rorty, Habermas, and Walzer are rarely cited, and certainly less frequently than the libertarian Nozick, to say nothing of the trinity of ''great men'' already discussed. Rawls actually appears more frequently than Nozick, but the manner in which he is employed by the field, is revealing. If one read only the Business Ethics literature (Hsieh, 2005, was published outside the field's journals), it would be possible to imagine that Rawls wrote virtually nothing other than the short exposition of his *veil of ignorance* (Rawls, 1971). In contrast, Rawls's *difference principle*, presented in the very same book as his veil, has been almost entirely ignored by the field, despite its obvious relevance to a generation-long trend of diverging levels of wealth and income in the United States, a discussion to which business ethicists rarely allude (see, Ciulla, 2000, for an exception). For those whose only exposure to Rawls has been through this literature, it may come as a surprise that, unlike Locke, he argued for government enforcement of social contracts and was even eulogized in one obituary as having provided ''the philosophical basis of European social democracy'' (Barry, 2002, p. 23).

Ultimately, however, business ethicists were trapped by their adoption of what was, in effect, a kind of ''great men squared'' approach to applying ethics, in which the formulations of modern scholars derived from the work of selected iconic figures, would be used to advise important business leaders. Virtue ethics, stakeholder management, and integrated social contracting are all fundamentally advocacies for a paternalistic view of the role of top management, implicitly accepting the right of executives to impose their ethical perspectives upon their organizations. Having abandoned either compulsion or evaluating consequences as tools to promote ethical behavior, ethicists searched almost desperately for role models for the efficacy of volunteerism, embracing the paternalism of self-proclaimed virtuous companies as models to emulate.

Hoping against hope

Sincere, if self-satisfying, paternalism is nothing new, and not necessarily a destructive or inhumane way to manage an enterprise. Still, one might think it was the job of business ethicists to treat these practices with some skepticism, especially when the primary evidence for the positive nature of these examples is often the self-reporting of the companies themselves. This is not to say that all claims of being an ethics-driven organization are necessarily misleading or pure public relations. Undoubtedly, many business founders want their organizations to reflect their own personal values, and the religious beliefs of the families that dominate the management of certain corporations, such as Johnson & Johnson and

Marriott Hotels, have undoubtedly played some role in the way they are managed. Still, ''sincere'' is not a synonym for either ''accurate,'' ''effective,'' or ''objective.'' Carnegie's *Gospel of Wealth* may have been a sincere statement of his beliefs at that time, but it hardly explains his actual behavior at Homestead. Nor can one adequately judge George Pullman on the basis of his building a company town without understanding the role his miserliness played in provoking the Railroad Strike of 1894. Similarly, the higher-than-market wages paid by Ford needs to be understood in context of his speedups and spy system. Yet, business ethicists have proven so selectively blinkered, they rarely notice any downsides to the companies selected as exemplars. When business leaders claim to follow broadly moral principles in their management practices, academics in the field have generally accepted their self-reporting at face value. Despite their professed intentions (Kahn, 1990), they expend little or no effort examining the empirical record, or rely on only favorable or dated sources, or, perhaps most astonishingly, fail to make any effort to speak with the supposed beneficiaries of these enlightened managerial practices (see, e.g., Goodstein and Wicks, 2007; Jones et al., 2007; Lawrence, 2002; Post et al., 2002).

Business ethics do not, of course, refer to their positive examples as ''paternalism.'' They may refer to such companies as ''multifiduciary'' (Goodpaster, 1991) or ''intrinsic stakeholder management'' or possessors of ''broadly moral'' cultures (Jones et al., 2007), but, almost inevitably, the driving force behind the supposedly virtuous firm starts at the top with a Howard Schultz or Robert Galvin, a Thomas Watson or Jim Sinegal. Rarely noticed, however, is that it often ends at the top, as many of these exemplars have failed to sustain these admired practices over time once the founder leaves or market conditions change. But beyond this lack of sustainability, the field has rarely asked how many of these companies actually produce superior outcomes for their stakeholders. Certainly, there is a problem relying on the self-reporting of one, or even a few, necessarily subjective individuals, especially when their appreciation of their own wisdom and benevolence has been bolstered by any business success. Not surprisingly, many of these allegedly ''good bosses'' fight unionization tooth and nail as an affront to their enlightened regimes, even though one ought to be curious why presumably satisfied employees would be tempted to pay union dues. Seemingly, the field resorts to what might be accurately labeled the ''Doctor McCoy'' defense (''Damn it, Jim, I'm a philosopher, not a social scientist or a journalist'') to avoid verifying the truth behind these images.

