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**The Good Worker and**
**the Moral Metabolism of the American Corporation**

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An abstract of
A dissertation submitted to the Faculty of the
James T. Laney School of Graduate Studies of Emory University
in partial fulfillment of the requirements for the degree of
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2021

**Abstract**

The Good Worker and the Moral Metabolism of the American Corporation

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A crisis in American corporate conduct and character has deepened over the past generation, disconnecting corporate actors from moral goods at the heart of our society as a whole. Changes in the political, regulatory, and social landscape have exacerbated this crisis. But telling and costly examples of corporate moral failure provide evidence of their internal problems, and point toward the need for practical and structural efforts within corporations to transform their character in step with better public policy to change their conduct. This inquiry diagnoses leading symptoms of such moral failure as a disorder of systemic processing of inputs into action. It explores how the public understands the purpose and conduct of corporations. It marshals resources from theological and philosophical ethics as well as sociology and studies of business management to identify core values and methods to transform corporations in practice and to restructure their arrangement. It probes the moral experience and ideals of corporate leaders and managers, maps their moral conflicts, and weighs their strategies to resolve conflict. It recommends best practices for individuals and institutions to shape more participatory corporate decision-making and inspire more virtuous corporate character to help them pursue diverse moral goods in common and work together for a better society.

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## Acknowledgments

I am indebted to many people for their intellectual, spiritual, and personal sustenance of this product and my work on it.

Thank you to my advisors, Steven Tipton and Ellen Ott Marshall. Dr. Tipton has offered me keen insight with a collegial generosity of spirit all along the way. Dr. Marshall is a theologian of hope who practices that theology by generously leading others to the benefit of that virtue. Thank you to Robert Franklin Jr., who taught me, lives as a role model of public engagement, bringing forward stories of moral goodness and leadership that challenge us to lean into and lead toward them in the present.

Thank you to all of those who participated in this research by sharing their stories and developing insights about their work through honest dialogue.

Thank you to the people of the churches I served in parish ministry who supported this endeavor, the Unitarian Universalist Church of Savannah and the Unitarian Church in Charleston.

Thank you to my wife Jennifer, a partner and teacher of goodness in all that comes. My steadfast love. Thank you to my children, Cassidy Messner and August Messner, who were in elementary school when I first started divinity school and grew alongside my journey in learning and ministry. They are sparkling and remarkable, each in their own way.

Thanks be to God for continuing to lead me in unexpected ways. Grace can surprise us in every stage of life. For this too, I am grateful.

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# Introduction

This dissertation asks how we can create more collaborative workplaces and systems that succeed by economic measures *and* better serve persons as influential sites of moral practice and formation. It envisions good persons doing good work in enduring and meaningful ways, grounded in social processes that enable and cultivate virtues in practices to inspire wise moral choices and inform just conduct. Such spaces and practices allow individuals to draw on full reserves of moral knowledge, raise clear voices, act true to their dispositions, and participate in guiding and shaping corporations for the future. High-performing corporations must heed an array of stakeholders engaged as moral communities with distinctive values and aspirations of their own. For corporations to do well *and* do good, they must acknowledge and nurture active relationships with these overlapping communities of stakeholders.

I argue that corporations can learn to nurture virtue more generously. They can encourage persons to act wisely and justly in concert to attain internal and external goods, and they can form persons with the power of sight and insight, reflection, and deliberation. There is an individual aspect to this process, since each participant must be given latitude and encouragement to tap into their unique moral resources. There is a social dimension, since different networks of responsible relationship are critical to forming moral selves. There is an institutional dimension, since these spheres structure social relationships and frame social activities to cultivate virtues in practice.

Corporations can be transformed. They can grow to be more effective in their central missions, not despite but because of their constituent communities of stakeholders. Radical empowerment of workers as moral actors and radical inclusion of overlapping communities as bearers of moral norms and virtues can liberate sources of competitive advantage instead of blocking them.

One intended aim of this work is rooted in its interdisciplinarity. It puts post-liberal theology and contemporary virtue ethics in conversation to mitigate the former's inherently abstract quality and the latter's oppressive and exclusionary side-effects insofar as it favors perpetuating past practice and privileging incumbent elites. The field of applied ethics offers new models and language for talking about ethical decision-making within economic organizations with greater regard for the valuable resources that their entangled individuals and communities can bring to bear on behalf of the commonweal as well as the corporation's own more parochial interests.

**A Moral Crisis in Corporate America**

The first chapter states the problem of corporate crisis, establishing a need for a better and more profound way of doing business. It argues that American economic institutions in the private sector, particularly large corporations owned by stockholders, are often credited as the engine of American prosperity and blamed for the worst excesses of American capitalism driven by ideologies of heedless consumption and exploitation. High-profile examples of moral failures and catastrophes offer compelling evidence of corporate moral crisis, as they ignore social goods, moral norms, and the public interest in order to serve their own interests.

At the same time, nearly every member of society exists in an intimate relationship with these economic institutions, and depends on corporations in seeking to live a good life, not just to make a good living. Re-envisioning the corporation as a social system and a moral community can serve the common good. This critical project demands attention to success and failure, social imaginary and moral excellence. It spans the categories of sacred and secular, individual and community, and theory and practice.

**The Changing Corporate Reality and Imaginary**

The second chapter first explores changes in the institutional landscape in which corporations operate, and the pattern of responses that have led to the current point of their moral distress. Second, it recognizes that the corporation has not only changed as a matter of social fact: it has also been radically transmogrified in the common understanding of the communities that take part in it. A new social imaginary that recognizes and responds to the reality of the current landscape offers hope for the first step in solving the puzzle of the corporation's moral renewal.

The corporation is characterized as a social setting and vehicle for individual and collective moral decision-making, relying upon the symbolic anthropology of Mary Douglas in "How Institutions Think," and the taxonomic work of sociologist Steven M. Tipton relating styles of ethical evaluation to their distinctive institutional contexts. I explore the "expressive" decision-making style as a particularly promising possibility for corporate settings to help develop the dialogical model Tipton suggests as a way to move traditional business ethics from over-reliance on strategic rules of standard operating procedures and calculating costs and benefits along the bottom line. As a social body, the corporation must achieve cohesion in conduct and coherence in thinking and feeling. Such cohesion can be achieved only through deepening trust and direct communication among its members. Only through enriching an atmosphere of trust can this body hold together and move together to create moral value. Trust emerges, therefore, as the starting point from which discussions of virtue, community, and theology follow.

**Marshalling Resources for Transformation**

The third chapter marshals resources that can inform corporate transformation. The corporation often ignores the most valuable resources due to its arbitrary and narrow assumptions about corporate practices governed by productivity and profit, and the undue limitation of work space as depersonalized for the sake of efficiency and set apart from moral communities and traditions. Religious, theological, and philosophical resources respond to problems uncovered in the first phases of my empirical inquiry into corporate work, and they frame these conversations with corporate workers. Religious resources include consideration of the “faith-at-work” movement to encourage individuals to use faith as a resource to make work more productive. Less attention has been devoted to cultivating collective “religiosity” in the workplace. I use examples from the Hebrew and Christian scriptures to highlight values of human dignity, freedom, and agency inherent in the interdependent process of communication and collaboration to perform valuable work.

I engage H. Richard Niebuhr's theology and work, primarily *The Responsible Self*,[1] to take on two critical tasks commonly missing in secular ethics, the understanding of the larger system in which the corporation is embedded and the comprehension of salient views across that system. These tasks seek to realize the moral goods of integration and liberation through wise and just corporate actors bringing together voices from differing communities of interest into corporate deliberation and decision-making. In *The Responsible Self*, Niebuhr proposes a simple question for taking moral stock and taking responsibility: "What's going on?"[2] Responding to this deceptively simple question requires that corporate actors recognize the interdependence of their contrasting relationships, interests, and ideals. Responsibility requires that decision-makers enter into dialogue with others. We humans are by nature made for this kind of work, since we embody, as the Christian ethicist William Schweiker termed it, *homo dialogicus*.[3] This enhanced recognition and engagement both complicate and open up our opportunity to make better ethical decisions. Better decisions take into account and fairly balance the interests of different parties and communities over time. Acts of broader recognition and engagement mitigate corporate inclinations to reinforce their boundaries and narrowly dictate their practices. Niebuhr's ethic of responsibility pushes us toward fitting responses grounded in our ongoing interchange with others in diverse communities. The Christian project as conceived in its original form and purpose seeks liberation. An ethic of responsibility holds us to

1. H. Richard Niebuhr, *The Responsible Self: An Essay in Christian Moral Philosophy* (Louisville, KY: Westminster John Knox Press, 1999).

2. Niebuhr, *Responsible Self*, 60.

3. William Schweiker, Foreword to *The Responsible Self: An Essay in Christian Moral Philosophy*, by H. Richard Niebuhr (Louisville, KY: Westminster John Knox Press, 1999), xi.

account for our role in freeing others with whom we stand inseparably in responsible relationship and ongoing moral conversation. Our actions should be directed in part to allowing and equipping others to become more forceful agents of their own thriving

Our primary conversation partners in this philosophical inquiry are Aristotle and Alasdair MacIntyre. Each brings an essential conceptual perspective to it. In the *Nicomachean* Ethics Aristotle provides us a framework for conceiving virtue.[4] MacIntyre specifies and develops this conception of practical virtue by weighing communities of moral character and practice in modern society. Good character and committed community provide basic building blocks for rethinking institutional theology and ethics for corporations.

## Lived Experience of Moral Systems at Work

Chapter Four draws on interviews with leaders in several industries chosen for their social prominence, moral complexity, and scope of impact. I interviewed twenty-two corporate workers to understand their worldview and experience as moral actors within institutions, as members of workers' communities, and as subjects and shapers of the institutions that those communities inhabit. Workers shared their judgments of moral conflicts that involved making trade-offs between short-term business gains and the company's longer-term, less material interests and aims rooted in the non-monetized goods valued by their customers and stakeholders. We discovered that circles of colleagues, industry-wide counterparts, professional advisors, overseers, owners, and families inform and shape corporate decision-making through time. We identified the

4. Aristotle, *Nicomachean Ethics*, trans. Joe Sachs (Newbury, MA: Focus Press, 2002).

impediments created by distance and anonymity as well as hierarchical institutional forms. We gathered the stories of diverse work resources now in use, weighed evidence from individuals who are profoundly aware of the problems they face in their corporate roles, and learned some of the tricks of their trade to surmount them. These results inform the constructive theological and ethical prescriptions of the final chapter.

**Worker's Virtue and High Moral Metabolism Corporations**

The fifth and final chapter puts forward a constructive proposal for an approach to corporate ethics. The first part of the proposal addresses the individual's standpoint as an actor within the corporation, reckoning with the complexity of the demands that persons face and the moral resources available for their response. The second part argues for reshaping institutional structures and practices to create more space for informed and engaged moral action by individuals acting together in long-lasting relationships and groups to cultivate better communities and in turn corporations.

This dissertation engages the challenge of becoming a moral self-embedded within thick institutional contexts and often operating under strict regimes of strategic rules and demanding measures of economic performance, yet continuing to act as a responsible moral agent to influence others and institutions for the better. As workers, I believe, we all yearn to regain personal freedom within bureaucratic contexts. We hear a reciprocal call to free others by transforming institutions in practice. Granted that modern corporations seek self-perpetuation through earning competitive returns on invested capital, but that process relies on engaged, connected, empowered, and productive workers.

This dissertation's theological approach is informed by workers' firsthand *experience* of right and wrong conduct, good and bad character, not only by philosophers and theologians. It concludes with constructive proposals to create organizations that strengthen the individual as a moral agent and effectively metabolize the moral challenges of corporations in crisis through participatory self-government by their members. Theology and ethics must be both liberatory and transformative to take on this crisis. They must free the resources and capacities of diverse communities of people to do good work and achieve good outcomes within corporations that get better in the process. Human dignity and institutional excellence define the ground and the measure of this work.

I hope this dissertation engages and inspires readers of several sorts. For scholars, it aims to bring together contemporary virtue ethics and progressive theology in complementary and contested terms and then bring them both to bear in thinking about real cases and controversies in corporate offices and the marketplace. For those who work in corporations, I want to offer insight to make their daily work the heart and soul of living a good life, not just a means to making a good living. For those who own and lead corporations, I want to extend an invitation to share a sense of common goods in practice, and the good in truth, to see how owners and executives can come together with workers to shape corporate structures and practices to create surprising and revolutionary outcomes. For citizens concerned with our common welfare, I want to inspire ongoing dialogue about how we connect to one another in order to discern the deeper purposes and principles that call us to co-create our common future.

