Beyond Business Ethics

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The contemporary academic sub-discipline of business ethics is an inadequate corrective to unethical business practices, not only because the most popular theories of business ethics are based upon philosophical mistakes, but also because the entire enterprise of academic business ethics is fundamentally confused and doomed to irrelevance. Business ethics theory relates to business management theory by contradicting it, without providing an alternative theory of management. Attempting to instil ethical standards into business firms that are obedient to Anglo-American management theory is like trying to instil oil in water. What is required is a comprehensive philosophical theory of the ethical practice of business management. This must involve not merely contradicting the dominant business management theory, but also replacing it. This project is consistent not only with the long tradition of Western culture that was rejected during the "Enlightenment", but also with the traditional cultures of sub-Saharan Africa.

After rejecting the dominant theory of business management, pointing out the mistakes of attempts to argue that "good ethics is good business", and showing the inadequacy of business ethics theory, this paper will suggest the direction in which to escape from the present predicament.

1. Agency Theory

According to the theory of business management dominant in the West today, agency or shareholder theory, the managers of a business corporation are obligated to maximize long-term owner value. This theory is often called "agency theory", because it is frequently based on the assumption that owners are principals and managers are their agents. It is sometimes called "shareholder theory", because the owners of most large corporations are shareholders. This approach originated within the Anglo-American cultural tradition, but is now being taught in business schools around the globe. It is problematic, for several reasons.

First, according to the British legal tradition, in which the concept of the agency relationship originated, managers are not agents of the owners of the corporation for which they work, but are instead agents of the corporation itself. Within this tradition, the business corporation is understood to be a legal person, distinct from its human members. As an extreme form of Anglo-American individualism was accepted by financial management theorists, however, the idea of the existence of a corporation became unintelligible. In the seventeenth century, while the British legal tradition recognized the business corporation as a legal person, Thomas Hobbes regarded political organizations as artificial: "By art is created that great Leviathan called a Commonwealth, or State (in Latin, *Civitas*), which is but an artificial man."[1] In the eighteenth century Jeremy Bentham wrote that a community is a fiction: "The community is a fictitious *body*, composed of the individual persons who are considered as constituting as it were its *members*. The interest of the community then is, what? – the sum of the interests of the several members who compose it."[2]

In the twentieth century this understanding of human organizations was applied to the business corporation by scholars such as Milton Friedman: "A corporation is an artificial person".[3] Michael C. Jensen and William H. Meckling asserted in an influential article: "The private corporation or firm is simply one form of *legal fiction that serves as a nexus for contracting relationships and is also characterized by the existence of divisible residual claims on the organization's assets and cash flows, which can generally be sold without permission of the other contracting individuals*.[4] As Eugene Fama puts it, "The firm is just the set of contracts covering the way inputs are joined to create outputs and the way receipts from outputs are shared among inputs."[5] Or, in the words of

Steven N. S. Cheung, "The word 'firm' is simply a shorthand description of a way to organize activities under contractual arrangements that differ from those of ordinary product markets."[6] Financial management theorists then conclude that if business managers are agents and if the business corporation does not exist, then managers must be agents of the owners of the (non-existent) corpor-ation. But this is a mistake; man-agers are agents of the corporation itself. Therefore, if it is true that managers are obligated to maximize owner value, this cannot be for the reason that they are the owners' agents.

A second problem for agency theory is that it both main-tains that managers are obligated to maximize the wealth of owners and assumes that managers are motivated to maximize their own utility functions: "In theory, capital projects should be analyzed by reference to the objective of maximization of stockholders' wealth (MSW). In practice there are asymmetries of information and managers may seek to maximise their personal utility."[7] From this discrepancy between what managers should do, according to this theory, and what they have motives to do, according to the assumption that they are "rational" maximizers of their own individual utility func-tions, "agency problems" originate:

> According to agency theory managers are considered agents of stockholders, the owners of the corporation. These agents manage the resources of the corporation, but do not bear the wealth effects of their actions. In such a situation, managers have the opportunity and incentive to make choices and decisions regarding the use of firm resources that benefit them personally at the cost of the firm, giving rise to agency problems.[8]

Ingenious schemes have been devised in the attempt to align managers' self-interest and the interests of shareholders: "At the senior executive ranks, compensation arrangements typically contain four basic components: a base salary, an annual bonus tied to accounting performance, stock options and other long-term incentive plans including multi-year accounting-based performance plans."[9] One consequence of these schemes – as has recently become public knowledge with the cases of Enron, WorldCom, and many smaller firms – is that managers seeking to maximize their own utility functions have an incentive to manipulate share price, for instance, by improperly shifting liabilities to off-balance-sheet entities. Once a manager is persuaded that the goal of business is to make as much money as possible (for someone else), it is a small step to conclude that his own goal should be to make as much money as possible for himself. Enron's executives, for example, inflated their corporation's share price by transferring its problems to the balance sheets of subsidiaries registered in the Cayman Islands and awarded millions of shares to themselves. Then, when the chic-kens began coming home to roost, the executives sold their shares for $1.3 billion (while exhorting their employees to buy shares). In the end, they *minimized* shareholder value and wiped out the savings and pensions of many Enron employees.

A third problem with agency theory is that, in many situations, managerial actions that maximize owner value, even long-term owner value, are unethical. Among the kinds of unethical actions that may maximize long-term owner value under particular circumstances are: marketing a product that is not a genuine good or service, advertising dishonestly or deceptively, advertising in a manner that exploits consumers' vices, treating employees unjustly, performing intrinsically evil acts (e.g., aborting fetuses for profit and selling the organs and tissue of aborted fetuses[10]), cutting costs by selling unsafe products, and paying bribes.

For these three reasons, agency theory must be judged unsatisfactory. In most Western business schools today, the prin-ciple that managers must strive to maximize long-term owner value is regarded as an axiom requiring no argument. It is, however, a normative theory of human action that has emerged from a particular philosophical and cultural tradition, and should be subjected to critique and assessment just like any other normative theory of human action. When it is assessed, it is found to be indefensible.

2. "Good Ethics is Good Business"

Although the majority of business ethicists agree that many owner-value-maximizing actions are unethical, some deny this and argue instead that "good ethics is good business", at least for most of the time. Norman Barry, for example, sees a natural harmony between ethics and capitalism: "All the differing types of capitalist systems recognise and depend on a generic morality: it [sic] covers trust, honesty, respect for property and the sanctity of contract."[11] According to him, ethics does not conflict with the pursuit of profit; rather, it enables profit to be pursued more effectively. Nevertheless, attempts to defend this position are unsuccessful.