Robert Galvin, for example, was long ballyhooed for his concern for his employees as exemplified by Motorola's training and no-layoff policies, and the company's obvious willingness to publicly ''talk the talk of ethics'' (Post et al., 2002). Yet no one among the American ethicists Motorola cultivated over the years ever seemed to notice that Galvin imposed the first broad mandatory drug testing program of any major corporation, basically because he believed, no doubt sincerely, that drugs were a great evil and he had the right to impose his view on his employees (Ferguson, 1990). The company, which did not pay especially well, also fought against any effort to unionize (Gordon, 1993). Galvin himself used his wealth to actively support the so-called American Security Council, an organization that kept dossiers on Americans critical of military spending, and even held a long private meeting with a Nixon-style ''plumber,'' who was eventually prosecuted for burglarizing the office of the corporate gadfly and anti-militarist, Saul Alinsky (Donner, 1980).

More recently, Howard Schultz has often been admired by business ethicists for his initiative in providing health insurance to his employees, and the company's self-congratulatory claims on its website of treating employees as partners (Goodstein and Wicks, 2007), but no one has balanced these claims with reality that Starbucks has settled charges in three different states for dismissing employees attempting to organize a union (Allison, 2009).

As a reviewer, I routinely see dated anecdotes offered as evidence of ethical management, such as Johnson and Johnson's handling of the Tylenol scare or the long-defunct Saturn labor-management partnership, implying either ignorance of any recent examples, or the possibility that they are increasingly scarce. Microsoft, once admired for its generous stock options and such humanizing touches as free soft drinks and clean towels for cyclists, drew no attention in the ethics literature when it tried to eliminate these and other perks – expressly for the

alleged benefit of its shareholders – not very long after it had sent a representative to the Seattle meeting of the Society for Business Ethics (Peterson, 2004). Toyota, once promoted as a model of workplace cooperation, plans to reduce employee compensation now that the threat of unionization has seemingly receded (Roberson, 2008). Moreover, Toyota chose Canada for a new plant over various American states explicitly because Canadian governments are willing to intervene on behalf of stakeholders with national health insurance and high levels of spending on education (Krugman, 2005). Finally, in what now looks like a staggering example of unintended irony, a article that appeared in *Business Ethics Quarterly* just before the financial meltdown discusses Citigroup, not for its illegal sale of customer names, or pre-crisis plans to layoff and replace employees in response to pressure from its largest investor (Enrich and Mollenkamp, 2007), or its enabling of the WorldCom scam, or even the pervasive irresponsibility with which it has handled various exotic debt instruments, but to praise it for its effort to initiate an ethics program (Goodstein and Wicks, 2007).

This failure to engage reality has become the inexcusable failing of Business Ethics, even more so than the conceptual narrowness of the field. One cannot pin the responsibility for excessive intellectual narrowness on any particular individual, and it is a charge that could probably be leveled against any number of academic disciplines, none of which are immune to fads and herd mentality. Clear-cut responsibility was abrogated, however, by those who benefitted from trying to advise management on ethical behavior, yet failed to ever seriously investigate as to whether they were having any real impact. If they had, they would have discovered that formerly beleaguered corporate executives ultimately made their own separate peace with Wall Street, learning to treat their own companies with the ruthlessness of raiders in order to raise the price of stock (Useem, 1996), and eventually joining with "the Street" in manipulating accounting numbers and irresponsibly shifting risk away from themselves. Members of the field never noticed this trend, let alone how it was facilitated by lobbying of government "stakeholders" to head off regulations that might have prevented at least some of these practices (Partnoy, 2003). The larger question about the morality of basing an economy on endlessly growing personnel debt never even arose within the field before our current financial catastrophe made the topic impossible to avoid, although there were plenty of early warnings by well-credentialed academics that the practice was ultimately unsustainable (Madoff and Harless, 1996).