# Chapter I: The Moral Crisis in Corporate America

## An Evident Public Crisis

Show me what democracy looks like…

*This is what democracy looks like!*

Show me what democracy looks like…

*This is what democracy looks like!*

This emotional call and response arose from one protester in Boston during the "Occupy Wall Street" (OWS) movement.[5] It mushroomed into something akin to a national movement to "Occupy Corporate America." It reflected one powerfully persistent stream of popular political thought, which puts private corporate actors and their narrow self-interests at the root of manifold civic ills. These include widespread financial distress, the housing market bubble bursting and the equities market collapsing in 2008, and deepening economic hardship and injustice facing those on the lower rungs of a socio-economic ladder with ever-growing gaps. This particular protest targeted companies in Boston, including Hyatt (a hotel business), Fidelity (a financial management business, primarily large worker retirement funds), and Verizon (a cellular telecommunications business).

What connected these corporate offenders whose actual businesses had so little to do with each other? The answer is ambiguous, complex, and likely plural. However, it

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5. "Take Back Boston Rally Against Corporate Greed." YouTube, October 6, 2011, video, 3:20, www.youtube.com/watch?v=zyzd2FJLdAU.

reflects a growing sense in the American body politic that something has gone wrong in the big business model the US had successfully cultivated into a global benchmark. That model had ceased to serve the public interest. Postwar public opinion and action had long endorsed doing business with Corporate America as consumers, employees, investors, taxpayers, and citizens. Now protestors portrayed their profitmaking drive as selfishness and indifference to the public welfare. Insofar as each protester held a different sign, each had their own idea of exactly what was wrong with corporate conduct. For the most part, the signs had the urgent ring of revolution: "Make Wall Street Pay" and "Take Back Our City." A few expressed moral criticism of economic suffering and injustice, for example, declaring: "Pain for the Many, Profit for the Few."[6]

Occupy Wall Street could quickly be criticized—and it was—for offering an arguably worthy complaint and a passionate cause without any inkling of a course of action to resolve the problems it pointed up. The night before the beginning of Occupy Wall Street, the Dow Jones industrial average closed at 11,509.[7] As of this writing in the first half of 2021, the same index closed over 32,778.[8] This means that the market capitalization of these bellwether corporations has nearly tripled in the past decade, while its wealth remains relatively unshared. In 2021, Wall Street is no longer occupied, except by those in cubicles filled with monitors, continuing to make extraordinary amounts of money for themselves and even more for the so-called 1 percent of financial

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6. "Take Back Boston Rally Against Corporate Greed." *YouTube*, October 6, 2011, video, 3:20, www.youtube.com/watch?v=zyzd2FJLdAU.

7. Hibah Yousuf, "Stocks Clinch 5-day Winning Streak," *CNN Money*, September 16, 2011, https://money.cnn.com/2011/09/16/markets/markets_newyork/index.htm.

8. CNN. https://money.cnn.com/data/markets/dow/?source=story_quote_link.

elites representing the ownership class in American (and global) society. The broadest interpretation of this ownership class includes the 55 percent of all Americans who own stock, whether directly or via a retirement account. This interpretation takes note of significant declines in market participation after the 2008 recession but ignores the starkly uneven distribution of such ownership. The top 1 percent of households own more than 40 percent of all equity stocks, and the top 10 percent own 90 percent of all stocks.[9] The country is divided between those who make money from money and those who do so from labor. This has long been true for propertied and educated elites in America, but its effects in the twenty-first century are distinctive, as the financial sector has grown from 3 percent to 36 percent of GDP in a generation. More than ever, this divide strikes at the integrity and sustainability of the middle class. It does so when our articulated values of egalitarianism and economic justice have come to the fore in an era of deepening inequality and hardship.

What does democracy have to do with banks, hotels, and phone companies? I suggest that there is a critical division between the capitalist market sphere and the democratic political sphere in America today. Actors in the market are "playing by the rules" of black letter laws that constrain arms-length transactions and respect the self-interest of market participants rather than the moral ideals and aspirations of the democratic polity in which the market is embedded. These spheres converge and interact in everyday civic life. This makes their reconciliation or disentanglement

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9. Lydia Saad, "What Percentage of Americans Owns Stock?" Gallup. September 13, 2019 (updated June 4, 2020), https://news.gallup.com/poll/266807/percentage-americans-owns-stock.aspx.

difficult in practice, and it leaves their divisive economic effects at odds with the good life of liberty and justice for all that many in this country envision. The OWS movement reasserts these democratic ideals and advances claims on corporations by criticizing the interests and actions of their elite owners in light of the common good of the larger society from which those elites derive their wealth. Profit for the few ought to carry with it justice and progress for the many who have labored to create this wealth and should share in it.

Profit for a few and justice for all are more profoundly divergent objectives today than at any point in the past century of American history. Income inequality has by all accounts risen sharply in the past several decades. From 1979 to 2015, the income of the top 1 percent of earners grew 242 percent, while the income of earners occupying the middle three quintiles in the US grew by only 46 percent.[10] The top 1 percent garnered 17.8 percent of total fiscal income by 2016.[11] Wealth accumulation followed a similar pattern, only more so. Some scholars have argued that such disparity stems only from the illusory scarcity measured by positional economics. If the relatively worse-off, have it pretty good and better than they did a generation ago, then our worrying about distributive justice is misplaced, they say.[12] But the grain of truth in this argument is

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10. Chad Stone, Danilo Trisi, Arloc Sherman, and Roderick Taylor, “A Guide to Statistics on Historical Trends in Income Inequality,” Center on Budget and Policy Priorities, December 11, 2018. https://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality.

11. Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, *Simplified Distributional National Accounts* 109 (2019): 289–295.

12. John Nye, “Your Neighbor’s Fancy Car Should Make You Feel Better About Income Inequality,” *Reason* 49 no. 3 (2017): 42–47.

overwhelmed by our widening class divide, characterized by growing gaps not only in consumable luxuries but in our capacity for representative public participation and influence, which threatens to rupture our relations as self-governing citizens who can speak out and be heeded in the public square. So significant are these differences that we may eventually lose our capacity to sustain constructive moral conversations about the future of the commons. Our lives together depend upon protecting and expanding this capacity to take part in self-government and enable the commons to thrive.

Regressive shifts in the wealth distribution that enable the richest one percent of households to strike it richer do not result from the impartial logic and efficiency of free markets alone. They result directly from changing patterns of government deregulation of industrial and financial activity, and the loosening of tax burdens on corporations and their owners, whose wealth through capital gains is taxed (if at all) at dramatically lower rates than wealth accrued through the expenditure of labor. The industrial policy of the post-Reagan era has directly accomplished a shift in wealth as well as signaling and articulating a view of what prosperity looks like: an ever-expanding national gross domestic product signifies the growth of social good and moral value for all, and greater wealth held by the fortunate few means progress and prosperity for all. Meanwhile, globalizing companies have gained new access to consumer markets and thus revenue growth, and to labor markets without price floors and thus profit growth. Exporting jobs to cheap labor markets overseas has also led to the impoverishment and disenfranchisement of American workers, all in the name of greater competitive advantage and prosperity, backed by lower labor costs and higher returns on capital investment. Never in generations have we been able to behold such poverty and hardship amidst such economic abundance and growth. The need for reconciliation is clear. How to do so is not.

Marching in the streets may be an occasion for awakening, but the most straightforward opportunity for change in relative wealth in the population may be aggressive regulatory moves of direct redistribution. Still, the least pursued and potentially most meaningful opportunity for widespread inclusive welfare change may be within corporations themselves. The moral crisis in corporate America is not an opportunity only for citizen protest or government regulation, intervention, and punitive action, though each may have its place. It is also an opportunity to reinvent corporate constructs and initiate practices to account for and energize the interlocking communities they enable. Within those communities, a responsible corporation must make new space to form and express virtue among the individual members. Ultimately it may also offer the potential to create *more* wealth, by building a broader base of welfare creation. Churchill had it right when he quipped, “Never let a good crisis go to waste.” We have yet to use this crisis as we can and should.

Reframing the corporate project and rethinking how the multiple quasi-organic human systems those corporations encompass and encounter can create new opportunities for their employees to grasp and pursue the goods particular to their calling, including their market calling, democratic calling, or divine calling. Overcoming the division between short-term profit for the few and long-range fulfillment for the many requires an integrated capacity to hear these varied calls to action and marshal an array of resources to act in technically competent, morally coherent, and synthetically imaginative ways.

**Revisiting the Market's "Invisible Hand"**

In his *Theory of Moral Sentiments*, Adam Smith famously asserts that the more privileged of the society would "divide with the poor the produce of all their improvement…led by an invisible hand to make nearly the same distribution of the necessaries of life, which would have been made, had the earth been divided into equal portions among all its inhabitants, and thus without intending it, without knowing it, advance the interest of the society, and afford means to the multiplication of the species."[13] This extraordinary claim suggests that individual actions and outcomes combine and interact in complex and iterative ways to create positive and equitable results for the society as a whole in the long run.

Free market interactions initiated by a few agents can produce prosperity for the many as fairly as possible, argues Adam Smith. Unintentional consequences of market behavior do not lead directly to moral failure or injustice attributable to the market system, even if they bring undeserved loss or profit to individuals. Individuals pursuing the proximal good of market exchanges are, in this view, contributing to distal goods produced by the market as a whole. Smith was not a foolish optimist about the work of the invisible hand. He recognized that the market effectively neutralized altruistic intentions, just as it ameliorated the effects of selfish intentions. From Smith's

13. Adam Smith, *The Theory of Moral Sentiments*. The Glasgow Edition of the Works and Correspondence of Adam Smith, eds. David D. Raphael and Alexander L. Macfie (Indianapolis, IN: Liberty Classics, 1982), 184–85.

perspective, the market is indifferent to the merits of intention though these intentions matter in judging the good character of others and oneself.

In light of market effects, Smith excluded the idea of commerce consciously directed toward the public interest instead of the immediate business interests at hand in a given transaction: “I have never known much good done by those who affected to trade for the public good. It is an affectation, indeed, not very common among merchants, and very few words need be employed in dissuading them from it.”[14] Of course this claim presumes that equitable distribution of *necessary* goods and the proliferation of humanity are the most desirable ends. Fair distribution of what were considered extreme luxury goods in eighteenth-century Europe is nearly as important in the contemporary world as basic goods of food, clothing, and shelter needed for survival were three hundred years ago. Today, living a richly fulfilled and creative life may be equally or more important than living a procreative one. In a contemporary world embracing a robust array of consumer goods, their fair distribution becomes a more complicated problem. Education, wellness care, and opportunities for creative expression are all luxuries that have become basic to our concept of flourishing. They constitute necessary conditions of social participation, contribution, and recognition seen as goods and rights essential to all citizens , even if the market does not distribute them equally or fairly to rich and poor alike.

Historian Alexander Macfie observed a critical theological shift by Smith from his *Theory of Moral Sentiments* to the *Wealth of Nations*. The earlier work incorporates the

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14. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations Vol. I and II* (Indianapolis, IN: Liberty Fund, 1981), 184–85.

presence and influence of God as cosmic clockmaker and benign governor of conscience, while the later work downplays the idea of the market's invisible hand extending from the sleeve of divine providence. Smith's "invisible hand doctrine helped him to avoid the assumption of the economic man, rational and clear-sighted, which later became basic for the classical economists," argues Macfie. "For this assumption would have been in too stark conflict with his very realistic grasp of actual economic man, as vain, self-centered, narrow and grasping."[15] Smith gives us a picture of imperfect humans, filled with emotion, intimately connected through our sensibilities, and effectively governed by conscience as "God's sovereign viceroy in our breast." We should take seriously his observation of the necessity of human relationships, the power of empathy in the individual, the value of human agency, and optimism about human drives and desires checked by sympathy for others and stoic self-denial, and markets checked by a rational administrative state to regulate them fairly.