2.1 Patrick Primeaux and John Stieber

Patrick Primeaux, SM and John Stieber believe that good ethics and good business are synonymous: "Since more is better than less from a given set of scarce resources, producing where marginal revenue is equal to marginal cost (MR = MC), profit maximizing, is efficient and ethical. Producing where marginal revenue is greater than or less than marginal cost, not profit maximizing, is inefficient and unethical."[12]

Primeaux and Stieber's argument contains several mistakes. After arguing that it is unethical for a firm to produce at a point where marginal revenue *exceeds* marginal cost, because the community will have fewer goods and services than if the firm maximized its profit, they continue:

> If the firm produces at a point where marginal revenue is less than marginal cost (MR < MC), it is choosing a level of output that is greater than the profit-maximizing output, and the community has more goods and services. The problem with this decision is that it costs more to make these additional units of output than the revenues they generate, and the company will lose money. It is axiomatic that any firm continuing to produce at a loss will eventually go out of business. Therefore, what first appears to be a windfall for the community turns into a disaster. The firm shuts down, all of the things it once produced, including the windfall, disappear; and the community has fewer goods and services.[13]

This is incorrect. If the firm produces at a point where marginal revenue is less than marginal cost, but total revenue exceeds total cost, the firm will not lose money. It will merely make less money than the maximum it could make. This mistake is surprising, since the authors also explain the mathematical relationship between total cost/revenue and marginal cost/revenue in a footnote.

The authors offer in support of their position an analogy between business and football:

> The individual athlete approaches a game of football with his or her own personal sensibility to a certain philosophical perspective, religious commitment, and adherence to the law. That sensibility may even define the individual athlete and his or her relationships with others. In practice, however, that sensibility is "bracketed" or suspended as the rules of the game assume precedence. Of course, the individual can make a prior choice to play or not to play, and perhaps philosophical, religious or legal commitments may inspire that choice. But once that choice has been made the rules of football dictate a certain behavior.[14]

One weakness of this analogy is that playing football is an optional activity, while business is the primary means of earning a living wage in industrialized countries. Hundreds of millions of people have few alternatives other than to "play" business. Second, there is more than one set of business rules, as Michel Albert implies in the title and argues in the text of *Capitalisme contre capitalisme*.[15] Two paragraphs later Primeaux and Stieber write, "We would define business ethics in terms of neo-classical economic theory and its advocacy of *profit maximization*." But this is a choice of one among various alternative definitions. A better analogy than football would be rugby, with the choice between Rugby Union and Rugby League, or perhaps "football" understood broadly, to include American Football, Association Football, Australian Football, etc. Third, while there is little opportunity to reflect upon one's ethical beliefs while playing a football game, there is no reason why anyone who has initially decided that playing the game is consistent with his ethical beliefs should bracket or suspend those beliefs while playing. If the rules of football fit without conflict into the larger context of one's overall ethical commitment, one can retain it while playing the game. For persons of moral integrity, the unity of life includes athletic competition.

One of the reasons Primeaux and Stieber are able to reconcile business ethics and profit maximization is that they avoid (and believe managers should avoid) the responsibility of judging whether a firm's products are good. They believe that the role of business within society is to "provide the goods and services the consumer wants".[16] They then explain, "The word 'wants' is deliberately used to distance business from the judgmental implications of personal or communal 'needs'."[17] In their judgment, managers should not make value judgments. If consumers want pornography, condoms, and fetal tissue, the social role of business is to provide them. Primeaux and Stieber then go on to define ethics in terms of non-judgmentally producing whatever people want to buy:

> When business men and women profit maximize, i.e., allocate resources efficiently, people have more of the things they want, and that is *good*. When they do not profit maximize, i.e., allocate scarce resources inefficiently, people have less of the things they want, and that is *bad*... Since ethics is basically a study of good and bad activity, then the decision to profit maximize or not to profit maximize becomes a question of applied or practical ethics.[18]

The problem with this position, however, is that it is not good to produce whatever people want when what people want is not good. Business managers are respon-sible for exercising judgment, including judgment about personal and social needs.

As Primeaux and Stieber understand it, ethics plays two roles in relation to business management: one internal and one external to the firm. Internally, ethics is by definition equivalent to producing whatever consumers want to buy at the point where marginal cost equals marginal revenue. There is no other role for ethics to play within the firm. Externally, since the ethics of consumers influences what they wish to buy, the ethics of society must be taken into account by managers when deciding what to produce, so they can maximize profit. Interestingly, however, business ethics and consumer ethics are quite different in nature. Within the firm, ethics is absolute and non-individualistic: "Profit maxi-mization does not include personal ethics; only the opportunity costs of not being sensitive to the ethics of the community."[19] If managers believe that their firms' profit-maximizing actions are unethical, they are obligated either to alter their personal ethics or to resign. The authors praise Holiday Inn founder Kemmons Wilson, who resigned as president when his company's opportunity to increase its profits by opening a hotel and casino in Las Vegas conflicted with his personal belief that gambling is unethical: "To his unending credit, his behavior was consistent with profit maximization."[20] Consumer ethics, in contrast, is relative and individualistic, because each ind-ividual consumer is free to decide what he or she does and does not want to buy:

> What determines whether there exists a 'want' for guns? The individual consumer does. Were the individual consumer to judge that he or she had no 'want' for this particular product, it would not be produced ... There is, then, integral to the private enterprise economic system a bias towards individual ethics and judgments. This bias is grounded in a positive evaluation of individual human dignity and the capacity of the human spirit to choose what is best for itself.[21]

Thus, Primeaux and Stieber understand ethics to be individualistic and relative for persons not engaged in business. Each individual is free to decide what products to buy and to decide whether to become a businessman. But once he does decide to become a businessman, he is obligated to bracket or suspend his personal ethical beliefs and adopt absolutist "business ethics", which is equivalent to profit maximization. If he subsequently decides that he can no longer do this, his only option is to cease to be a businessman. The authors do not explain why ethics can be individualistic and relative for those who buy goods and services, but cannot be for those who sell the same products.