If business ethicists have avoided taking a serious look at the role of finance, then an issue with even more direct and pervasive impact, the economic treatment of employees, has largely been ignored by all but a few (Ciulla, 2000). No one seems very interested as to whether, after a quarter century of cajoling, American business actually regards employees as "ends not merely means" in Kantian stakeholder parlance. Hiding behind nonconsequentialism, ethicists have not considered the streams of data, or the multitude of articles interpreting them, that demonstrate how American management has disregarded any implied social contract for sharing gains in profitability and productivity with the bulk of their workers (Economic Report of the President, 2009; Mishel et al., 2007; Picketty and Saez, 2003). Nor does the field discuss the widespread, often illegal practices aimed at avoiding or decertifying unions (Brofenbrenner, 1994; Logan, 2002), or the replacement of employees through outsourcing or emigration, often in the much ballyhooed high tech sector, let alone the common and emphatically unKantian practice of using severance packages to extort employees into training their replacements (Armour, 2004; Hira and Hira, 2005).

Employment and finance, as fundamentally important as they are, are not the only spheres in which American corporate managers make, at best, morally ambiguous choices, and where the record suggests that they might benefit from *informed* ethical advice and additional constraints on their behavior. Profiting from the production and sale of armaments has long raised a host of large and small ethical questions (Isenberg and Eland, 2002; Melman, 1987), and in recent years similar questions have been raised regarding the privatization of jail and security services (Herivel and Wright, 2008), yet virtually no one within the field of Business Ethics ever finds it worthwhile to ask them. *Business Week*, not known for its radical stances, has run pieces on such topics as the stratification of customer service (Brady, 2000), and the growth of business practices

designed to exploit the poor and ignorant (Grow and Epstein, 2007), that are far more critical, in the plain English sense of the word, than virtually anything that appears within the Business Ethics literature. Business ethicists who claim to list communities among stakeholders never mention the well-documented reality that businesses frequently whipsaw these same communities to obtain "relocation" – or, increasingly, "please stay put" – subsidies (Chesser, 2004; Leroy, 2005), or even cajole local governments to use the power of *eminent domain* to promote private gain. There may not be easy answers to any of these issues, but the field of Business Ethics has abrogated its responsibility to ask relevant questions.

Conclusion: green shoots emerging?

The managerial ethics project initiated a generation ago has failed. It is difficult to see how promoting a nonconsequentialist Business Ethics that places its trust almost exclusively in corporate and financial leaders has produced morally defensible results. Financial practices could scarcely have proven more irresponsible, nor have employees ever been granted so small a share of profitability and productivity gains since appropriate records have been available (Economic Report of the President, 2009; Mishel et al., 2007; Picketty and Saez, 2003). Stronger regulations and enforcement was deliberately stymied (Partnoy, 2003), while money continues to be shoveled to private companies at both the state and federal levels for increasingly high levels of defense procurement and a dizzying variety of state economic development subsidies (Leroy, 2005).

It is time for business ethicists to stop avoiding inconvenient topics. If sweat shops of other nations are worth discussing, then so are pressures from American corporations to oppose extending the rights of Chinese workers to collective bargaining and job security (Barboza, 2006). Executive compensation unconnected to business performance is a serious issue, but the widespread nickel and diming of ordinary employees has had far more direct impact on far more people. Corporate philanthropy may make a difference, but not necessarily more than corporate dollars spent to influence the "the idea industry" (Callahan, 1999). Bribing foreign officials can create interesting ethical conundrums, but hardly more important ones than the sale of arms and security services to these same governments. If labor-management cooperation at Saturn Motors or the NUMMI auto plant merit consideration, then so do cases in which the arrangement is repudiated by one side or the other, typically management (Holusha, 1993).