The world of business has changed substantially in practical reality from the eighteenth-century market that Smith knew. The market of which Smith spoke theoretically and which he witnessed and in which he participated in Glasgow and Edinburgh had a relatively atomistic character. Existing businesses involved few employees, limited geographic reach, and tended to join in singular local marketplaces. The firms of the day had the benefit of more united ownership/management and more concentrated labor. In this relatively simple small-scale setup, it is easier to talk about market actors behaving like people because they were, in fact, persons, by contrast to

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15. Alexander L. Macfie, *The Individual in Society: Papers on Adam Smith* (London and New York: Routledge, 2003), 136.

the emergence of big businesses and the corporate forms we know today in the twenty-first-century US. Of the many changes in the American corporation's character (which we will explore in more detail in chapter 4), one of the most important Alfred Chandler pointed out in his incisive history of the transition of business from the nineteenth to the twentieth century in America. Chandler importantly identified a shift from an integrated model to one in which ownership and management became separated as the enterprises grew in scale and complexity. Individual owners, now more numerous through formalized equity ownership systems, came to have less influence on decision making.

In contrast, professional management, both senior and middle, took their place as the decisive agents. This middle management itself was a fragmented network, so the idea of a single decision-maker becomes further challenged.[16] The same era also brought changes in the purpose and orientation of the corporation. In the early nineteenth century, there was a common understanding of the corporation as an entity in service of the public good. Corporations were even explicitly chartered and at times funded by the state to do such.[17] The rapid expansion of commerce, the rise of personal investment, and the liberalization of chartering by the state led to a reorientation toward the interests of the few shareholders.[18] In considering corporations, we are taking up a very particular species of internal market, one bounded by individuals in long-term

16. Alfred D. Chandler, *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, MA: Belknap Press, 1977).

17. Alan Trachtenberg, *The Incorporation of America: Culture and Society in the Gilded Age* (New York, NY: Hill and Wang, 2007), 6.

18 Trachtenberg, *The Incorporation of America*, 7.

contracts. An employee, after all, is a market actor with a specific set of durable bounds and constraints, and special incentives because of those bounds and constraints. We should consider whether this is conducive to the beneficial outcomes that Smith contemplated or militates directly against them.

As a counterbalance to Smith's perspective, we can use socio-philosopher Jacques Ellul's more recent characterization of the dynamics of our "technological society," which is the backdrop for all corporate activity. Ellul criticizes the distinctly inhuman results he discerns in the move to modernity, accelerated through the industrial revolution and business corporation to multiply the scale and scope of human operations, professionalize crafts, and bureaucratize the arts.[19] The corporation operates as a paradigmatic example of Ellul's insight on the proliferation of dehumanizing social systems, including the more extensive system of modern markets, finance, and capitalist production and distribution that corporations inhabit. All corporations are made up of increasingly specialized techniques, which interlock and reinforce the need for one another. Such a system, says Ellul, develops so that its actions are automatic and autonomous, and work to assimilate divergent parts into an efficient whole directed toward its self-referential *telos*. The totalizing character of corporate management techniques means that individual or collective human efforts, whether inside or outside the corporation, will have only a transient effect on directing activity toward good outcomes. In this pessimistic vision we have built a machine (or a bureaucracy) whose primary function is to grow its own reach and power. By extension, it has the secondary

19. Jacques Ellul, *The Technological System* (New York, NY: Continuum, 1980).

effect of eliminating from the equation the human element and a meaningful and agential role for its creator .

Smith and Ellul bookend the spectrum of possibilities for the market system's natural direction and, by extension, the corporate system. For Smith, the system drives toward a focused good, and a collective benefit will result. According to this paradigm, the prescription to the managerial class would be to focus on creating value in the business transaction as narrowly construed with confidence in the greater good unfolding as its unconscious byproduct. For Ellul, by contrast, the system will continue to perpetuate and elaborate itself toward the ends of its own perpetuation and elaboration and to pursue the production of wealth for its own sake, increasingly divorced from human control and orientation toward human social welfare. Ellul's vision gives a clearer sense of how, in Aristotle's example, the monetary value of the sale of the shoe is an "unnatural" good with eventual dehumanizing implications. Between the measured optimism of Smith and the fatalistic pessimism of Ellul, we are compelled to acknowledge that there are numerous system effects and trajectories that are out of our control. Still, mindful of that macro view, we must choose an intervention and redirection, either from the outside-in or the inside-out.

In thinking of the corporation as an actor of a sort, we ask whether there is a finite, identifiable set of external conditions that would make the company work as if guided by that invisible hand for the good. Could the law, for instance, be sufficient to inspire a corporate ethic of compliance that ensures an expansion of the public good? The Federal government polices big business by monitoring conduct in relation to boundaries established under civil, criminal, environmental, civil rights, and tax code.

The administrative guidance of the Justice Department explicitly puts corporate entities on the same footing of accountability as individuals, advising "Corporations should not be treated leniently because of their artificial nature." The stated goals of Federal criminal enforcement, for example, are to protect the common interest: "These interests include, among other things: (1) protecting the integrity of our economic and capital markets by enforcing the rule of law; (2) protecting consumers, investors, and business entities against competitors who gain an unfair advantage by violating the law; (3) preventing violations of environmental laws; and (4) discouraging business practices that would permit or promote unlawful conduct at the expense of the public interest."[20]

It is worth noting that there is a narrowness of scope here, particularly concerning the kinds of externalities that criminal action is intended to offer redress, with particular attention to the environment as a common good but not to other non-material dimensions of the public commons. Similarly, advantages barred under the law are limited to a finite set of *per se* violations and a discretionary standard of *de facto* ones related to market power. The latter's enforcement is especially susceptible to the so-called business orientation of the party in power. The legal deterrent is powerful but insufficient to affect most of the actions of the corporation. Indeed, in a globalizing commercial environment, the corporation must be increasingly mindful of compliance with the most stringent law in territories where it does business to minimize prosecution for misconduct according to a different territory's legal standard. Most pronounced here

20. "Principles of Federal Prosecution, Title 9." The United States Department of Justice, https://www.justice.gov/jm/jm-9-27000-principles-federal-prosecution.

is the effect of the Foreign Corrupt Practice Act of 1977[21] (FCPA). The FCPA creates economic liability and personal criminal exposure for conduct anywhere globally by companies and US citizens deemed illegal according to an American standard of law. The FCPA is one of the strongest examples of the advancement of statutory business law, and is designed to address the commercial sector's changing footprint and globalizing big business. In more recent years, the Patriot Act expanded the reach of regulatory oversight, not only in geography (as is the case of the FCPA) but also into the inner working of the corporation itself through expanded wiretap and intercept privileges of protected communications as well as new transparency about the flow of capital across borders and between parties.[22] In this statute compelled by the threat of terrorism, the government has a new line of sight on corporate conduct, which allows for the policing of a diffuse national security interest.

Whether these two laws create a more ethical business climate is an empirical question up for assessment and debate. They suggest a greater possibility that advancing the frontier of ethical business could increasingly be achieved through enhanced external boundarying by actors in the political and public administrative spheres. However, these two ambitious statutes do not have a similarly effective counterpart in boundarying conduct in other areas where the changing form and extent of enterprise has created novel moral hazards. Perhaps drawing clear lines of conduct is most critical

21. "The Foreign Corrupt Practices Act of 1977." 15 U.S.C. §§ 78dd-1, et seq. The United States Department of Justice, https://www.justice.gov/criminal-fraud/foreign-corrupt-practices-act.

22. "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001, Public Law 107-56, https://www.congress.gov/bill/107th-congress/house-bill/3162/text.

in the area of information businesses transformed in scope and effect immeasurably by the explosive growth of the internet and the virtual commerce it has enabled.

By practical impediment and perhaps by conservative design, the formulation of new laws lags behind the conduct of new forms of business, owing to the vociferous character of private sector entrepreneurialism, the relative conservatism of public sector policymaking, and the slow development of enforcement mechanisms and practices. For these reasons, the managerial ethicist appears as the necessary shadow side of the corporation's managerial entrepreneur. The former balancing role is to preempt harmful conduct and choose paths that create more value while minimizing harms. The need for such foresight is not just a matter of technical value optimization, but using that vision to select from among high-value strategies with an eye to the full array of their harmful effects as well as their productive ones.

**Seeking the Root Causes of Moral Failure**

Commonly identified causes and remedies of corporate moral failure are manifold. Oft-cited candidates include: an essential defect in capitalism and the self-interested profit incentive it embraces, regulatory timidity in bounding free markets, poor corporate governance, a misallocation of tasks between the public and private sectors, or a failure to maintain boundaries between the public and private sectors, and a ready laundry list of others.[23] In a countervailing worry, we may lack clear criteria necessary for reproducing moral successes, owing directly to our preoccupation with the avoidance of similarly egregious cases of moral failure. When merely staying out of

23. For examples, see Reich's *Saving Capitalism: For the Many, Not the Few (*New York: Vintage Books, 2015).

trouble takes precedence over doing good, a regular stream of mediocrity interrupted by occasional catastrophe might be the most natural and dispiriting result.

Conventional explanations of ethical misconduct include a range of root causes, from the intractable to the banal. Human nature is usually first on the list and in the intractable column. Greed and the actions it impels are natural to competitively structured human materials. "*Greed is Good"* even, as the fictional Gordon Gecko said in the 1980s, for it is appetite and ambition that drive economic enterprise.[24] That is why we have strong enforcement bodies outside the corporation to monitor, discipline, and punish wrongdoing. Bad actors of the early industrial era, for instance, used monopoly power to extract excess rents and foreclose competition, indeed even to preclude the existence of competition. For example, in the oil business, market actors' strength ensured massive wealth accumulation and disinvestment from alternative energy sources not based on extraction and without the adverse effects of toxic emissions. A corollary to the human nature hypothesis is that managers have insufficient capacity to think or act in the long term. Market pressures on public companies to deliver continuous positive financial news to hungry markets make little space for any other decision criteria to enter the equation or involve the right people and deliberate about the decision. Short-term roles and the shorter-term vision of the managerial class make proper ethics an unattainable luxury.

Bad formal education of leaders and managers, with a typically egregious lack of a moral component, may contribute to poor ethical leadership downstream. The way

24. "Gordon Gekko: Address to Teldar Paper Stockholders," From the movie *Wall Street*, (American Rhetoric, 1987), https://www.americanrhetoric.com/MovieSpeeches/moviespeechwallstreet.html.

that we teach business leaders may be deficient. Anderson and Escher make this case in the recent work *The MBA Oath*. They suggest that the declaration "I will safeguard the interests of my shareholders, coworkers, customers and the society in which we operate" be part of new workers' introduction to the workforce. The spirit of elevating the profession is essential, but it may have more to do with the system they enter than the pledge they sign.[25] Another view is simply that by nature businesses seek profits while not being penalized for violating laws, to the extent that such penalties have a material economic effect. The relative degree of moral crisis over time, in this view, would have more to do with the nature of regulation and its enforcement than some difference in companies' conduct. Indeed, to many political critics, including Michael Walzer, the state's *visible* hand is the primary solution to financial power's corrosive effects.[26] Government regulation can limit the potential abuses to human dignity. It can protect against such injury, but it may be more challenged when seeking to induce positive relationships.

**The Reasonableness of "Corporate Morality" and "Worker's Virtue"**

A cursory observation of how businesses operate would suggest that corporate morality is of a skeletal sort. Typically, it seems that the corporation (at least many that I have observed at a distance) are more interested in compliance with laws on the way to their goal of economic success than they are in the pursuit of some more robust ethic, in so far as it diverges from or exceeds those laws which inescapably burden the

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25. Max Anderson and Peter Escher, *The MBA Oath: Setting a Higher Standard for Business Leaders* (New York, NY: Portfolio, 2010).

26. Michael Walzer, "The Free Market and Morality" (Lecture, Templeton Foundation, 2008).

corporation. Some scholars will argue that the corporation is an impersonal and amoral form, and that it is therefore nonsensical to talk of this inert and fictive entity being part of a moral anything, much less a moral crisis.[27] Therefore, it would not even make sense to speak of a corporate "morality." This view misses the reality that corporations are the structural form that enables the convening of lived communities of people, oriented with purpose, animated by cultures, and comprising individuals seeking the good life primarily through their work and that which flows from it.