Primeaux and Stieber do not have an ethical theory at all; they simply call a particular economic theory their theory of business ethics. They belong to the tradition of economism, which attempts to apply economic theory beyond the boundaries of its relevance. They believe that a manager whose personal ethics conflicts with his or her firm's profit maximization, but who is able to reconcile the conflict and stay with the firm, has "sold all or part of his or her ethics for another set of ethics". They explain:

> One of the major postulates of economics is that personal attributes and talents such as self-respect, decency and ethics are also economic goods as are food, shelter and health care. Like

> all economic goods, they also are bought and sold…
>
> Like other people, managers barter with their ethics. They trade, as everyone does, their childhood ethics for adult ethics. If they didn't, they wouldn't mature. They also sell their ethics for a money price, even putting aside/reconciling their personal ethics for a good-paying job.
>
> Whether the behavior of buying and selling one's personal ethics is right or wrong is the realm of the philosophical or religious moralist. We know that people do it and that the discipline of economics describes how they do it.[22]

It is also the realm of the philosopher to identify the boundaries of other academic realms. Primeaux and Stieber's attempt to include the "buying and selling" of ethics within economics is a case of academic imperialism, an attempt to include within its empire territory that belongs to other academic disciplines. And their attempt to demonstrate that good ethics and good business are synonymous is unsuccessful, because it includes no ethical theory. It merely reduces business ethics to economics and then shows that economics and economics are synonymous.

2.2 Milton Friedman

Milton Friedman, one of the most eloquent and influential advocates of American capitalism or "positive economics", has argued famously that "the social responsibility of business is to increase its profits".[23] Friedman's use of "social respon-sibility" in this sentence is intentionally ironic. He also writes: "What does it mean to say that the corporate executive has a 'social responsibility' in his capacity as businessman? If this statement is not pure rhetoric, it must mean that he is to act in some way that is not in the interest of his employers." And he goes on to state clearly that business managers should never act in such a way. His position is not that the business managers' social responsibility coincides with the increase of profits, but that the business manager *qua* business manager has no social responsibility at all, only a non-social responsibility to act in the interests of the owners of the firm for which he works.

Ethics is, however, permitted to play a limited role in Friedman's ideal world. If the owners of a corporation wish to let their acquisition of wealth be tempered with the ethical custom of the society in which they live, then the manager should act consistently with this desire: "He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to their basic rules of the society, both those embodied in law and those embodied in ethical custom."[24] Furthermore, Friedman does not permit managers to increase their profits by deceptive or fraudulent means: "In [a free] economy, there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud."[25] But if the owners of the corporation are not willing to have their wealth reduced by conforming to rules of society embodied in ethical custom, then the manager should ignore those rules. Therefore, the only absolute ethical responsibility of the business manager, according to Friedman, is the avoidance of deception and fraud. Therefore, despite his rhetoric of equating "social responsibility" with profit maximization, Friedman's actual position is that business managers should simply ignore all but the most minimal of ethical considerations.

2.3 Elaine Steinberg

Elaine Sternberg regards Friedman's position as too weak:

> As a political economist, Professor Friedman naturally castigates use of the firm's resources for nonprofitable moral purposes as 'socialism' and unauthorised 'taxation'. Far from being too harsh, that characterisation is in fact too polite. Using business resources for non-business purposes is tantamount to *theft*: an unjustified appropriation of the owners' property. Managers who employ business funds for anything other than the legitimate business objective are simply embezzling: in using other people's money for their own purposes, they are depriving owners of their property as surely as if they had dipped their hands into the till.[26]

Steinberg attempts to make her case by asserting: "What differentiates business from everything else is its purpose: maximizing long-term owner value by selling goods or services. Only this definitive goal is essential to business. All other goals are at best incidental to business, and are justified for business only insofar as they contribute to achievement of the definitive goal."[27] She then argues: "The purpose of business is not to promote the public good. Business is a prime contributor to the public good, but that role does not distinguish it from the other activities – medicine and education, for example – that also are; prom-oting the public good therefore can-not be the definitive purpose of business."[28]

This argument is unsound, as can be demonstrated by cons-tructing an obviously unsound argument of the same logical form: "The purpose of a financial services company is not to maxi-mize long-term owner value. A financial service company is a prime contributor to the maximi-zation of long-term owner value, but that role does not distinguish it from the other companies – manufacturing and transportation companies, for example – that also are; maximizing long-term owner value therefore cannot be the definitive purpose of a financial services company." From the fact that activities other than business promote the public good, it does not follow that the purpose of business is not to promote the public good. It is possible that organizations of two or more different categories have the same purpose.

This mistake is quickly followed by another:

> To focus on business's function as a producer, supplier or adder of value is to misconstrue business's purpose. If the nature of the goods or services, or the way they are produced, takes priority over maximizing long-term owner value, then the activity involved is not business. An organization whose guiding principle is producing the absolutely best widgets (e.g., engines, books, healthcare) or the very cheapest ones – *independent of the consequences for long-term owner value* – is not operating as a business... even if, incidentally, it sells the widgets profitably.[29]

This argument assumes that if a manager rejects one extreme, he must embrace its polar opposite; either the purpose of business is to maximize long-term owner value or the purpose of business has nothing to do with long-term owner value. Another possibility, however, is that the purpose of a particular business company is to produce excellent widgets and to sell them at low prices, while recognizing that prudent attention to owner value – though not necessarily *maxim-izing* it – is among the necessary means to fulfilling its purpose.

While many philosophers believe that teaching business ethics amounts to prostitution, because business is necessarily unethical, Sternberg believes the same of pursuing business objectives other than the maxim-ization of long-term owner value:

> Just as prostitution occurs when sex is proffered for money rather than love, so it exists when business pursues love – or 'social responsibility' – rather than money. Business managers who eschew maximising long-term owner value, and direct their firms to any other goal, are as much prostitutes as artists or sportsmen who sell out for financial gain. In each case, the activity is perverted, and the 'right, true end' is neglected in favour of some other, extraneous objective.[30]

Despite these provocative statements, Sternberg provides nothing resembling a sound argument for her claim that maximizing long-term owner value is in fact the right and true end of business management.