If business ethicists are going to extricate itself from irrelevance, it requires not only a collective willingness to learn "the Devil's details" regarding the operation of business in the real world; it will also require the cultivation of the neglected virtues of courage and compassion. For this field, there is no more relevant profile in courage than Howard Bowen, who not only published his seminal, and somewhat critical, book during the McCarthy era, he himself had been victimized by the Red Scare, forced out of the University of Illinois ostensibly because of his "pink" Keynesian views (Solberg and Tomilson, 1997). In contrast, no one challenged Malott, a generation later, when he argued that "corporate support should be channeled to those [academics] who speak out for limited government and those who stress the importance of individual liberties" (Malott, 1978, p. 134), even though, as a CEO of a major defense contractor, he was certainly open to the charge of being inconsistent, even self-serving, in his endorsement of personal liberties and laissez faire. A generation after Malott published "Some Strings Attached" in *Harvard Business Review*, the Ethics Institute of the Business Roundtable, which includes a number of the most highly regarded American business ethicists, issued a report titled *Breaking the Short-Term Cycle* (Krehmeyer et al., 2006) that proposed remedies for ending the impatience of investors that allegedly pressures executives to acting more callously and opportunistically than they would otherwise. Yet such are the limits of ethics discourse that the authors of the paper did not even feel the need to mention a possible "Tobin tax" on securities, presumably because, whatever the merits of this idea in preventing short-term speculation, it legitimizes government's role to regulate and raises taxes, and employs a tax, perhaps coincidentally, that would touch members of the Roundtable itself.

As important as courage, however, is the cultivation of compassion (Frost, 1999). Compassion does not require the taking of sides. What is does

involve is a felt understanding that Business Ethics have consequences for living, breathing human beings. A lack of evident compassion in the field's output has drained Business Ethics of vitality, leaving it with little more than bloodless abstractions of little intellectual depth or practicality. Moreover, because it brings in more of one's humanity to a project, compassion can lead a scholar in directions that are not necessarily anticipated in advance. When Sinclair Lewis (1906) wrote *The Jungle* a century ago, he had no intention of focusing on unsanitary meat packing, but consciously highlighted the working conditions in the industry. However, the thorough realism of his work left a different mark, as he allegedly put it, ''I aimed for the public's *heart* but hit them in the *stomach* instead,'' giving us a certain peace of mind today as we eat hotdogs at baseball games.

Nor does compassion necessarily require the abandonment of objectivity. If anything, it may enhance it. During a panel on stakeholder theory a few years ago, Donaldson pointed out that criticism of this theory's lack of impact were unfair in the same way that dismissing industrialization in its early (abusive) decades would have been unfairly premature. Yet what Donaldson did not mention is that if judgment would have been premature for industrialization, it was because a great deal of pain and suffering that catalyzed reform had yet to arrive. By implication, Business Ethics will not have a serious impact until the American economy goes through the painful equivalent of the bloody labor wars that helped establish the high wage economy that so many Americans, at least until recently, have taken for granted as some kind of birthright (Taft and Ross, 1969). It is necessary to acknowledge that if moral progress is possible, it first requires, at the very least, both an honest appraisal of what needs fixing, and a realistic selection of the tools necessary for repair.

I am, however, able to end my critique on a ray of hope. Business Ethics, as an institutionalized academic discipline or subdiscipline, was largely an American creation. As such, it was a product of American global hegemony, and like many such products it has proven smugly insular and self-congratulatory. But that situation is changing. On one hand, American economic hegemony seems to have run its course, leaving the country with massive trade deficits in manufacturing and a discredited financial sector, while even the high tech industries once counted on as national saviors have joined the effort to seek cheaper labor abroad. At the same time, interest in Business Ethics appears to be growing among the academics of other nations, and they are not confining their activities to their home nations or even their home continents. A glance at the 2009 program of the traditionally North American-dominated Society for Business Ethics meeting turns up a surprising number of presenters with affiliations outside of this continent, to the point that the Society actually scheduled a welcome reception for foreign attendees. This trend suggests that Business Ethics may not only survive, but it may even have the opportunity to shorn itself of much of the wishful thinking and presumptions of American superiority that have crippled the field for a generation.