Whether the corporate entity has agency is a core question that must be answered to determine its moral accountability. Kenneth Silver addresses this question in his article, "Can a Corporation be Worthy of Moral Consideration?" He argues that "Corporations are not the kinds of things that can have moral rights."[28] Silver is concerned with rights as the counterpart to agency and that the recognition of the latter necessitates granting the former at significant risk to society's human members. It seems dangerous and idolatrous to make a corporation a person. Still, similarly, it would be irresponsible not to recognize the corporate capacity for a peculiar and potent kind of agency. A corporation behaving in a way that could pass the Turing test[29] is in some respects as good as agential:

> Many of these activities appear to be agential in nature; they involve beliefs, intentions, decisions, and many actions. So, we are led to a natural question: Are corporations themselves distinct agents capable of acting, or are we merely

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27. James Hazelton, "The Amorality of Public Corporations," *Essays in Philosophy* 6 no. 2 (2005).

28. Kenneth Silver, "Can a Corporation be Worthy of Moral Consideration?," *Journal of Business Ethics* 159 (September 2019): 1.

29. Alan Turing devised the famous test for differentiating artificial intelligence from a human according to whether one can inspect the processes producing the behavioral choices. For a fuller description, see James H. Moor's *The Turing Test: The Elusive Standard of Artificial Intelligence* (Kluwer Academic, 2003).

> speaking metaphorically when we refer to corporate attitudes and actions, and it is only the agents that make up corporations that can act?[30]

The corporation's moral actions are produced by the confluence of individual intention and action and internal regimes or decision structures. In this sense, we cannot attribute the move to a given person or persons absent the corporation; it must somehow be the corporation itself that embodies a kind of agency.[31]

Traditionally, the legal question of accountability accrues to a person. Suppose we are trying to make better decisions, though, and not determining a system of legal culpability. In that case, it might be in our interest to treat the corporation as an entity because it does things in which no actual person is substantially responsible or of which a person could not even reasonably be expected to be cognizant. The myth of the Chief Executive Officer being the single integrative and accountable brain and person is similarly a fiction. While the CEO as the embodiment of the corporate person solves the coherence problem, it is inadequate because teaching CEOs, punishing CEOs, and incentivizing CEOs with ever more fantastic packages of performance-based pay has been quite evidently insufficient to create higher quality moral conduct of the organization as a whole. Treating the big business as a culpable entity could be the road to a different kind of performance improvement.[32]

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30. Silver, "Moral Consideration," 2.

31. Henriques, Adrian. "Corporations: Amoral Machines or Moral Persons?" *Business & Professional Ethics Journal* 24 no. 3 (2005): 91–99. Discussing the influence of Peter French and Kevin Gibson.

32. Throughout this dissertation, I refer to "Big Business" and "Corporations" in relatively interchangeable ways, while recognizing that one is a term of reference to a specific legal form of organization and the other a sort of public vernacular. Since we are most interested in the place that these two ideas intersect, the harm of this conflation seems negligible.

I do not seek to solve the philosophical limits of personhood concerning the corporate entity. However, I do want to venture a sufficiently ambitious idea of the corporate whole that we might recognize the corporation itself as a volitional entity comprising, yet not merely the sum of, human volitional entities. Does it make sense to say the corporation *wants* something? As Silver puts it, “corporations have certain goals, ends, aims, and plans. They will readily admit things can be good or bad for a corporation, and for good reason” (Silver, 4). It seems they have ends of their own. Corporations have a mind of their own that is in constant conversation with their participants and participant subgroups even as it is constituted by them—a bit of a paradox, but true. The corporation is more than the sum of its parts, and that “more” simulates a kind of agency that we need to worry about and perhaps leverage toward good ends: “Engines of capitalism or not, corporations seem to behave in many ways just like conscious beings. It’s not as if a corporation acts blindly toward its ends, correcting course in the face of frustrations like a Roomba. It plans and cares if its attempts are frustrated.” The Roomba error (mistaking the corporation for an automaton) has many pernicious effects. The “something more” can diverge from any of the individuals participating in or affected by the corporate life: “Something can clearly be in the long-term interest of the company even if it would not be good for any of its current members or even any stakeholders” (Silver, 5). The larger body has a mind of its own that needn’t exactly align with any given decision-maker in the organization. We do not need sentience to operate in the usual sense because parts of our thinking happen absent even a secondary awareness.

We benefit if we regard our body as "thinking" because in practical ways we are in constant negotiation with its influence, and even if it is only a metaphor, it is the one that opens up the route to changed action and different outcomes. We should recognize that the corporation is agential despite being distinct from being human in total capacities and rights. The corporation has character and shapes decisions. This is problematic as it has the potential to filter and divert better individual human instincts and efforts. The corporate character and its influence are inescapable byproducts of the institutional form. The institution works to integrate wildly disparate inputs, reduce variability, and determine actions that efficiently drive market goals. It also may squelch effort and innovation toward the public good.

Correspondingly, given their embeddedness in the agential institution, we should ask whether it even makes sense to speak of a "Worker's Virtue" or talk about it in the same way that philosophers would talk about virtue ethics for a person *qua* human. Much of virtue ethics is based on a supposition about the substantial freedom of the individual to act in accord with their own sense and formation in the beautiful and the just. The worker constrained in uncountable ways as part of a corporate "machine" is hardly the human actor that Aristotle, for instance, would have imagined in Athens of the third century BCE. Indeed, in those years Aristotle was skeptical about business and the virtuous person's place anywhere near it. According to Aristotle, doing trade with money to simply make more money is a kind of unnatural exchange, lacking in the inherent excellence of using resources to practice some productive art. In the *Politics*, Aristotle talks by way of example of the two purposes of making shoes, for wearing and for trading, the former being a virtue natural and particular to the shoe and the latter being unnatural and of general utility.[33]

Meikle's interpretation of Aristotle on doing business concludes that a conflict arises when the primary art is practiced for monetary ends: "a conflict of ends arises, as a result of which something must happen to the end of art; it can be compromised or subordinated or, in the worst case, entirely replaced by the end of getting money."[34] While it has a purpose, trading activity introduces an inherent conflict for the virtuous practitioner because it introduces this unnatural second telos in the form of money gained from exchange. The solution is to recognize the limited good of the telos of the art itself and not succumb to the lure of the limitless telos of market exchange. The key good for Aristotle is not the extrinsic good of money gained from the exchange but the intrinsic good of the actual product created for members of the *polis* and their life in common. The businessperson, acting as a tradesperson engaged in exchange for profit, misses the greater value of creating and sharing practical goods that contribute to the city's common good. Being a business person was not the most honored of professions in ancient Athens. Instead, Athens prized justice, wisdom, temperance, and courage as the practical virtues of good citizens of the *polis*. It was thus a political community that subordinated economic activity (as means) to its own social and moral well-being (as overarching ends).

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33. Aristotle, *Politics*, trans. by Joe Sachs (Newbury, MA: Focus Press, 2012), 1257a.

34. Scott Meikle, "Aristotle on Business." *The Classical Quarterly* 46 no. 1 (1996): 143.

If we fail to understand institutionalized human beings as endowed with the agency to act virtuously, then we largely surrender the place of virtue for humans spanning the differentiated institutions of twenty-first-century American society, particularly its powerful economic institutions. We do our living in distinct institutional settings, and we must find space within all of them to practice virtue and become more virtuous persons, however adapted and attuned we become to each of these settings in practice. This latter idea is a radical one. Aristotle would have said the die of a person's virtue is cast long before taking up an adult vocation.[35] We might take a more optimistic view of the pliable development of adult moral character simply because institutions of modern childhood anticipate but do not determine the institutional course of modern adulthood.

The current environment of moral failure and moral success differs from prior times, and it calls for a different frame of understanding and a more robust prescriptive response. We live in an era of growing consensus around universal human rights and their accountabilities. The interconnectivity of markets through globalization and technical enablement amplifies the effective scope of moral failures. Moral catastrophe is more often now the result of moral misjudgment than of ignorance. The understanding of systems has grown with the impact these insights have on corporate operations and the ethics of the collective good. Yet this impact has not led to developing moral practices specific and strong enough to transform corporate relationships and structures. Members of corporations must be able to cultivate moral virtues as well as develop technical skills tuned to the particular institutions they

35. Aristotle, *Nicomachean Ethics*, trans. by Joe Sachs (Newbury, MA: Focus Press, 2002), 1103b20.

inhabit. Corporations respond reliably to train workers to improve job performance. In this era of rapid technological, social, and ecological change, corporations rarely ignore competitive incentives to invest in such firm-specific training. But their members must also be able to take part in ongoing processes of moral formation that enable them to engage fully in corporate decision-making in light of the moral norms and goods of their overlapping communities, not only the short-term economic interests of the corporation itself. Corporations must open their eyes to their need to pursue the ongoing moral education of their workers and the often-hidden long-term incentives to do so.

The workplace can be an important natural site of moral formation or deformation. Repeated practices which are part of a worker's routine and longtime environmental exposure make it a potent site for individual cognitive and behavioral conditioning. The workplace comprises social systems that place demands upon the worker, calls the worker into relational solidarity, and forms collective sensibilities. For foundational sociologist of religion Emile Durkheim, there is a moment in development critical for moral formation past which the opportunity was lost, if "beyond school age…the foundations of morality have not been laid, they never will be."[36] In his focus on this stage of childhood, the school became the necessary institution and setting for a social system in which the individual could acquire the discipline and sense of the collective good needed to become a mature moral actor. I suggest that the same discipline, commitment to the group, and autonomy can be realized in the business organization that emphasizes doing so. For many fully grown people, the corporation is

36. Émile Durkheim, translated by Everett K. Wilson and Herman Schnurer, *Moral Education: A Study in the Theory and Application of the Sociology of Education* (New York: Free Press, 1973).

the second great opportunity (after the opportunity for schooling is typically long past) to become better people while doing our life's work.

**Corporate Metabolic Syndrome: A Metaphor for Systematic Business Ethics**

Metabolic syndrome is a helpful metaphor for the kind of challenges facing the American corporate organization and the ethical quality of its output. Metabolic syndrome (MetS) is a clinical term for a human disorder with multiple symptoms, multiple risk factors, and many ways to influence but not cure the disorder. This syndrome is a prelude to cardiac disease, morbidity, and mortality. Metabolic syndrome is "The collection of impaired glucose metabolism, central obesity, elevated blood pressure, and dyslipidemia."[37] Each aspect interacts with the others, with the effect that the body is unable to cope with digested inputs and transform them efficiently into valuable and desirable human activity. It is a complicated system-wide failure to process in the interest of the body as a whole. Its outcome is more than inefficiency: it is often ultimately the death of the whole system. The core physiological failure is one of responding appropriately with insulin to an incoming glucose load, using resources as energy, and storing those resources as fat for later investment in activity, and managing blood lipid levels so as not to impair the circulatory system and to make ongoing transactions possible. Mounting internal blood pressure in the system couples with the decreased flow of needed resources throughout the system to cause a higher level of total system failure and ongoing systemic struggle to perform even basic tasks that would be easy under normal healthy circumstances. MetS is a systematic disorder that

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37. Hari Prasad, Debra A. Ryan, Ma Florence Celzo, and Dwight Stapleton, "Metabolic Syndrome: Definition and Therapeutic Implications," *Postgraduate Medicine* 124 no. 1 (January 1, 2012): 21.

defies resolution through a single clinical target. It requires an understanding that different body systems are interacting and signaling each other and taking cues from the external environment. Rehabilitating the MetS impaired body requires desensitization of the individual responses to the signals from the other parts of the relational network, inside the body and the environment.

Analogously, different kinds of capital resources need to be processed efficiently by corporations, providing fuel for decision and action in parts of the corporate body distal to the stimulus source. The corporate body needs to capture the right inputs and respond to them to render them actionable, without degrading the system to do that effectively in an ongoing way. Indeed, this is a familiar concept, for financial capital is raised by way of market centers and then distributed to provision sufficiently the productive activities of the business in different parts of the operation. The moral metabolic processes go right along with the proper use of more familiar forms of corporate capital. The moral questions must be recognized from the outset, conflicts circulated through a system which brings different resources to bear on their adjudication or transformation, and utilities and values at stake laid bare—all yielding high value decisions and actions as a clear result

The corporation suffering metabolic syndrome is desensitized to moral questions it confronts, just as the MetS patient's pancreas is desensitized and unable to respond appropriately to the glucose it is presented. The flow of information and interaction of crucial organs is impaired in the patient. The patient who is less able to move (just as in the corporation) with occluded arteries, lipid-laden blood, and a weak central heart muscle, will fail to process inputs into energy and right action. Instead, the MetS body, human or corporate, degrades the quality and the capacity to respond with every meal, entering a downward spiral of physical/moral health.