Sternberg's beliefs about the relationship between ethics and the maximization of owner value suffer from misconceptions about the nature of ethics. The introduction and six of her book's ten chapters begin with citations of Aristotle. Nevertheless, she has a quite un-Aristotelian understanding of the relationship between ethics and prudence:

> Being prudent is not the same as being ethical. Checking for traffic before crossing the road is prudent, but is not necessarily either moral or immoral. The wicked may prudently try to conceal their villainy to avoid getting caught, but do not thereby become good. In each case, the prudent act is simply the sensible one to do in the circumstances, the judicious or reasonable thing to do. The ethical act, in contrast, is that which is morally right.[31]

Checking for traffic before crossing the road is not necessarily either moral or immoral, but neither is it necessarily either prudent or imprudent. If the road is impassable, failing to check for traffic before crossing it is not imprudent. When checking for traffic is prudent, it is also moral. When failing to do so is imprudent, it is also immoral. Persons who try to conceal their villainy to avoid getting caught are villainous, not prudent. And to say that an ethical act is that which is morally right is to offer a circular, unhelpful definition. Sternberg does not say what distinguishes an ethical act from an unethical act, or a morally right act from a morally wrong one.

In her next paragraph she inserts a note suggesting that she is familiar with the Aristotelian understanding of the relationship between prudence and ethics: "Although the ethical and the prudent are conceptually distinct [note: though prudence has sometimes been designated a (natural, cardinal) moral virtue], the same act can and often does fall into both categories."[32] According to Aristotle, the ethical and the prudent are indeed conceptually distinct, because prudence is only one of several virtues, and is an intellectual virtue, not a moral one. But it is impossible for an action to be prudent without also being ethical, or to be imprudent without also being unethical. Sternberg does not explain why she disagrees with Aristotle at this fundamentally important point. One's understanding of the relationship between ethics and prudence has enormous implications for one's understanding of the relationship between ethics and business management.

While Sternberg believes that business has no social responsibilities, she follows Friedman in allowing that the maximization of financial wealth should be subject to certain, minimal ethical constraints:

> The key principles of business ethics are identified as those enjoining the values without which maximizing long-term owner value would be impossible: distributive justice and ordinary decency. Distributive justice exists when organisational rewards are distributed on the basis of contributions made to organizational goals. Ordinary decency is not 'niceness', but the conditions of trust necessary both for taking a long-term view and for surviving over the long term; it consists of honesty, fairness, the absence of physical violence and coercion, and the presumption of legality.[33]

Sternberg's inclusion of "distributive justice" within business ethics is somewhat misleading. She is not concerned with distributive justice within a national economy, only with justice within business firms: "In its most general formulation, the principle of distributive justice asserts that organizational rewards should be proportional to contributions made to organi-zational ends."[34] The principle "to each according to his contribution to long-term owner-value maximization" is a parody of Aristotelian distributive justice.

Sternberg's limitation of business ethics to distributive justice, honesty, fairness, refraining from coercion and physical violence, and usually obeying the law, like Friedman's restriction of business ethics to engaging in open and free competition without deception or fraud, means that some unethical, owner-value-maximizing actions will be ruled out and others will be permitted. For example, let us assume that a publisher of primary-school textbooks could attain greater long-term owner value by diversifying and beginning to publish pornography. To do so would not violate distributive justice, honesty, or fairness, nor would it require coercion or physical violence. Therefore, if the laws of the land do not prohibit pornography, the company is *obligated* to begin publishing it. If it fails to do so, then it ceases to be a business entity: "Only when an organization is seeking to maximize long-term owner value is it a business; only then can distributive justice and ordinary decency be invoked as ethical constraints on business activity."[35] Nevertheless, publishing pornography is unethical. Consequently, Sternberg's understanding of business ethics is mistaken.

Sternberg addresses the fact that her model of business ethics permits unethical actions in the final chapter of her book:

> There have been some notable occasions in the argument when, though an issue has been raised, no resolution has been offered. When, for example, the question arose as to whether selling pornography or armaments might be immoral, or whether whistle-blowing might be obligatory to prevent threats to public safety, the Ethical Decision Model was not applied. And in the discussion of corporate wrong-doing, nothing was said about how individuals should determine

> which business orders they should obey. Such questions cannot be resolved in the same way as ordinary business ethics issues because, strictly speaking, they are not questions of business ethics.[36]

Like Primeaux and Stieber, Sternberg permits individuals to avoid and to resign from businesses whose owner-value-maximizing act-ions conflict with their personal ethical beliefs: "If someone is opposed to the sale of tobacco, then if he is acting on his principles he should not buy tobacco. And to be consistent, he also ought not to work for or lend to or invest in tobacco firms."[37] What she does not permit is a decision by the CEO of a retail company that it will not sell tobacco, if selling tobacco would maximize its long-term owner value, on the grounds that he believes doing so is unethical. This is the case, however, only because she has arbitrarily decided that some questions of the ethics of business fall within the domain of business ethics and some fall outside it.

Sternberg sees no conflict between business ethics and the maximization of long-term owner value: "Since being ethical in business consists of maximizing long-term owner value subject only to distributive justice and ordinary decency, it is entirely plausible that 'good ethics is good business', even internationally."[38] Just as with Primeaux and Stieber, however, she is able to avoid such conflict only because she has an inadequate conception of business ethics. She believes that it is through "conscientious individual action that social responsibility is properly understood."[39] And this is the case because she has the same individualistic ontology of the firm as Hobbes, Bentham, Friedman, *et al.*: "A corporation is a legal fiction, an artificial person."[40]

3. Business Ethics

It is certainly true that in many situations owner-value-maximizing actions are also ethical actions. It is no less certain, however, that under some circumstances long-term owner-value maximization and ethics conflict. Consequently, only a small minority of business ethicists claims that good ethics is always or usually good business. Most writers in the field agree that it is improper to focus on the maximization of profit or owner value as the primary goal of management. The most popular "paradigm" of business ethics today is "stakeholder theory".

The stakeholder concept originated within the discipline of strategic management, not business ethics, at the Stanford Research Institute in the 1960s. It is indisputable that even if a manager's sole objective is to maximize long-term owner value, he must take a diversity of "stakeholders", persons who hold a stake in the activities of the firm, into account in order to do so. One cannot maximize owner value by focusing exclusively on owner value.

The person primarily responsible for popularizing the stakeholder concept and intro-ducing it into business ethics is R. Edward Freeman.[41] According to Freeman, "a Stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievement of the organization's objectives."[42] In some way or another, managers are supposed to take the interests of all stakeholders into account when making decisions. Following Bentham, the interest of the community is assumed to be the sum of the interests of the individual members who compose it.