References

Allison, M.: 2009, 'Starbucks Faces More Union Woes: Third Union Case for Coffee Giant', *Seattle Times*, January 6, A6.

Armour, S.: 2004, 'Workers Asked to Train Foreign Replacements', *USA Today*, April 6, 1B.

Arrighi, G.: 1994, *The Long Twentieth Century: Money, Power, and the Origins of Our Times* (Verso Books, New York, NY).

Ashcraft, R.: 1986, *Revolutionary Politics and Locke's Twin Treatises of Government* (Princeton University Press, Princeton, NJ).

Barboza, D.: 2006, 'China Drafts Law to Boost Unions and End Abuse', *New York Times*, October 13, A1.

Barry, B.: 2002, 'Philosopher Who Transformed His Subject', *Financial Times*, November 28, 23.

Bowen, H. R.: 1953, *Social Responsibilities of the Businessman* (Harper and Row, New York).

Brady, D.: 2000, 'Why Service Stinks', *Business Week*, October 23, 118–128.

Brenner, R.: 2002, *The Boom and the Bubble* (Verso Books, New York).

Brofenbrenner, K.: 1994, 'Employer Behavior in Certification Elections and First Contracts: Implications for Labor Law Reform', in S. Friedman et al. (eds.), *Restoring the Promise of American Labor Law* (ILR Press, Ithaca, NY), pp. 75–89.

Burris, V.: 1992, 'Elite Policy Planning Networks in the United States', in G. Moore and J. Allen Whitt (eds.), *Research in Politics and Society*, Vol. 4 (JAI Press, Greenwich, CT), pp. 111–134.

Callahan, D.: 1999, *One Billion Dollars for Ideas: Conservative Think Tanks in the 1990s* (National Committee for Responsive Philanthropy, Washington, DC).

Carroll, A. B.: 1999, 'Corporate Social Responsibility', *Business and Society* **38**(3), 268–295.

Chesser, P.: 2004, 'On Milking a State's Cash Cow', *Carolina Journal*, http://www.carolinajournal.com/exclusives/display_exclusives.html?id=1554. Accessed June 20, 2009.

Ciulla, J. B.: 2000, *The Working Life: The Promise and Betrayal of Modern Work* (Times Books, New York).

Clark, L. H.: 1976, 'Rehabilitation Project: Once-Mighty CED Panel of Executives Seeks a Revival', *Wall Street Journal*, December 17, 38.

Clawson, D., A. Neustadtl and M. Weller: 1998, *Dollars and Votes: How Business Campaign Contributions Subvert Democracy* (Temple University Press, Philadelphia).

Collins, D. and S. L. Wartick: 1995, 'Business and Society/Business Ethics Courses: Twenty Years at the Cross Roads', *Business and Society* **34**(1), 51–89.

Dale, E.: 1960, 'Management must be Made Accountable', *Harvard Business Review* **38**, 49–59.

DeGeorge, R. T.: 1991, 'Will Success Spoil Business Ethics?', in R. E. Freeman (ed.), *Business Ethics: The State of the Art* (Oxford University Press, New York), pp. 42–55.

Dodd, E. M.: 1932, 'For whom are Corporate Managers Trustees?', *Harvard Law Review* **45**, 1145–1163.

Dodd, E. M.: 1954, *American Business Corporations Until 1860* (Harvard University Press, Cambridge, MA).

Donaldson, T.: 1982, *Corporations and Morality* (Prentice Hall, Englewood Cliffs, NJ).

Donner, F.: 1980, *Age of Surveillance* (Alfred A. Knopf, New York).