Just as in the human body model, we know that the effective metabolism of these life-giving resources is neither transparent nor straightforward. We also know it is not a process open to deterministic modification, for every intervention we make has a series of unintended offsetting effects. We understand only a minority of the mechanisms at play. For this reason, the solution for the body, in either case, is not one simple mechanical intervention but a collection of changes to effect continual transformation of the organic system over time.

Moral failure is, according to the efficient capital markets hypothesis, reflected in market value along with all of the other factors which affect the expectation of future free cash flows. Relying on the invisible hand is dangerously inadequate. Jensen's re-statement of value maximization theory as "Enlightened Value Maximization" suggests that "in implementing organizational change, managers must have a criterion for deciding what is better, and better should be measured by the increase in the long-term market value of the firm."[38] I believe the problem here is that we are simply bad at making very long-run probability assessments and valuations, so we will always use proxies as a shortcut. Choosing adequate and not grossly misleading proxies is, therefore, everything: "Critical nonfinancial information is the state of a firm's relations with its key stakeholders, i.e., stakeholders with whom it interacts on a regular and business-like way such as employees, customers, and suppliers. Such relations underlie

38. Michael C. Jensen, "Value Maximization, Stakeholder Theory, and the Corporate Objective Function," *Business Ethics Quarterly* 12 no. 2 (2002): 236.

a firm's ongoing operations and performance and, ultimately, its value."[39] Novel sources of information will be essential to change the kinds of decision that the body makes: "building better relations with key stakeholders such as employees, customers, suppliers, and communities enhances shareholder value as it contributes to the development of long-term, intangible, valuable assets which can be sources of competitive advantage."[40]

The decline of the government as the tender of moral values in civic space reminds us that corporations are civic actors. This has been particularly evident in recent years in instances in which the theme of "winning" seems to trump deeper considerations. A process for deliberation has a lower priority than a profile of personalities. In this dispiriting moment in the civic space there may be an opportunity. Traditionally, government represents the bulwark against corporate greed that presumably would tend to work against the common good of society. Today corporations often enters civic space to protect their customers' diverse interests—including their LGBTQ rights and religious freedom—in terms they define as spanning enlightened self-interest and the greater good. The corporation must know its boundaries and exercise the ability to limit itself. Conversely, it must also exercise the ability to see where its traditional boundaries are merely conventional rather than morally valuable. It must act on behalf a broader societal good than only increasing managerial efficiency, net earnings, or share price.

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39. Denis Cormier and Michel Magnan. "Does a Firm's Exposure to Ethical Failures Matter to Financial Markets? A Governance Perspective," *Journal of Management & Governance* 21 no. 2 (June 2017): 272.

40. Cormier and Magnan, "Does a Firm's Exposure," 272.

**Contemporary Exemplars of Corporate Moral Crisis**

Stunning examples of corporations' moral failure have been put on wide public display in the past few years. The first set comprises those moral failures which are also legal breaches identified and prosecuted successfully by the US government. Each of them represents a particular kind of moral metabolic failure. I will first review each case's facts and implications and then discuss a universal typology of moral failure, relating it to these cases.

**Volkswagen.** Using their engineering prowess and sleight-of-hand, Volkswagen, the global automaker based in Germany, managed to evade increasingly strict US regulatory constraints on car emissions of the toxin nitrogen oxide. The fraudulent activity of the car group was revealed in 2015 after years of successful concealment. This is among the most significant recent public cases of large-scale corporate fraud or deception for profit. Volkswagen was ultimately fined more than $25 billion, and criminal action was taken against lower-level participants. Injured parties are still litigating in US and international courts, seeking further and fuller compensation for damages.[41] Volkswagen itself is now seeking economic damages from individual corporate executives for failing in their duty of care in allowing this criminal activity to occur on their watch.[42] This case is stunning, though not because of the nuances of the crime; there was little nuance to this bold technology-enabled cheat. It is

41. Roger Parloff, "How VW Paid $25 Billion for 'Dieselgate'—and Got Off Easy," *Fortune*, February 6, 2018. http://fortune.com/2018/02/06/volkswagen-vw-emissions-scandal-penalties.

42. "VW Seeks Damages From Former Execs for Diesel Scandal," *Transport Topics*, March 26, 2021, https://www.ttnews.com/articles/vw-seeks-damages-former-execs-diesel-scandal.

stunning because the system's failure relied upon many individuals becoming complicit in corporate fraud and abandoning their personal and professional ethics to conspire in vicious choices to deceive customers, evade the law, and pollute the planet. The success of such loosely organized and yet widespread collusion is a remarkable part of this corporate ethics story.

Public reception of the revelations of VW's corporate deception was mixed. On the one hand, the public sensed no reason for this criminal misconduct other than outright lying for money. One apt representation of such public reception is found in Jack Ohman's cartoon equating the corporation's public communications to the toxic emissions of the company's "cheater diesels," both poisoning society. Volkswagen's stock price declined substantially following the EPA announcement in 2015, but as of this writing in 2021, it has risen above the price at which it was trading immediately before the announcement. While this was not a cost-free ethical failure, the costs were modest and the impact transient.


**Figure 1: Jack Ohman for USA Today, Sep 23, 2015, *Detail only***

Volkswagen's strategy to ignore the impropriety of their actions and downplay the damage prompts moral reflection. Leadership's initial reply to Congress denied corporate knowledge and deflected complicity and accountability. The American CEO explained to the US Congress, "this was not a corporate decision, from my point of view…this was a couple of software engineers who put this in for whatever reasons."[43] Their later legal defense turned to arguments that software generating false evidence of legally limited emissions under test conditions served a technical purpose in customers' interest by protecting the engine and extending its life.[44]

Healthy corporate functioning includes the ability to understand moral hazards and preempt misconduct by business units and the corporate whole. If a company cannot recognize its misconduct and accountability even after regulatory discovery and legal conviction, prospects seem slim to remediate its basic moral metabolism. Volkswagen chose to lie for as long as possible to minimize the economic cost of complying with pollution standards. It subsequently entered into the zero-emissions automobile business. This may count as a company righting itself after being punished. It may also count as business as usual, with competitors moving from diesel to electric engines under increased regulatory pressure. In any case, moral transformation of VW seems to demand shifts in a culture of obfuscation and blame toward recognizing government regulations and public values and respect fair dealing over financial gain.

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43. Sean O'Kane, "Volkswagen America's CEO Blames Software Engineers for Emissions Cheating Scandal," *The Verge*, October 8, 2015 https://www.theverge.com/2015/10/8/9481651/volkswagen-congressional-hearing-diesel-scandal-fault.

44. Michael Taylor, "EU's Highest Court Deals Volkswagen Yet Another Dieselgate Emissions Cheat Blow," *Forbes*, December 17, 2020, https://www.forbes.com/sites/michaeltaylor/2020/12/17/eus-highest-court-deals-volkswagen-yet-another-dieselgate-emissions-cheat-blow/?sh=51f3348d775f.

**Facebook.** Evidence suggests that Facebook served as a significant tool to distribute political disinformation in the 2016 presidential election. Unlike traditional advertising, Facebook distributed misinformation that amplified its influential impact because its partisan sources could be disguised as person-to-person communication. It simulated grass-roots social movements in ways that billboard or radio advertising could not. Facebook's willingness to manipulate its customers for nefarious and arguably illegal purposes offers another recent case of willful misconduct or heedless negligence for profit. The moral failure here may also have stemmed in part from FB missing or dismissing the actual interrelations among their customers and ignoring the potentially catastrophic impact of FB's indifference to these relationships between partisan propaganda, misled voters, and corrupted elections as "external" to its own

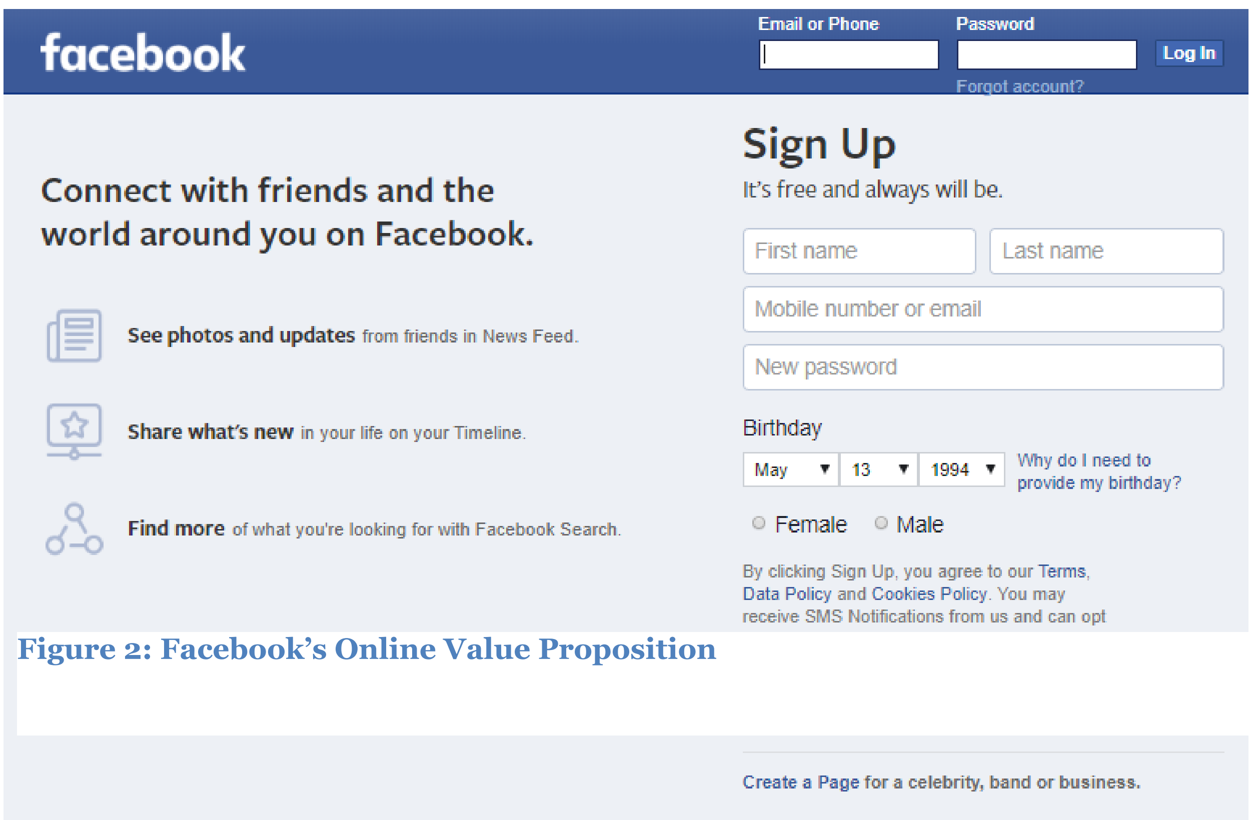


**Figure 2: Facebook's Online Value Proposition**

business of engaging in profitable transactions to disseminate this disinformation and provide proprietary FB subscriber data to help campaign consultants create and target this disinformation.

Facebook invites its customers to “see photos and updates from friends” (see Figure 2). But there is more going on here than “updates from friends,” and Facebook fails to disclose who participates in this space, for what purposes, and for whose profit. Facebook’s main corporate “sin” may be one of omission and inaction or of choosing to increase their profits by turning a blind eye to their partisan political advertisers misleading their customers. On the other hand, less charitably, the sin may have been not caring enough to develop intelligence that would reveal the moral hazard—not caring because the externalities would likely never be identified nor monetized as a burden to the corporation. In a perfect world, the distribution of adverse effects of the action would be both transparent and compensable. Such is the very definition of an “externality.”[45]

By its own account, Facebook is in the business of managing social networks in ways that bring value to customers. But in this instance, Facebook ignored its partisan advertisers harming its customers by undercutting their informed capacity as good citizens to exercise their right to vote. Facebook’s moral failure exemplifies the challenges of a “telecommunications and social media” corporation that reaches beyond the economic sphere of advertising into politics as well as the private life of billions of subscribers, giving it great institutional leeway to permit if not itself commit fraudulent acts. Facebook has attempted to limit further misconduct by setting up screening and

45. Carl J. Dahlman, "The Problem of Externality," *The Journal of Law & Economics* 22 no. 1 (1979): 161. http://www.jstor.org/stable/725216.

complaint processes and involving third parties to support its capacity for risk assessment and moral judgment, even as it continues to track users without their full "opt-in" consent, commodify their personal information, and market it to advertisers.