Some scholars have attempted to develop a theory of business ethics in the social-contract tradition and to distinguish it from stakeholder theory.[43] This is a mistake, however, because stakeholder theory itself stands squarely within the tradition of social contractarianism. Freeman explicitly and appropriately uses "social contract" in describing stakeholderism: "Is the corporation to be understood solely as a means to the creation of wealth for stockholders, or can it be understood as a social contract among stockholders, customers, suppliers, employees, and communities?"[44]

Freeman and a co-author agree fully with agency theorists such as Jensen and Meckling that the business firm is a fiction: "Management plays a special role [in stakeholderism], for it too has a stake in the fiction that is the modern corpor-ation."[45] Despite their superficial differences, agency theory and stakeholder theory share the fundamental ontological and anthropological assumptions of the social contract tradition: that man is by nature individualistic, that human society and institutions are artificial, and that there is no necessary relationship between the individual good and the common good. In the words of Jean-Jacques Rousseau:

> Each individual can, as a man, have a private will contrary to or different from the general will that he has as a citizen. His private interest can speak to him in an entirely different manner than the common interest. His absolute and naturally independent existence can cause him to envisage what he owes the common cause as a gratuitous contribution, the loss of which will be less harmful to others than its payment is burdensome to him.[46]

When the philosophy of conflict between private interest and common interest becomes the philosophy of the modern business corporation, we have "agency problems": "Top manager opportunism means self-interest and self-serving behavior which is the result of both discretionary power and 'natural egotism'. The utility function of the owner (the risk-bearer) and top manager (the risk taker) are only synonymous when the owner and the top manager are the same person, otherwise top managers may pursue their own interests at the expense of others."[47] Stakeholder theory's contribution to our understanding of the ethical responsibilities of business managers is merely to increase the number of individual parties to the social contract.

Such an individualistic understanding of human society and human organizations is incompatible with both the European cultural tradition and traditional African culture. Aristotle, for example, argues that "the city belongs among the things that exist by nature, and that man is by nature a political animal."[48] It is not a coincidence that the traditional cultures of both Europe and Africa are non-individualistic. All traditional cultures share this feature, because an individualistic culture is incapable of standing the test of time.

Stakeholder theory is an unsatisfactory business ethics theory, not only because it is based upon a false understanding of human nature and human society, but also because it has little, if anything, specific to say to practicing managers. One attractive feature of agency theory is its simplicity; managers are to maximize a single variable. By merely increasing the number of individual parties to the social contract, without telling managers how – practically or even theoretically – they are to weigh or choose between or reconcile the diversity of conflicting interests, stakeholder theory renders itself irrelevant for managers who must make decisions in the real world.

Agency theory is a theory – a false theory, but nevertheless a theory – of business management. Stakeholder theory, as a theory of business ethics, states correctly that agency theory is false, but provides no alternative theory of business management. It consequently has, in contrast to agency theory, little impact upon the actual practice of management. Agency theory gives managers a theoretically precise objective – albeit an incorrect one. Stakeholder theory gives managers a plurality of undefined objectives. The CEO of a large, multinational company must consider the individual interests of billions of stakeholders.

Within most universities in the West or influenced by the West, there is a contradiction between what students of business management are taught in their business courses and what the same students are taught in their business ethics courses. Most business management courses assume as an axiom that the objective of management is to maximize profit or owner value, and then set about teaching students some aspect of how to accomplish this. Most business ethics courses, whether they teach stakeholderism or some other theory of business ethics, teach that some owner-value-maximizing actions should not be performed, because they are unethical. The students are on their own in resolving this contradiction within their business education – or in dismissing business ethics as irrelevant to business management.

This unfortunate state of affairs is possible, because universities are extremely compartmentalized and each academic discipline has its own conferences, journals, and book series. The career progression of a scholar in any discipline is determined more by scholars in his own discipline at other universities than by scholars in other disciplines at his own university. In many cases, e-mail "communities" of scholars in the same discipline at different institutions are more influential in shaping what faculty members teach than face-to-face communities within a single insti-tution. Business ethicists often do not care what their marketing or accounting or financial manage-ment colleagues are teaching, and vice versa. But of what value is this contradictory education to students after they graduate and enter the real world of business? Is it any wonder that academic business ethics has so little influence on the actual practice of business management?

What students of business ethics and practicing business managers need is not a pair of theories – a business management theory and a business ethics theory – that contradict one another, but a single, unified, comprehensive theory of the ethical practice of business management. We must go beyond business ethics to the philosophy of management, because only philosophy is capable of developing a new theory of business management. As Nigel Laurie and Christopher Cherry make the point in the inaugural issue of *Reason in Practice: The Journal of Philosophy of Management*, "philosophy of management is no more merely business ethics than philosophy of science is scientific methodology."[49] It is impossible, however, to develop the requisite philosophical theory of management within the tradition of Anglo-American individualism or the social-contract tradition, because their understanding of the relationships between individual persons and communities of persons is incorrect.

4. Philosophy of Management

The only tradition of Western philosophy within which an adequate theory of the ethical practice of business management can be developed is that of Plato, Aristotle, St. Augustine, St. Thomas Aquinas, and many others, which was rejected by the intellectual main-streams of Europe during the Enlightenment, but which has nevertheless survived and has recently experienced renewed interest, in large part because of the efforts of Alasdair MacIntyre to revive it. Although this tradition is European, it is relevant to non-Europeans, because it includes and relies upon a correct understanding of human nature, which is the same for all members of the one human race. There are significant parallels between the Platonic-Aristotelian tradition and the Asian Confucian tradition, especially in their res-pective understandings of the individual and social virtues. And this European tradition is compa-tible for the most part with traditional African cultures, which, though not expressed in philoso-phical theories, have been articulated in oral traditions that survive today.

Developing a theory of business ethics within the tradition of Plato, Aristotle, Augustine, and Aquinas is not simply a matter of recovering what persons in this tradition wrote about business management. Most of the thinkers in this tradition exclude business from the realm of activities consistent with living a virtuous life. Plato recognizes the contribution of commercial activity to the ideal city-state, but does not assign a specific virtue to artisans and merchants. While politicians are wise and soldiers are courageous, businessmen only contribute to the temperance and justice of the city-state as a whole by playing their subordinate role.[50] In the process of answering affirmatively the question whether there exists a species of the virtue of prudence for soldiers, *prudentia militaris*, Aquinas says that there is no corresponding species of prudence for artisans and traders: "Other matters in the state are directed to the profit of individuals, whereas the business of soldiering is directed to the protection of the entire common good."[51] But while Aquinas's statement that commercial activity is directed to the profit of individuals may be correct as an observation of the actual motives of most businessmen, nothing about the nature of such activity prevents it from also being directed toward the common good. The existence of the virtue of military prudence is not jeopardized by the existence of military officers whose primary objective is career advancement, political power, or retirement benefits. While traditional European philosophy does not include a theory of the philosophy of management, it does contain the resources necessary to develop such a theory, appropriate for and applicable to, contemporary business management.