Economic Report of the President: 2009, *Transmitted to Congress* (U.S. Government Printing Office, Washington, DC).

Enrich, D. and C. Mollenkamp: 2007, 'Citigroup Likely to Propose Cuts of 15,000 Jobs', *Wall Street Journal*, March 26, A1.

Epstein, E.: 1998, 'Business Ethics and Corporate Social Responsibility', *Business and Society* **37**(1), 7–39.

Evan, W. and R. E. Freeman: 1988, 'A Stakeholder Theory of the Modern Corporation: Kantian Capitalism', in T. Beauchamp and N. Bowie (eds.), *Ethical Theory and Business*, 3rd Edition (Prentice Hall, Englewood Cliffs, NJ), pp. 97–106.

Ferguson, T.: 1990, 'Motorola Aims High so Motorolans Won't be Getting High', *Wall Street Journal*, June 26, A19.

Frederick, W. C.: 1998, 'Moving to CSR4: What to Pack for the Trip', *Business and Society* **37**(1), 40–59.

Freeman, R. E.: 1984, *Strategic Management: A Stakeholder Approach* (Pitman Publishing, Boston).

Freeman, R. E. and W. Evan: 1990, 'Corporate Governance: A Stakeholder Interpretation', *Journal of Behavioral Economics* **19**(4), 337–359.

Friedman, M.: 1970, 'The Social Responsibility of Business Is to Increase Its Profits', *New York Times*, September 13, 122–126.

Frost, P.: 1999, 'Why Compassion Counts', *Journal of Management Inquiry* **8**(2), 127–133.

Galbraith, J. K.: 1952, *American Capitalism: The Concept of Countervailing Power* (Houghton-Miflin, Boston).

Gerde, V. W. and R. E. Wokutch: 1998, 'Twenty-Five Years and Going Strong', *Business and Society* **37**(4), 414–446.

Getz, K. A.: 1997, 'Research in Corporate Political Action: Integration and Assessment', *Business and Society* **36**(1), 32–72.

Goodpaster, K.: 1991, 'Business Ethics and Stakeholder Analysis', *Business Ethics Quarterly* **1**(1), 53–73.

Goodstein, J. D. and A. C. Wicks: 2007, 'Corporations and Stakeholder Responsibility: Making Business Ethics a Two-Way Conversation', *Business Ethics Quarterly* **17**(3), 375–398.

Gordon, J.: 1993, 'How Much Are High Skills Worth?', *Training*, July 24–25.

Gordon, R. A. and J. E. Howell: 1959, *Higher Education for Business* (Columbia University Press, New York).

Grow, B. and K. Epstein: 2007, 'The Poverty Business', *Business Week*, May 21, 57–68.

Haley, K. H. D.: 1968, *First Earl of Shaftsbury* (Clarendon Press, Oxford).

Heald, M.: 1970, *The Social Responsibilities of Business: Company and Community, 1900–1960* (Case Western Reserve University Press, Cleveland).

Heilman, R. E.: 1928, 'A Reevaluation of the Objectives of the Business Education', in Proceedings of the Tenth Annual Meeting of American Association of Collegiate Schools of Business, pp. 1–7.

Herivel, T. J. and P. Wright: 2008, *Prison Profiteers: Who Makes Money from Mass Incarceration?* (New Press, New York).

Hira, R. and A. Hira: 2005, *Outsourcing America: What's Behind Our National Crisis and How We Can Reclaim Our Jobs* (AMACOM, New York).

Holusha, J.: 1993, 'Profitable Xerox Plans to Cut Staff by 10,000', *New York Times*, December 9, D1.

Hsieh, N.: 2005, 'Rawlsian Justice and Workplace Republicanism', *Social Theory and Practice* **31**(1), 115–142.

Hume, D.: 1951, 'Of the Original Contract', in F. Watkins (ed.), *Theory of Politics* (Nelson Co., Edinburgh), pp. 193–214.