The corporation's core knowledge of the corporate value proposition must grasp the goods and harms the platform can deliver to customers. We caught this information connectivity company deeply out of touch with how customers were using their platform and with what constitutes harm to other customers. In this case, using the platform to manipulate democratic participation unethically was a very effective use of their product, which caused hidden harm to millions of us Facebook users whose equity of citizenship was eroded. The stakeholders in the altered election outcome that resulted are exponentially larger in number and not positioned to redress the experienced harms effectively. The Facebook political influence crisis exemplifies the challenges of moral metabolic syndrome with so many actors participating in the system, each pursuing unknown goals and committing fraudulent acts. The system's complexity and chaotic nature demands systems attuned to feedback from multiple perspectives in and around the ecosystem they have created. Facebook has attempted to limit further misconduct with screening and complaint processes and the involvement of objective parties to lend added capacity for risk assessment and moral judgment. Facebook is modeling one aspect of how a learning system responds by introducing novel structures and processes in this untested environment.

**Purdue Pharma.** Purdue Pharma is a privately-held corporation, with the extended Sackler family as its primary equity holders. Purdue Pharma develops and markets pharmaceuticals. It had blockbuster prescribing success and financial returns with oxycontin, their oral opioid-based painkiller for severe pain. The product ostensibly offered the benefit of improved pain control and reduced adverse events through its sustained-release formulation. Purdue Pharma's market strategy included promising a clear clinical benefit over the immediate-release alternatives, targeting patients (outside of oncology) with less severe pain, and engaging a wider pool of clinical prescribers. Articulated clinical benefits included better pain control and less risk with convenient twelve-hour dosing.[46] The company developed a compelling clinical story that pain was under-recognized and undertreated owing to excessive mistrust of opioids due to addiction risk and, worse, a disregard for and mistrust of patients who report chronic unresolved pain. Where aggressive opioid treatment had been often reserved for palliation in advanced cancer care, oxycontin was promoted as a first-line choice for non-cancer patients with more moderate pain. Because of its delayed release characteristics, Purdue Pharma argued that the drug's potential for recreational abuse was less than its immediate-release competitors.[47] Health care providers learned a new narrative of patient empowerment owing such marketing efforts. They started writing prescriptions for the more potent long-acting narcotic when they would have avoided doing so in years past. Purdue Pharma made significant promotional investments in the product, providing premium financial incentives to the salesforce and other entities in the market to advance this clinical narrative and encourage the use of the drug at higher doses, for more patients, for longer durations of therapy. The drug was launched in 1996

46. "1998 Budget Plan." Internal Company Document. Purdue Pharma: 21–23, Purdue And The OxyContin Files.

47. Ibid, 24.

and grew to over $1 billion in revenue by 2000, and continued apace in the following decade.[48]

In this basic sketch, we see classic elements of the business of medicine within the American system. Private entities create proprietary advances in medicine, some revolutionary but most incremental improvements, such as Purdue Pharma's novel formulation of a well-characterized generic agent (oxycodone). The company is subjected to the burden of extensive regulatory compliance, in this case with the food and drug administration. The efficacy and safety of the drug and the quality of the drug product must all be demonstrated. The language which describes the drug and its prior use must be approved. The company is unavoidably the agent with the most knowledge of the product and clinical experience and thereby obligated to educate the health care system. Hopefully, a new drug is better than those that preceded it in meeting some clinical need that is important to patients. However, this is not the regulatory standard for its approval in the US. In the Purdue Pharma oxycontin case, we might commend the company for identifying an unmet need in the patients enduring unnecessary treatable pain, for hearing the concerns of prescribers in mitigating risks of the drug class and bringing an advanced proprietary formulation to bear in designing a solution. We might commend Purdue for connecting with different parts of the market and interacting with all of these players to ensure that a medical solution reached more patients than ever before. It is a safe claim to venture that a greater number of people experienced less pain

48. Gerald L. Posner, *Pharma: Greed, Lies, and the Poisoning of America* (New York: Avid Reader Press, 2020), 645.

than they otherwise would have if oxycontin had not come to market. However, this was not the only consequence.

A disastrous consequence of the radically expanded number of oxycontin prescriptions, particularly those written increasingly by primary care physicians rather than specialists, increased opioid addiction and related deaths by overdose. Opioid overdoses tripled alongside the commercial rise of oxycontin from 1999 to 2014.[49] some of these occurred because of the large number of individuals taking medicine at higher doses than before. Others who experienced were unintended users: users who did not have a physician's prescription for the drug. Beyond the "pull" of prescribing, the "push" promotion to wholesalers and pharmacies to stock greater quantities of oxycontin meant much greater availability of the medicine in the marketplace for diversion to illegal trade. Purdue going to market with high-quality medicine and a reasonable clinical story was thus at the root of a surge in opioid addiction across American and waves of deaths that otherwise would have been avoided. This is a more complicated problem than a merchant going to market with a simply defective product.

From public disclosures of the justice department investigation, we have learned that at some point Purdue Pharma knew of the burgeoning problem with opioid addiction and the clear role that oxycontin flow was playing in it.[50] We learned that their best consultants were advising them to take advantage of the heightened illicit and ill-

49. N. Vadivelu, A.M. Kai, V. Kodumudi, et al., "The Opioid Crisis: a Comprehensive Overview," *Current Pain Headache Report* 22 no. 16 (2018). https://doi.org/10.1007/s11916-018-0670-z.

50. Barry Meier, "Origins of an Epidemic: Purdue Pharma Knew Its Opioids Were Widely Abused," New York Times, May 29, 2018, https://www.nytimes.com/2018/05/29/health/purdue-opioids-oxycontin.html.

advised demand and higher doses despite the negative impact on the community.[51] Purdue confessed to defrauding government regulators regarding their anti-diversion activities, essentially "facilitating the dispensing of its opioid products, including oxycontin, without a legitimate medical purpose."[52] This major milestone was reached in late 2020 at the federal level when Purdue Pharma "agreed to plead guilty to criminal charges related to its marketing of the addictive painkiller, and face... penalties of roughly $8.3 billion."[53] Legal action is ongoing as states and individuals continue to seek remedies for harms at law and for compensation. Ethical lapses here are of a qualitative sort, most prominently regarding the character of the company's relationships with stakeholder communities. Educating and corrupting medical practitioners are different effects that can be achieved through the same actions. A medical meeting can be executed to fulfill both purposes easily. Phase IV clinical trials are critical to learning about marketed medicines. They also require collaboration that entangles the economics of medical practice and pharmaceutical marketing. Purdue suffered a severe case of corporate moral metabolic syndrome, failing to process risks that were evident to many experts, suppressing the corporation's systemic responses by limiting internal dissent,

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51. Michael Forsythe and Walt Bogdanich, "McKinsey Settles for Nearly $600 Million Over Role in Opioid Crisis," New York Times, February 3, 2021, https://www.nytimes.com/2021/02/03/business/mckinsey-opioids-settlement.html.

52. United States Department of Justice, "Justice Department Announces Global Resolution of Criminal and Civil Investigations with Opioid Manufacturer Purdue Pharma and Civil Settlement with Members of the Sackler Family." October 21, 2020. *Updated January 28, 2021*. https://www.justice.gov/opa/pr/justice-department-announces-global-resolution-criminal-and-civil-investigations-opioid

53. Jan Hoffman and Katie Benner, "Purdue Pharma Pleads Guilty to Criminal Charges for Opioid Sales." *The New York Times*, 21 Oct. 2020, www.nytimes.com/2020/10/21/health/purdue-opioids-criminal-charges.html.

and refusing to adapt and change course as the lethal evidence of the unintended consequences mounted.

**Starbucks.** Famously, Starbucks, the hyper-proliferative chain of Seattle coffee shops, imagines itself as a "third place," a lively and happy semi-commercial civic space between the somnolence of home and the drudgery of work. Many Americans maintain an important if a limited relationship with Starbucks. Most of us share an understanding of its business as an exchange of money for coffee, including an occasional breakfast sandwich or bathroom visit. There is much to admire in the audacity of this corporate vision of the "Third Place" and its drive to fill a key spot in personal and public common life with its remit as a congenial coffeehouse to span home and office.


**Figure 3: The Starbucks Brand Identity.** ***Photo Credit: David H. Messner, 2019.***

Yet Starbucks' friendly promise of "peace love coffee" faced a public relations crisis in April of 2018 when an employee called the police on two African American men, Rashon Nelson and Donte Robinson, who took a few minutes too long to order that latte and dared to ask to use the restroom while they waited for people to meet them.

Starbucks responded in two important ways to this crisis of racial discrimination. One was training all employees on how to act less racist in practice. The other was widening their universal policy on "sitting around" at their shops. The latter liberalization seemed to ensure hospitality for all as a matter of policy, even if the four-hour training failed to overcome the implicit racism toward minorities that might dwell deep in the hearts of some of the company's 175,000 baristas. The training was commended for its all-inclusive breadth and timely sense of urgency, but it was criticized for being insufficient to change deeply ingrained patterns of discrimination.

The second part of Starbucks' response made explicit their policy on 'sitting around' and underscored its alignment with their ambitious if not hyperbolic vision of being "the third place." Starbucks' policy declares, "everyone should feel welcomed at Starbucks. Every person who visits a Starbucks store is a customer, whether they make a purchase or not. Our customers are welcome to use the spaces we provide appropriately, including our cafés, patios, and restrooms."[54] Doing business with the public entails a certain trust. It has typically meant that merchants need to be willing to enter into a fair economic exchange with all persons of goodwill who present themselves. This holds true even if a few wedding cake makers faithfully opposed to same-sex marriage have tried to reset this contract on the grounds of free exercise of religion protected by the first amendment. Customers sit in coffee shops in exchange for buying some coffee and a scone. This means that there is usually a time before one buys something, a time after, and occasionally time to use a bathroom as well. Starbucks puts it this way: "it's not unusual to see people coming to Starbucks to chat, meet up or even work. We're a

54. Starbucks.com, "Starbucks Principles For Upholding the Third Place: For Our Partners, Our Customers and Our Communities," https://www.starbucks.com/responsibility/learn-more/policies/third-place.

neighborhood gathering place, a part of the daily routine – and we couldn't be happier about it."

Nonetheless, redefining a customer as every "visitor" to a Starbucks store, whether they make a purchase or not, risks masking the practical reality of routine business exchanges and bending if not breaking their customary and commonsensical norms of moral conduct.[55] In commonsense parlance, customers are persons engaging in economic exchange in the marketplace. Redefining them as every visitor to a store sets up store employees for failure to welcome nonpaying customers who extend their visits. This expansive policy strains workers' reasonable judgment at the intersection of corporate diplomacy in response to charges of racial discrimination, routine retail business practices, and personal values and practices of hospitality.

In the collision of a congenial coffeehouse imaginary in service to corporate positioning and product marketing with the reality of retail business exchanges tended by real people, moral ambiguity arises to create conflicts and confusion over the reciprocal rights and responsibilities of good customers and their hosts/shopkeepers. The corporate imaginary masks rather than resolves the real-world problem of racial discrimination. Instead of spinning a web of aspirational fantasies around our actual relationships, let's weigh the reality of the marketplace with its rules of exchange in relation to the public square with its rules of inclusion, and the virtue of hospitality peculiar to "the hospitality industry." Then let's hold each other to account when we don't live up to our obligations and ideals of virtue in these institutionalized roles and

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55. A "norm" (as I use the term) is a social expectation based on a pattern of past social behavior in a given community.

relationships. Let Starbuck serve all its customers with fairness and decency instead of re-imagining them as friendly visitors to a fictive home away from home. That is moral challenge enough.

These are just a few high-profile cases and types of moral failure that stand out against the norms of institutions and the bounds of black-letter law and moral norms of our society. The impact of some of these failures—poisoning the ecosystem, accelerating global warming, and distorting democratic election outcomes—seems sufficient to declare these moral catastrophes. Making laws and rules to regulate corporate conduct and formulating business ethics are long-established fields of study and activity. Yet it seems we have made little progress in improving corporate conduct and character.