Commercial activity, directed by business managers, contributes to the common good by providing the goods and services that enable us to live good lives. But it does this only if its products are genuine goods and services. Contrary to the position of Primeaux and Stieber, the purpose of business is not to provide whatever products consumers are willing – or can be persuaded – to buy. If a firm's products are not truly good, producing them does not contribute to the common good. Lower-order objectives are proper only if they stand in a proper relationship to higher-order goals. As Patrick Riordan, SJ explains:

> On Aristotle's view, one may not simply take as sanctioned the goals of some set of activities, but those goals must be understood as embedded in a hierarchy of goods which are related to one another by means of the "for-the-sake-of" relationship. So, for instance, the goals of flute-making are for the sake of the goals of flute-playing. This way of thinking presupposes that there is a highest good for the sake of which all other goods are pursued, an ultimate end relative to which all other goods are subordinate. A genuinely Aristotelian approach to business ethics [or philosophy of management], therefore, would not be content with asserting the essential goal of business; it would have to ask further what are the goods, and the ultimate good, for the sake of which the goals of business might be pursued.[52]

The ultimate good is God. But the highest earthly good is the common good, the good of the community. The proper objective of business is the production of genuine goods and services for the sake of the common good. Although certainly not an Aristotelian, Henry Ford made the point simply and succinctly in a 1919 interview: "A business that makes nothing but money is a poor kind of business."

Peter Koslowski argues that financial objectives, while essential to business management, are secondary to the business corporation's purpose of producing goods and services:

> The necessary condition for the existence of the firm and the main purpose for which firms come into being is the production of products, not the production of profits or shareholder value. This main purpose of the firm may only be realized if sufficient returns on investment are earned, and in this sense, the realization of shareholder value is a condition for the realization of the main purpose of the firm; it is however not the first condition.[53]

Furthermore, as Koslowski explains, the obligations of the firm are derived from its nature:

> It is an old principle of the Aristotelian natural law tradition, also dominant in Catholic social thought, that obligation arises from the nature of the matter: *obligatio oritur a natura rei*... Applied to the theory of the firm, the principle that the obligation is derived from the nature and purpose of the matter or institution in question requires that the main ethical and legal obligation of the firm must be deduced from its first purpose, and not from the conditions which secure the realization of its purpose. This first purpose of the firm is, however, not the maximization of the residual profit and of the share value in the stock market but the production of optimal products under the condition of the realization of the secondary goals of its member groups or stakeholders.[54]

John Dobson, relying in part on MacIntyre's work, advocates the opposite of Friedman's and Sternberg's understanding of the relationship between financial maximization and business ethics: "In FE [financial economics] to date, wealth maximization has been viewed as the corporate *objective*, and ethics – if viewed at all – as the *constraint*. A role reversal merits serious consideration."[55] Dobson's suggestion is not that financial considerations are unimportant. No plausible theory of business management could make that mistake. Although the objective of the firm would not be to maximize a financial variable, professional competence in financial management would be necessary to accomplish the firm's objective: "A *constraint* that the managers face in achieving these broader [ethical] objectives is that they provide stockholders with a fair return on their investment. By 'fair' we mean what FE would call 'risk-adjusted' i.e. a return commensurate with the uncertainty inherent in the corporation. Thus this role reversal would not reject FE's invaluable insights into the role of risk and return."[56]

It is not true in the case of a sole proprietorship that the goal of business management is to make as much money as possible for the proprietor and that all means to that end are justified. Therefore, from the fact that shareholders are the owners of joint-stock companies it does not follow that all means to the maxi-mization of their wealth are justified. Furthermore, the popularity of "ethical" and "socially responsible" mutual funds demonstrates that not all investors are interested in *maximizing* shareholder value. Although these funds disagree with one another about what it means to be ethical, they are all willing to accept something less than owner-value maximization in order to avoid whatever they consider to be unethical business practices or products.

Real-world management requires decisions involving both quantitative and non-quantitative objectives. That is true even more of management with the intention of producing genuine goods and services, because this requires qualitative judgments about which products are truly good. No theory of management based on the assumption that managerial decision-making is purely quantitative would be worth serious consideration. The professionally competent business manager will always require a sound understanding of financial management. But in addition to that he will require the ability to exercise sound professional judgment in cases where the objective cannot be quantified. In the European tradition, professional judgment is understood as the cardinal virtue of prudence (Greek - *phronesis*, Latin - *prudentia*). And just as Aquinas recognized the species of military prudence, we can add the species of managerial prudence. Prudence, like all of the virtues, is a good habit and character trait. No one is born prudent, nor can anyone become prudent by reading books and journals or by earning an MBA. One only becomes prudent by experience. The junior manager who consistently makes good decisions, until doing so becomes habitual, is capable of ascending to higher-level management, where decisions of greater complexity are required.

Developing a unified, comprehensive theory of the philosophy of management, a single theory that is both a management theory and an ethical theory, must be based upon the virtue of prudence, the virtue of the decision-maker. But this requires correcting the widespread confusion of thinkers such as Sternberg, according to whom an action can be prudent without being ethical. The belief that prudential and ethical reasons for action can conflict with one another is one aspect of modern European philosophy's rejection of the traditional understanding that the good life is not only good for others, but also good for the person living it. Rousseau's belief in a divergence of private interest and common interest is another manifestation of this mistake.

While the requisite philosophical theory of management must be constructed primarily from concepts of the European philosophical tradition, it would be consistent with traditional African society. C. O. Nzelibe draws a contrast between African and Western management thought: "Constructing theory for African management thought will not be advanced by assuming that what prevails in the Western world is applicable also in the African environment."[57] But the differences that Nzelibe cites between African and Western management thought are also differences between traditional and modern Western philosophy and culture: "Implicitly, the funda-mental assumptions of Western management thought and African management thought are in direct conflict. Whereas Western management thought advocates Eurocentricism, individualism, and modernity, African management thought emphasizes ethnocentrism, traditionalism, commu-nalism, and cooperative teamwork."[58]

Nzelibe maintains that adopting a modern-European understanding of management incompatible with traditional African culture is responsible for unethical management practices in Africa today: "The core dimensions of modern African management thought include tradi-tionalism, communalism, and cooperative teamwork. The exclusion of such factors from African management practices and thinking has been responsible for managerial problems such as nepotism, bribery, corruption, and an acute lack of discipline in organizations, particu-larly in public servants."[59] It is an exaggeration to blame all business misconduct in contemporary Africa on the replacement of traditional African management practices and thought by modern Western management practices and thought. Even if management theory were impeccable, original sin and individual sins would suffice to ensure that business practices would never be perfectly ethical. But Nzelibe's claim that there is a correlation between unethical business management in Africa today and the adoption of Western management theory is plausible and is consistent with my claim that modern Western management theory is fundamentally and essentially unethical. Further-more, the antidote is not to supplement an unethical management theory with an ethical theory that contradicts it.