Isenberg, D. and I. Eland: 2002, 'Empty Promises: Why the Bush Administration's Half-Hearted Attempts at Defense Reform have Failed', Policy Analysis of the Cato Institute #442, June 11, http://www.cato.org/pub_display.php?pub_id=1301442-446.

Jensen, M. C.: 1989, 'Eclipse of the Public Corporation', *Harvard Business Review*, September–October, 61–74.

Jones, T. M., W. Phelps and G. A. Bigley: 2007, 'Ethical Theory and Stakeholder-Related Decisions: The Role of Stakeholder Culture', *Academy of Management Review* **32**(1), 137–154.

Kahn, W.: 1990, 'Toward an Agenda for Business Ethics Research', *Academy of Management Review* **15**(2), 311–328.

Kant, I.: 1967, 'The Nature of Enlightenment', in R. Wines (ed.), *Enlightened Despotism, Reform or Reaction?* (Heath Co., Boston), pp. 14–17.

Kaysen, C.: 1957, 'Social Significance of the Modern Corporation', *American Economic Review* **47**(2), 311–319.

Krehmeyer, D., M. Orsagh and K. N. Schact: 2006, 'Breaking the Short-Term Cycle', Business Roundtable Institute for Corporate Ethics, http://www.darden.virginia.edu/corporate-ethics/pdf/Short-termism_Report.pdf. Accessed June 18, 2009.

Krugman, P.: 2005, 'Why Jobs Head North', *New York Times*, July 26, 7.

Kuehn, M.: 2001, *Immanuel Kant: A Biography* (Cambridge University Press, New York).

Lawrence, A. T.: 2002, 'Drivers of Stakeholder Engagement: Reflections on the Case of Royal Dutch/Shell', in J. Andriof et al. (eds.), *Unfolding Stakeholder Thinking* (Greenleaf Publishing, Sheffield), pp. 185–199.

Leroy, Greg.: 2005, *The Great American Jobs Scam: Corporate Tax Dodging and the Myth of Job Creation* (Berrett-Kohler, New York).

Lewis, S.: 1906, *The Jungle* (Double Day and Co, New York).

Lewis, C. S.: 2001, 'The Inner Ring', in W. Hooper (ed.), *Weight and Glory* (HarperOne, New York), pp. 141–157.

Locke, J.: 1967, 'On Property', in P. Lassett (ed.), *Two Treatises on Government* (Cambridge University Press, Cambridge), pp. 303–320.

Locke, J.: 1969, 'Proposed Poor Law Reform', in H. R. F. Bourne (ed.), *Life of John Locke* (Scientia Verlag Aalen, New York), pp. 379–390.

Logan, J.: 2002, 'Consultants, Lawyers, and the 'Union Free' Movement in the USA since the 1970s', *Industrial Relations Journal* **33**(3), 197–214.

Logsdon, J. M.: 1998, 'The Forces of Evil are still with us', *Business and Society* **37**(1), 83–84.

Lord, E. W.: 1936, A Reappraisal of University Education for Business', in *Proceedings of the 18th Annual Meeting of the American Association of Collegiate Schools of Business* (American Association of Collegiate Schools of Business, Evanston, IL), pp. 18–30.

Madoff, J. L. and A. Harless: 1996, *The Indebted Society: Anatomy of an Ongoing Disaster* (Little, Brown, New York).

Malott, R. H.: 1978, 'Corporate Support of Education: Some Strings Attached', *Harvard Business Review*, July–August, 133–138.

Marens, R.: 2008, 'Recovering the Past: Reviving the Legacy of the Early Scholars of Corporate Social Responsibility', *Journal of Management History* **14**(1), 55–72.

Melman, S.: 1987, *Profits Without Production* (University of Pennsylvania Press, Philadelphia).

Mills, D. Q.: 1979, 'Flawed Victory in Labor Law Reform', *Harvard Business Review*, May–June, 92–99.

Mishel, L., J. Bernstein and S. Allegretto: 2007, *State of Working America* (ILR Press, Ithaca, NY).