## A Typology of Corporate Moral Failure

In these cases, corporations show interest in preempting legal action or intervening of their own free accord before some of their activities or practices rise to the level of illegality. Such cases offer insight into how traditional approaches to forming corporate values, developing professional norms, and insuring scrupulous compliance with lawful regulation have proven inadequate to prevent ethical misconduct of the most egregious and catastrophic types, even in corporations where formal models of best practices can be identified. Could more inclusive moral conversation inside each organization have yielded clearer operational insights and stronger commitments to enact them? These failures stemmed in part from unfair administration of fair rules and from flawed compliance with high standards. It stemmed in part from refusing to account for racial prejudice at work in American society to betray constitutional rights, and corporate greed at work in the executive suite to overwhelm principled statements of responsibility. It also stemmed from refusing to engage and heed the perspectives of persons of color and others at work lower down in the corporation, committed to fair and equal treatment by race, class, and gender as matters of personal respect and recognition as well as to living wages and adequate benefits.

In these cases we can see an emergent map of corporate moral failures, however complex their manifold causes. These failures fall into three broad categories: doing business where business has no business being; undertaking business transactions that do not rise to a standard of fairness set by traditions of commutative justice; and doing business in one social domain or institutional sphere that triggers negative spillover or knock-on effects in another. We will take each in turn.

**Blocked Exchanges and Bounded Commerce.** By convention and law, some things have been placed off-limits for sale in the market. In the United States, these include humans and human organs, criminal acts, certain deadly weapons and substances, and military, civic, and academic honors. Setting these things apart from transactions in a market economy stakes a claim on the good character and administration of market transactions on behalf of everyone, not just those engaged in a given exchange. This typically turns on one of three qualities inherent in the value of the item or action involved in relation to the common good of the society in terms of its sacredness, dangerousness, or necessity for the general welfare.

Technology has made it possible to multiply markets to trade in an ever-expanding array of goods and services. Entrepreneurial managers are incentivized to enter these new markets with vigor, rather than hesitate and lose out to competitors less bound by custom or less fearful of the future. Markets and other institutions such as military conquest and corvee labor or courtship and athletic contests offer alternative ways to distribute social goods.[56] To reach a common moral understanding of what to buy and sell, a society must identify the goods that should be set off from free-market exchange in so-called “blocked exchanges” of the things that “money can’t buy,” as Michael Walzer puts it.[57]

Determining which exchanges ought to be blocked requires continuous attendance to shared sets of values. The boundaries are socially determined and revised. One challenge to implementing them involves particular protections against the pursuit of blocked exchanges. Things that money cannot or should not buy are entangled goods appropriate for market exchange. This entanglement makes it difficult for governments to intervene to prohibit unlawful transactions while still allowing markets to function. In a most basic example while human labor and the goods that come from it may be traded the humans themselves (and indeed even by themselves) may not.[58] These discrete elements of exchange prove difficult for states to segregate and micromanage effectively. On the model of money buying votes, a good that crosses out of its own social sphere to command undue reward in another sphere is said to be *dominant* since it wrongly places one good over another *and* one person over another. It harms human dignity

56. Michael Walzer, *Spheres of Justice: A Defense of Pluralism and Equality* (New York: Basic Books, 2010), 4.

57. Walzer, *Spheres of Justice*, 97.

58. Walzer, *Spheres of Justice*, 100.

since it violates the just ordering which would otherwise arise, and it betrays the underlying equality of members of democratic societies.[59]

How do business corporations become aware of and come to respect these boundaries instead of violating them to claim easy cash? Our cases illustrate such tyranny of the market. Purdue Pharma crossed one such boundary by corrupting medical practice to injure patients and mis-prescribe powerful narcotics for recreational and medical use. Starbucks crossed a boundary by offering to provide civic spaces rather than to sell customer seating. Facebook crossed a boundary by selling partisan lies to exert political influence. Economic incentives will always beckon businesses to expand market transactions to adjacent social spheres, but this pursuit must be limited by distinguishing spheres of justice by their distinctive ways of distributing different goods. To the victor go the spoils of war and to the race winner the gold medal. To the hard worker the fruits of labor; to the loving the truly beloved, and to the faithful God's grace.

**Unfair Trade and Commutative Justice.** This class of corporate failures falls short of meeting reasonable standards of commutative justice, which demand knowledge of the actual value of the product being purchased, whether in engine-efficiency of a car or the deductible charges and levels of coverage in an insurance policy. A fair transaction can be understood as one in which "the item exchanged is appropriate and not a mere sham good," and "neither party experiences a loss of net

59. Walzer, *Spheres of Justice*.

wealth."[60] In our cases, senior corporate executives knew that these standards were being violated, yet each corporation collectively failed to make the right moral choice.

Commutative justice focuses on exchanges between two individuals. "This order is directed by commutative justice, which is concerned about the mutual dealings between two persons," defined Aquinas, elaborating on Aristotle's notion.[61] It concerns the fairness of basic dyadic exchange. This is a useful building block for ethics applied to larger systems of transactions amalgamated from individual exchanges into the business activity in total. Commutative justice can be distinguished from distributive justice as a "species" pertaining to matters of the relation of each part to the whole.[62] Norms of commutative justice connect welfare, competence, moral meaning in social relationships: "justice is done, and the prohibition against harm respected when mutually competent persons inhabiting a world of shared meaning exchange goods or enter into contracts and agreements," as Professor Gunneman details it.[63]

Judging the commutative justice of a transaction assumes the mutual competence of the parties who enter into it. Mutual competence operates on many levels. It requires that asymmetries of information needed to assess accurately the value of the product and the movement of the market prove incidental and transient rather than systematic and enduring. It requires equal access to relevant information and equal

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60. Peter Koslowski, *Principles of Ethical Economy* (Amsterdam: Springer Netherlands), §8.1.

61. Aquinas, *Summa Theologica* II–II.61.1.

62. Allan Beever, *Forgotten Justice: Forms of Justice in the History of Legal and Political Theory* (Oxford: Oxford University Press, 2013), 101–102.

63. Jon Gunneman, "Capitalism and Commutative Justice." In *Annual of the Society of Christian Ethics 1985*, 104.

ability to use it at an appropriate speed. Each of these aspects becomes more questionable for many market participants as new techniques of data collection, processing, and analysis become available to fewer bigger actors on the leading edge of market participation, for example, by programmed trading in financial markets and "big data" analytics in consumer markets. The conditions and implications of the contract itself must be fully and clearly understood by both sides. We need only look at complicated mortgage contracts and other consumer lending instruments to understand how contractual complexity serves as a tool of predation to exploit asymmetries of competence in exchange.

Norms of commutative justice assume a balance of power sufficient to ensure that a transaction is materially and bilaterally non-coercive. Freedom from coercion requires a clear alternative to executing the exchange of a good for the sake of the survival and flourishing of a person, their family, or community. At the same time, we must recognize the paradox that imbalances of power mark absolutely all transactions outside of pure commodity markets. Commodity markets make goods indistinguishable, unit from unit, and participants become faceless to one another. Every other sort of exchange bears both the opportunity and the burden of personal responsibility for its social and cultural content. Having a "face" and thus being a person engaged in a particular non-replicable transaction means exercising social power more or less responsibly and fairly.

Continual corporate expansion and sectoral consolidation mean that divergent ideals of fair exchange and distribution of goods will continue to collide at institutional frontiers and crossroads. Whether it's the entry of a product into a new market or hiring workers for a new plant in a new territory, there will be chasms of social and moral understanding to bridge. This requires continuing willingness to cultivate new forms of practical moral meaning by collaboration rather than seeking to fix a foundation of absolute values or rigid rules. As businesses expand, new forms of moral consensus may emerge through co-creation via broader deliberation and deeper dialogue instead of win-or-lose competition to preserve or topple tradition.

Several of our companies failed to practice fair dealing, and thus failed to measure up to minimal standards of commutative justice. Volkswagen falsified data defining engine performance and pollution characteristics essential to judging the value of their cars for sale, knowing that virtually no customer would be able to detect their deception and gain symmetrical knowledge of the exchange. Purdue Pharma sold a drug without disclosing to medical prescribers and patients its elevated risk of addiction. Addicted patients, in turn, suffered diminished agency to evaluate their ongoing transactions with the company that used asymmetrical knowledge and power to exploit them.

**Taking account of externalities.** The actions of corporations to influence governmental policy through financial means constitute acts of political corruption for economic profit on the model of money buying votes. These acts violate the proper boundaries of corporate conduct drawn by "blocked exchanges" in Michael Walzer's conception of "complex equality"[64] by democratic determination or cultural consensus. These are goods to be distributed by or by means other than monetary exchange in the

64. Walzer, *Spheres of Justice*, 100.

marketplace. Responsibilities and rights to protect the planet from pollution, for example, should be a right allocated by democratic determination in the public sphere and not by campaign contributions in exchange for governmental favors.

Corporations ignoring what can be bought and sold as they pursue their own ideals and interests defines a critical class of moral failure. Avoiding this kind of failure requires an acute awareness of boundaries and attention to the character of each external economic exchange the corporation undertakes. It also requires attention to the employment contracts that help to constitute the corporation itself to make sure that they pay fairly for the services of their employees without threatening to buy their souls or corrupt their character.

Across our cases, corporations fail to account for and change their behavior in light of clear-cut externalities. Volkswagen failed to calculate the costs of being caught, estimate the cost of damage done to their reputation, and weigh the inestimable cost of damage done to the environment. Starbucks diplomatically deflected the damage done by perpetuating racial discrimination not only in their own workplace but in the overlapping communities of the larger society. White supremacist practices in that community, the disintegration of relationships within the community, the responses to these division which themselves can be toxic. The practical and spiritual dimensions of all of these is never tabulated on the balance sheet of Starbucks, nor do they carry enough weight to influence business decisions.

Facebook willfully dismissed and downplayed the impact of their purportedly impartial and trustworthy public platform by hosting fraudulent political information and amplifying it to cast doubt on the moral integrity of American elections as well as their own corporate character. Purdue Pharma failed to recognize or remedy the epidemic of addiction it sparked and fanned in pursuit of profits beyond the horizon of treating an epidemic of pain.

| **Types of Corporate Moral Failure: Three Main Classes** | | | |
|---|---|---|---|
| | *Illegal, Detectable and Prosecutable* | *Mixed/ Transitional* | *Legal, Concealed, or Un-prosecutable* |
| *Blocked Exchanges* | e.g., massive criminal enforcement initiatives in human trafficking, drugs, and weaponry | e.g., various employment relationships and their terms | e.g., monetization of individuals' private information |
| *Unfair Trade* | e.g., structured markets, agent-assisted transactions, mediation and arbitration procedures, consumer fraud protection regulation, Anti-trust laws | e.g., regulated cross-border transactions | e.g., dramatic and legal asymmetries in capital-based power, technology tools, and private knowledge in transactions |
| *Externalities* | e.g., environmental enforcement, trading in pollution rights, civil litigation for torts, government compensation to the injured | e.g., preservation of cultural integrity | e.g., degradation of an individual's or group's human rights not codified under local law (heritage property, identity, sovereignty, security, future opportunity…)<br><br>Reinforcement of class divides and caste systems which undermine collective life and interdependence |

**Table 1: TYPES of Corporate Moral Failure**

All of these cases of crisis turn on corporations failing to adequately recognize the (in)justice of their actions and relationships within the marketplace, to grasp the moral weight of their impact on diverse communities of stakeholders, and to respond meaningfully to curtail or heal the damage done, even when they knew better later on.

For each of these types of moral failure, government and other institutional agencies have found structural resources and approaches to enforce discipline on corporate actors within the marketplace. Depending on class and case, these have met with varying levels of success. For such discipline to prove effective, a market action or transaction must be illegal, meaning prohibited by black letter or case law. It must also be detectable to outside observers either through arms-length inspection, invasive legal procedures within the law, or voluntary disclosure. For example, detectability is enhanced through financial disclosure required of public ownership or volunteered by individual whistleblowers. Cases of moral breach must be prosecutable, given sufficient evidence available for a public office or agency to take effective legal action.