5. On Instilling Ethics in Business Corporations

According to Kelvin Knight, "when asked why he declined an invitation to address a conference on business ethics, MacIntyre replied that it was for the same reason that he wouldn't attend a conference on astrology".[60] As long as ethics is understood to be something distinct from the purpose of business management, attempts to instill it in corporations are doomed to failure. "Business ethics" will continue to be an oxymoron, like "artificial intelligence" and "global village".

When business management is considered to be "positive" and business ethics "normative", instilling ethics in business will be like instilling oil in water. Or, to make the point in terms of the purported distinction between "facts" and "values", the "values-added" approach to business ethics is guaranteed to fail. If the purpose of business management is to make as much money as possible, whether for oneself or for someone else, then there is room for ethics in business only when ethical conduct will lead to making as much money as possible. If business management is to become more ethical, we must radically revise our understanding of the proper objective of business management. And for the nations of black Africa, whose cultures are not individualistic – or at least were until they came into contact with modern European culture – this requires rejecting an understanding of business management rooted in the philosophy of their former colonial masters and accepting one consistent with their own traditions.

One of the greatest problems with modern Western ethical theories is that they are unable to provide a motive for being ethical. That is why so many books on ethical theory have a final chapter entitled something like "Why be ethical?"[61] If it is not good for oneself to be ethical, why not do what is good for oneself, instead of doing what is ethical? Modern Western business ethics also suffers from this vice. When ownership and management are not separated, maximizing owner value is considered to be in the manager's interest. What motive does he have to be ethical, instead of pursuing self-interest? With separation of ownership and management, there are three mutually exclusive guides to action: maximization of owner value, maximization of managerial utility, and ethical management. With such a set of alternatives, why should any manager be ethical? Modern European ethical theory and business ethics are incapable of satisfactorily answering this question.

The solution to the problem of moral motivation is not to give the manager a motive to act contrary to his self-interest, but is instead to give him a richer understanding of his own good. In the long tradition of European philosophy that was rejected during the Enlightenment, the distinction between unethical and ethical conduct is not understood in terms of egoism and altruism, but in terms of false self-love and true self-love. Since the virtuous life is the best life, not only for other persons but also for the person living it, there can be no conflict between ethics and true self-love. And since possession of the virtue of prudence is a necessary and sufficient condition for possession of the moral virtues, there can be no conflict between ethics and prudence. The challenge is not to persuade persons to act contrary to their self-interest, but to persuade them that it is their self-interest to be ethical. When this is accomplished, moral motivation is no longer a problem, because we are automatically motivated to do what we believe is good for us.

If a philosophical theory of the ethical practice of business management can be achieved, it will be unnecessary to supplement it with a theory of business ethics. The virtue of prudence, which St. Thomas analyzes in great detail, is the primary virtue of the business decision-maker. Prudent decisions promote both the individual good of the persons making them and the common good of the communities to which they belong. Prudent business managers choose ethical means to the end of providing genuine goods and services that promote the common good. The divergence between maximizing long-term owner value and promoting the individual manager's self-interest cannot be eliminated, but the diffence between the latter and ethics is eliminated in traditional European philosophy. In situations where maxi-mizing owner-value does diverge from managerial self-interest and ethics, the manager has an incentive to do what is ethical, since it is good for him to do so. And if the ethics of the ownership of business firms is understood within this philosophical tradition, there is no need to align the interests of managers and owners, because it is not in the interest of owners to maximize owner value unethically. Much work remains to be done, but in this direction lies the solution to the problem of instilling ethical standards in business organisations.

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NOTES

[1] Thomas Hobbes, *Leviathan, or the Matter, Forme, and Power of a Common-Wealth Ecclesiasticall and Civill*, London: Andrew Crooke, 1651, Introduction.

[2] Jeremy Bentham, *An Introduction to the Principles of Morals and Legislation*, 1789; 1823, I, iv.

[3] Milton Friedman, "The Social Responsibility of Business Is to Increase Its Profits", *New York Times Magazine*, 13 September 1970.

[4] Michael C. Jensen and William H. Meckling, "Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure", revised version, in *Economics and Social Institutions: Insights from the Conferences on Analysis & Ideology*, ed. Karl Brunner, Boston: Martinus Nijhoff, 1979, p. 171. Emphasis in the original.

[5] Eugene F. Fama, "Agency Problems and the Theory of the Firm", *Journal of Political Economy* LXXXVIII, 2 (1980), p. 288.

[6] Steven N. S. Cheung, "The Contractual Nature of the Firm", *Journal of Law & Economics*, XXVI (1983), p. 3.

[7] John R. Grinyer, C. Donald Sinclair, and Daing Nasir Ibrahim, "Management Objectives in Capital Budgeting", *Financial Practice and Education*, IX, 2 (1999), p. 12.

[8] Chamu Sundaramurthy, "Antitakeover Provisions and Shareholder Value Implications: A Review and a Contingency Framework", *Journal of Management*, XXVI, 5 (2000).

[9] Raffi J. Indjejikian, *Accounting Horizons*, XIII, 2 (1999).

[10] Two American companies that sell fetal tissue and organs are Anatomic Gift Foundation, Inc. of White Oak, Georgia, Laurel, Maryland, and Aurora, Colorado, and Consultative and Diagnostic Pathology, Inc. of West Frankfort, Illinois and Overland Park, Kansas.

[11] Norman Barry, *Anglo-American Capitalism and the Ethics of Business*, Wellington, New Zealand: Business Roundtable, 1999, p. v:

[12] Patrick Primeaux and John Stieber, "Profit Maximization: The Ethical Mandate of Business", *Journal of Business Ethics*, XIII (1994), pp. 287-94.

[13] Primeaux and Stieber, p. 290.

[14] Primeaux and Stieber, pp. 288-89.

