

Julian Friedland, ed.

Doing Well and Good: The Human Face of the New Capitalism.

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After bailouts, stimulus bills, Ponzi schemes and executive suicides have filled headlines around the world for months on end, perhaps no other topic in philosophy elicits as wide an interest as business ethics. If mentioning the study of philosophy has always raised a few brows, and, as Nietzsche suggested, fathers have for millennia experienced sleepless nights over the problem of how to prevent their sons from becoming philosophers, we have entered a small window in time at which the study of philosophy is still widely viewed with suspicion, but the study of business ethics sounds downright appealing. In working class pubs, mention of the fact that one teaches business ethics, which was once met with resentment when it was not met with sarcastic remarks about the implicit oxymoron, is now met with a quizzical look—as if to ask, is there any hope for such a project?

It has always been easy to cite instances of misconduct in the world of commerce. But only recently has it become possible to find and compare data about the ethical cultures of for-profit corporations and the moral thinking of the persons who run them. This advance came about through the combined efforts of business ethicists and non-profit corporate watchdogs. It has gained critical momentum with the arrival of the internet. Important results abound. There is credible data suggesting that potential employees tend to prefer corporations with well documented ethical cultures, and that those who do are likely to take slightly less compensation to work for one, while expecting to make a harder nosed employer pay more. In addition, there is ample evidence to suggest that the moral and ethical conduct of corporations matters to consumers. Hence, the profit motive, the bottom line, as it were, rationally demands greater ethical cleanliness, even as we sink to a new depth of scoundrel driven sleaze, hidden fees, gimmicks, sharks and tricksters in the marketplace.

Business Ethics Memo (<http://businessethicsmemo.blogspot.com>) author Friedland has brought together several leading voices in the field of business ethics for a round of cogitation about the possibility of a more humane, less exploitative capitalism. The core idea of the book is that ‘ethical business creates social value’ (ix). Thus, even if it means ‘transforming the very culture of capitalism’, the possibility of a more enlightened capitalism can and probably must be deliberately pursued. As Friedland sees it, ‘we cannot simply rely on government regulation, corporate leadership, or consumers’ to bring about this more enlightened approach to doing business. Rather, ‘all three of these socioeconomic forces must play a role’ because one or two of them cannot produce

sufficient force to stem the tide. As a result, while there is much work to be done, there is reason to be guardedly optimistic, and this volume discusses both the task and the reasons for optimism.

The essays are grouped into three parts: Part 1, 'The Role of Corporate Culture'; Part 2, 'A New For-Profit Paradigm'; and Part 3, 'Making the Change Happen: Voluntary and Regulatory Examples'. Having used this volume for a business ethics course, I can report that my students found it stimulating, and their commentary was most animated in Part 3.

Part 1 offers three essays more or less characterizing the current situation in the world of commerce. 'Facing the Stakeholder Trust Gap', by Michael Pirson, argues that corporations face three threats to their long-term success: a crisis of trust, a crisis of inequality (in compensation and workplace rights) and a crisis of sustainability. Stakeholders, including suppliers and consumers, are increasingly wary of corporate conduct due to their awareness of problems in these three areas. Larry W. Howard's 'Does Corporate Social Responsibility Affect Consumer Behavior?' makes plain that consumer perceptions of the ethical status of corporate conduct affects buying behavior. Maximilian B. Torres' 'Getting Business Off Steroids' compares the problem of steroids in professional baseball to the problem of unethical conduct in business, and offers a set of principles for solving both problems. This paper elicited a great deal of discussion.

In Part 2, Eugene Heath ('Being Serious About Being Good') explains that business must be conceived as a normal part of our everyday lives. His central idea is that when we think of business as mere exchange for profit, it becomes incompatible with our standard ethical thinking. Steve May's 'Transforming the Ethical Culture of Organizations' discusses six practices commonly found in ethically engaged organizations. Mark S. Schwartz contends that there is a paradigm shift occurring in the business world, as frameworks for thinking about business evolve past Milton Friedman's conception of profit maximization. His 'Beyond the Bottom Line: A Shifting Paradigm for Business?' analyzes five frameworks, including sustainability and corporate citizenship, that point to a new orientation of business thinking in our times. Finally, in 'Beyond the Invisible Hand: Self-Interest, Profit Maximization, and the Social Good', William H. Shaw details an eye-opening challenge to the foundational myths of corporate capitalism.

Part 3 offers concrete examples of the new capitalism at work. In 'The Integrity Dividend and "Doing Good"' Tony Simons argues that perception of the integrity of management 'is a very potent driver of customer satisfaction, employee turnover and ... profitability' (151). Leadership requires more than behavioral integrity, but is crucially ineffective without it. Duane Windsor's discussion of 'Multinational Corporations and Basic Health Services' fascinated students. Several large corporations are engaged in fighting disease and malnutrition in West Africa. Windsor's conclusion is that 'relatively low expenditures can have marked benefits for the affected population while building

moral capital for the company' (187). Gwendolyn Yvonne Alexis opened student eyes to the possibility of intelligent regulation with her essay on 'Legislative Excess or Regulatory Brilliance? Corporate Governance After Sarbanes-Oxley'. Most of the advances discussed in this volume are owed to the brilliance of this act, including stakeholder theory, corporate citizenship and corporate transparency. Alexis is not satisfied with the way things are, but it seems certain that things would be much worse without Sarbanes-Oxley, which aimed 'to affect [*sic*] a moral renaissance from within the very bowels of the publicly traded corporations' (218).

The paper that elicited by far the most interest from students was Denis Collins' 'Determining a Job Candidate's Ethics Profile: Integrity, Personality, and Moral Reasoning Level Tests'. This work 'reviews research on a variety of personality tests used to screen job candidates for their ethics' (167). Most students expect to be candidates for employment soon, and this paper reminded them of their vulnerabilities and of the importance of our course topic: in today's business environment, ethics matters more than ever, and that includes the ethics of potential employees.

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