Partnoy, F.: 2003, *Infectious Greed: How Deceit and Risk Corrupted the Financial Markets* (Henry Holt & Co, New York).

Peterson, K.: 2004, 'Microsoft Workers Vent over Cuts', *Seattle Times*, May 26, C1.

Picketty, T. and E. Saez: 2003, 'Income Equality in the United States: 1913–2001', Working Paper #8467 (National Bureau of Economic Research, Cambridge, MA).

Pollin, R.: 2003, *Contours of Descent: US Economic Fractures and the Landscape of Global Austerity* (Verso Press, New York).

Post, J. E., L. E. Preston and S. Sachs: 2002, *Redefining the Corporation: Stakeholder Management and Organizational Wealth* (Stanford University Press, Palo Alto, CA).

Powell, L. F.: 1971, 'Attack on the American Free Enterprise System', Memorandum to the National Chamber of Commerce, http://www.mediatransparency.org/story.php?storyID=22. Accessed June 21, 2009.

Radin, T. J. and P. H. Werhane: 2003, 'Employment at Will, Employee Rights, and Future Directions for Employment', *Business Ethics Quarterly* **13**(2), 113–130.

Rawls, J.: 1971, *A Theory of Justice* (Belknap Press, Cambridge, MA).

Reid, C. J.: 1995, 'The Seventeenth Century Revolution in the English Land Law', *Cleveland State Law Review* **43**, 221–302.

Roberson, J.: 2008, 'Toyota Sweats Labor Costs', *Detroit Free Press*, December 12.

Roy, W. G.: 1997, *Socializing Capital: The Rise of the Large Industrial Corporation in America* (Princeton University Press, Princeton, NJ).

Seavoy, R.: 1982, *Origins of the American Business Corporation, 1784–1855* (Greenwood Press, Westport, CT).

Selekman, B. M.: 1959, *A Moral Philosophy for Management* (McGraw-Hill, New York).

Smith, A.: 1902, *Wealth of Nations* (Methuen and Co., London).

Solberg, W. U. and R. W. Tomilson: 1997, 'Academic McCarthyism and Keynesian Economics: The Bowen Controversy at University of Illinois', *History of Political Economy* **2**(1), 55–81.

Solomon, R. C.: 1992, 'Corporate Roles, Personal Virtues: An Aristotelian Approach to Business Ethics', *Business Ethics Quarterly* **2**(3), 317–340.

Taft, P. and P. Ross: 1969, 'American Labor Violence: Its Causes, Character, and Outcome', in H. D. Graham and T. R. Gurr (eds.), *Violence in America: Historical and Comparative Perspectives*, Vol. 1 (National Commission on the Causes and Prevention of Violence, Washington, DC), pp. 221–301.

Tead, O. and H. C. Metcalf: 1933, *Personnel Administration* (McGraw-Hill, New York).

Useem, M.: 1996, *Investor Capitalism: How Money Managers Are Changing the Face of Corporate America* (Basic Books, New York).

Valesquez, M. and R. E. Freeman: 2003, 'Has Business Ethics Teaching and Research Had Any Discernible Impact on Business Practice in the US and Around the World?', Panel Discussion, February 21, Markkula Center for Applied Ethics, Santa Clara University. http://www.scu.edu/ethics/publications/submitted/debate/.

Van Buren, H. J.: 2003, 'An Employee-Centered Model of Corporate Social Performance', *Business Ethics Quarterly* **15**, 687–710.

Werhane, P. H.: 1991, *Adam Smith and His Legacy for Modern Capitalism* (Oxford University Press, New York).

Wever, K. S.: 2008, 'Learning from Works Councils: Five Unspectacular Cases from Germany', *Industrial Relations* **33**, 467–481.

Wood, E. M.: 2008, *Citizens to Lords: A Social History of Western Political Thought from Antiquity to the Middle Ages* (Verso Press, New York).

College of Business Adminstration,
California State University,
6000 J Street, Sacramento,
CA 95819-6088, U.S.A.
E-mail: marensr@csus.edu