[15] Michel Albert, *Capitalisme contre capitalisme*, Paris: Editions du Seuil, 1991; trans. Paul Haviland, *Capitalism against Capitalism*, London: Whurr Publishers, 1993; *Capitalism vs. Capitalism*, New York: Four Walls, Eight Windows, 1993. Albert contrasts Anglo-American capitalism and Rhine capitalism, and urges France to choose the latter instead of the former.

[16] John Stieber, "The Role of Profit in our Social Organization", *Handbook of Business Strategy, 1986-87 Yearbook*, Boston: Warren, Gorham, & Lamont, Chap. 8., as cited by Primeaux and Stieber, p. 288.

[17] Primeaux and Stieber, p. 288.

[18] Primeaux and Stieber, p. 289.

[19] Primeaux and Stieber, p. 292.

[20] Primeaux and Stieber, p. 293.

[21] Primeaux and Stieber, p. 288.

[22] Primeaux and Stieber, p. 293.

[23] Milton Friedman, "The Social Responsibility of Business Is to Increase Its Profits", *New York Times Magazine*, 13 September 1970.

[24] *Ibid*.

[25] Milton Friedman, *Capitalism and Freedom*, Chicago: University of Chicago Press, 1962, p. 133.

[26] Elaine Sternberg, *Just Business: Business Ethics in* Action, 2nd Ed., Oxford: Oxford University Press, 2000, p. 41.

[27] Sternberg, p. 35.

[28] Sternberg, p. 36.

[29] Sternberg, p. 36.

[30] Sternberg, p. 42.

[31] Sternberg, pp. 74-75.

[32] Sternberg, p. 75.

[33] Sternberg, p. 7.

[34] Sternberg, p. 80.

[35] Sternberg, p. 115.

[36] Sternberg, p. 252.

[37] Sternberg, p. 255.

[38] Sternberg, p. 7.

[39] Sternberg, p. 257.

[40] Sternberg, p. 200.

[41] Cf. Freeman, "Stockholders and Stakeholders: A New Perspective on Corporate Governance", *California Management Review* XXV (1983), pp. 88-106; *Strategic Management: A Stakeholder Approach*, Boston: Pitman, 1984; Freeman and Daniel R. Gilbert, Jr., *Corporate Strategy and the Search for Ethics*, Englewood Cliffs, New Jersey: Prentice Hall, 1988: William M. Evan and

Freeman, "A Stakeholder Theory of the Modern Corporation: Kantian Capitalism", in Tom L. Beauchamp and Norman E. Bowie, eds., *Ethical Theory and Business*, 3rd Ed., Englewood Cliffs, New Jersey: Prentice Hall, 1988, pp. 97-106.

[42] Freeman, *Strategic Management: A Stakeholder Approach*, Boston: Pitman, 1984, p. 46.

[43] Cf. T. W. Dunfee and Thomas Donaldson, "Contractarian Business Ethics", *Business Ethics Quarterly*, V (1995), p. 173.

[44] Freeman, *Business Ethics: The State of the Art*, New York: Oxford University Press, 1991, p. 4.

[45] Evan and Freeman, p. 102.

[46] Jean-Jacques Rousseau, *On the Social Contract*, trans. Donald A. Cress, Indianapolis: Hackett, 1987, p. 26.

[47] Yoser Gadhoum, "Corporate Governance and Top Managers: Potential Sources of Sustainable Competitive Advantage", *Human Systems Management*, XVII, 3 (1998), p. 207.

[48] Aristotle, *The Politics*, 1253a2-3; trans. Carnes Lord, Chicago, University of Chicago Press, 1984, p. 37.

[49] Nigel Laurie and Christopher Cherry, "Wanted: Philosophy of Management", *Reason in Practice*, I, 1 (2001), p. 5.

[50] Plato, *Republic*, Books II and IV.

[51] Thomas Aquinas, *Summa Theologica*, trans. Fathers of the English Dominican Province, New York: Benziger Brothers, 1948, IIa-IIae, 50, 4.

[52] Patrick Riordan, SJ, "The Purpose of Business and the Human Good", paper presented at the Second International Symposium on Catholic Social Thought and Management Education, University of Antwerp, Antwerp, Belgium, 27-30 July 1997, www.stthomas.edu/cathstudies/cstm/antwerp/p6.htm.

[53] Peter Koslowski, "The Limits of Shareholder Value", *Journal of Business Ethics*, XXVII (2000), pp. 138-39.

[54] Koslowski, p. 139. Aristotelianism can also be turned on its head: "At the heart of any clear understanding of what constitutes good corporate governance is the Aristotelian notion that institutions should be primarily understood in terms of their purpose; that is, the *telos* that constitutes their fundamental aim . . . . Once a business corporation loses sight of its corporate objective, or forgets that its primary responsibility is maximisation of shareholder value, then it has effectively betrayed its *telos*" (Samuel Gregg, "'Stakeholder' Theory: What It Means For Corporate Governance", *Policy*, XVII, 2 [2001], p. 33). Gregg's appropriation of Aristotelian concepts, like Sternberg's, is sometimes quite un-Aristotelian.

[55] John Dobson, "Reconciling Financial Economics and Business Ethics", *Business and Professional Ethics* Journal, X, 4 (1991), p. 37.

[56] Dobson, p. 37.

[57] C. O. Nzelibe, "The Evolution of African Management Thought", *International Studies of Management and Organization*, XVI, 2 (1986), p. 6.

[58] Nzelibe, pp. 10-11. Eurocentrism and ethnocentrism are not contradictory; Eurocentrism is European ethnocentrism.

[59] Nzelibe, p. 15.

[60] Kelvin Knight, ed., *The MacIntyre Reader*, London: Polity Press, 1998, p. 284.

[61] For example: Kurt Baier, "Why Should We Be Moral?", last chapter of *The Moral Point of View*, 1958; William Frankena, "Why Be Moral?", last sub-chapter of *Ethics*, 1963, 1973, and last lecture of *Thinking about Morality*, 1980; Peter Singer, "Why Act Morally?", last chapter of *Practical Ethics*, 1979, 1993; Fred Feldman, "Why Should I Be Moral?", last section of penultimate chapter of *Doing the Best We Can*, 1986; Richard A. Fumerton, "Why Should I Be Moral?", last section of final chapter of *Reason and Morality: A Defense of the Egocentric Perspective*, 1990; Michael S. Pritchard, "Why Be Moral?", last chapter of *On Becoming Responsible*, 1991.