Differences of both kind and degree obtain between these classes. The “mixed/transitional” middle zone implies that new breaches of public interest open up over time, and corporations become subject to governmental responses as institutional boundaries shift over time. New laws can be passed when new threats appear if the government has the moral attention and political will. New technologies can be applied to enhance the detection of previously hidden breaches, for example, in shadow banking and financial derivatives. New conceptions of what constitutes a harm can give new standing to citizens seeking efficacious legal redress. As these changes occur, advances in protecting the public interest elicit corporate reactions from corporations to conceal what has become exposed and move business operations to places of untapped potential that promise to cut regulations, taxes, and labor costs.

Short-term advances in progressive programs of moral improvement led by the public sector often give way in the long run to steady-state divides between corporate activities that are illegal, detectable, and prosecutable and those that are not. Such divides usually result in less worthy outcomes when corporate behavior is bounded and shaped solely from outside regulatory forces instead without corporate cooperation if not conversion from within.

All four of our cases, for example, have been exhaustively pursued by legal means but only partially resolved. Both Facebook and Volkswagen have been found guilty, and both have paid substantial penalties to the public coffers. These penalties are ‘substantial,” however, only in the sense that their amounts seem large to individuals. They represent trivial transfers of wealth on the books of the US Treasury or the balance sheets of these corporations. The environmental and political damage done by this corporate misconduct has in no way been reversed. Instead it has contributed to the greater harm of polarized and reactionary politics in the US and climate change on a global scale.

All of these types of corporate failure shed light on doing business with the moral weight borne before the fact. Ethical corporations respond conscientiously to the effects of their prior decisions, especially where those decisions did harm, intended or not. They anticipate moral hazards, avoid immoral action, stand ready to mitigate the adverse effects of their actions on parties directly involved in market transactions and other stakeholders affected by them. Restorative justice demands that corporations seek to heal harms resulting from their past actions in ways that bring together “perpetrators and victims” in a collaborative process. It stresses “repair, reconciliation and reassurance.”[65] Its first phase involves the mutual encounter of those in relationships that require restoration to realign and renew the sense of shared meaning about the past. The second phase enables the parties to repair the harm by redistributing the monetary results of an unjust transaction, and by reconciling contrary view of the original transaction, and changing the social situation and power of the victim in future transactions. Finally, the phase of “transformation” asks how structural features of the surrounding social institutions can be addressed so that the larger community can be protected from future harm. Although American society certainly has a well-developed body of tort law and an elaborate court system to process claims, it still maintains a narrow scope of the types of harm it considers for settlement by monetizable damages, and its requirements to establish legal “standing” make it difficult and costly for most citizens to take part in such judicial proceedings.

Restorative justice completes this overview of the metabolic system of the corporation, which we will probe in the chapters to come, as seen through a wide-angle lens that captures the distributive, commutative, and restorative dimensions of corporate conduct and character. Restorative justice includes recognizing harm done, giving voice to those who have been harmed, considering collaboratively how harm

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65 Daniel W. Van Ness, and Karen Heetderks Strong, *Restoring Justice: An Introduction to Restorative Justice* (New York: Routledge, 2015), http://lib.myilibrary.com?id=646869.

could be healed, and institutionalizing protection against repeating such harm either upon the same person or community or upon others. Doing nothing after doing wrong constitutes the fourth class of potential moral failure. Because restorative justice fosters direct and honest relationships between parties, building restorative relations between the corporation and the communities and individuals they serve can renew relationships required by commutative and distributive forms of justice as well. Corporations must be able to make good decisions that anticipate the future and take stock of and bear responsibility for the past. Being forward-looking and backward knowing, these two necessities are complementary capacities, each potentially strengthening the other.

In this chapter, we surveyed and explored the claim and character of the modern moral crisis in Corporate America from several perspectives. We began by taking stock of the public outcry for greater justice in the sharing of wealth generated by the corporate sector and by looking at the economic evidence of increasing wealth inequality that provides substantial material grounds for that outcry. We looked at common explanations for outcomes of free-market systems and their drive for individual and collective goods. Using Adam Smith and Jacques Ellul as our divergent conversation partners, we concluded that the mindless market would not and could not reliably serve to drive toward the full objectives of individual and societal welfare. The implication that markets need conscious and conscientious direction led to an exploration of the reasonableness of looking to workers and companies as points of intervention and mutual influence that could change market outcomes for the better, and the optimistic assumption that given all of the emphasis of external influence, these targets are both viable and under-exploited. To lay the groundwork for a theoretical and empirical approach to identifying prescriptions for workers and companies, we articulated an organic metaphor, Moral Metabolic Syndrome, for the ethical underperformance of the corporate system. Finally, we looked at four cases of moral catastrophe of large Amercian corpoations over the past decade—Volkswagen, Facebook, Purdue Pharma, and Starbucks—in light of the metabolic model and extrapolated and characterized from those cases four main classes of moral failure: Blocked Exchanges, Unfair Trade, Externalities, and Failure to Remediate Harms.

# CHAPTER II: The Changing Reality and the Imaginary of the Corporation

In this chapter we look at the place and importance of corporations in the structure of American society and how changes in the social environment have affected the corporation and its development. These realities of the corporation are then set off against imaginaries of the corporation that we examine using evidence including literature analysis, surveys of public opinion, and facilitated public theological discussions. We consider in the background two contrasting views of the mechanics of corporate decision making: a top-down model of concentrated executive command and control and a distributed decision-making system tightly conditioned and bounded by technocratic rule-based regimes. Relying on an understanding of institutional thinking and feeling as organic systems and modes of ethical evaluation, we argue for more pervasive and profound forms of corporate transformation than mechanical models of corporate decision-making promote.

## The Importance of Corporations to Society

In making sense of how to pursue the good life through work, there is a compelling case for wondering and worrying about corporate environments and the influence they wield. The corporate institutional form and life within its bounds matter from a virtue perspective because of their centrality and influence on our society and our daily lives. For adults, they are a primary context of self-formation and character development. For many individuals, the job they hold in a company may lead in behavioral and ideological influence ahead of even personal households and chosen religious communities of worship. The companies themselves may be receptive to reform insofar as they are built to respond to market pressures and economic incentives. To the extent that those pressures and incentives shift through coordinated awareness and action, there is an opportunity to change corporate behavior for the better. Whether coordinated pressure and action are meaningfully possible remains an open and essential question. A critical concern though is more often the opposite. The company may be too susceptible to the wrong market pressures and, in their misdirected reactivity, create an environment in which practices attuned toward primary goods and long-term benefits are stymied. We are left with a challenge of making deeper reforms, ones not linked to the transient forces of the market but embedded in the corporations and the individuals and communities that make them real.

To clarify terms used to denote groups of people, entities, and their inter-relations, let me distinguish between different sorts of voluntary associations, communities, organizations, corporations, and institutions. Tocqueville observed that the voluntary association was at the heart of American democratic life. Individuals lack the power of the aristocracy in Europe but for that they substituted the capacity to form associations with common purpose. In some cases, that purpose was for economic gain, as in industrial associations, and in others it was for immaterial gain. In the latter example, moral associations and the reciprocal actions they enable among people are the means by which “Sentiments and ideas are renewed, the heart grows larger and the human mind develops.”[66] As I use the term, “communities” are constituted by all of the people who are significantly interdependent in some important dimension of life,

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66. Alexis de Tocqueville, *Democracy In America,* edited by Eduardo Nolla, translated by James T. Schleifer (Indianapolis, IN: Liberty Fund, 2010), 898, https://wisc.pb.unizin.org/ps160/chapter/7-3-tocqueville-on-democracy/.

voluntarily or otherwise. Communities of the sort I have in mind are durable; they extend beyond the achievement of some particular goals and are rooted in more than mere reciprocity. I use the notion of community in this dissertation to talk especially about communities of practitioners and communities of friends, families, and neighbors. These two central and influential categorical examples should exist in constructive tension, guiding corporate decisions toward a more complete good.

The corporation, in stark contrast to the forgoing entities, is a legal artifice that carries a collection of ownership rights and responsibilities; it is a complex bundle of binding contracts through which it specifies a kind of organization. Organizations are groups explicitly designed with a particular purpose in mind and are often the corporation's operating units. The idea of "corporation" intersects with but is not equivalent to the concept of the "institution." Institutions are, in sociologist Jonathan Turner's definition, "a complex of positions, roles, norms, and values lodged in particular types of social structures and organizing relatively stable patterns of human activity concerning fundamental problems in producing life-sustaining resources, in reproducing individuals, and in sustaining viable societal structures within a given environment."[67] I take the American Corporation to be an institution with features that cut across a wide variety of business organizations engaged in economic exchanges. We can also assume that the institutional features in corporate organizations are of mixed effect with regard to both business performance and the enhancement of social goods. These institutional features give form and boundaries to life in the varied organizations in a way that allows us to contrive a more universal theory of business ethics than would

67. Jonathan Turner, *The Institutional Order* (New York: Longman, 1997).

otherwise be possible. Jepperson elegantly glosses the idea of the institution as "those social patterns that, when chronically reproduced, owe their survival to relatively self-activating social processes."[68] John Meyer and Brian Rowan describe the institutional effect on organizations as a kind of "isomorphism,"[69] the tendency to replicate forms within organizations in response to the institutional environment rather than to the rational pursuit of case-specific goods. So, while the good news for business ethicists intent on instigating change is that approaches and best practices can be shared across business organizations, their institutionalized nature may make them highly resistant to change through interventions of mere intent. Jepperson continues: "Routine reproductive procedures support and sustain the pattern, furthering its reproduction—unless collective action blocks or environmental shock disrupts the reproductive process."[70] This suggests that change is a challenge for a single organization and that it is not easily addressed through simple reengineering. Change requires a revolutionary quality and global breadth of transformation.

Big business entities represent a tiny share of all market actors, but this group has a radically disproportionate impact. According to market data from the National Bureau of Economic Research, "Publicly traded companies constitute less than 1 percent of all U.S. firms and about one-third of U.S. employment in the non-farm business

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68. Ronald L. Jepperson, "Institutions, Institutional Effects, and Institutionalism," In *The New Institutionalism in Organizational Analysis*, eds. Walter W. Powell and Paul J. DiMaggio (Chicago, IL: University of Chicago Press, 1991), 145.

70. John W. Meyer and Brian Rowan, "Institutionalized Organizations: formal Structure as Myth and Ceremony," in Powell and DiMaggio, *The New Institutionalism*, 41.

70. Jepperson, "Institutions," 145.

sector."[71] Big businesses are concentrated centers of communal engagement for a significant portion of the population. A substantial number of people will enact the bulk of their productive life activity in these typically corporate settings. While the era of lifetime employment in a single firm seems past, with the exception of schools and prisons perhaps, corporations are likely to be the large institutions with the longest average periods of tenure for any individual. The possibilities of intentional social character formation are most pronounced in sustained engagement within formal settings and the communities they hold together. If we are to realize more of the potential of becoming better people and become better at working with other people, we need to give one another the greatest chance to do so.

From varied external viewpoints such as the customer's, or the literal neighbor's, corporations participate in influencing a uniquely high concentration of seemingly "private" decisions with a great effect on the larger population and the "public" good. The lending decisions of banks determine who lives where and how well. The development decisions of pharmaceutical companies determine at the source who will be treated for disease and who will suffer without treatment options and opportunities. The marketing decisions of food companies shape how individuals eat and how well their bodies are sustained. The product portfolio decisions of retailers determine how readily available firearms are in neighborhoods across America. The lives of their direct customers and a wide array of other stakeholders are profoundly shaped by corporate action (and inaction). In their best moments, American corporations are sites where

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71. "Changing Business Volatility," *NBER Digest*, April 2007, https://www.nber.org/digest/apr07/changing-business volatility.

innovations occur that receive the investment necessary to gain momentum sufficient to reach the marketplace. The marketplace is where the public has access to consume these goods. Among their many moments of failure, often life-sustaining goods do not reach those in need. Big business, organized in the corporate, institutional form, intermediates many of our most important relationships and sustaining exchanges. As a result, one of the frontiers of how we evolve as a society is determined by the quality of corporate conduct.

Our concern with corporate power and practices should be an equal complement to our seeming preoccupation with public sector activities. Public sector activity is undertaken directly in the service of the taxpayers. Though residing in the "private" sector, the corporations are bound by law in distinctive ways. Conceptually and historically they have a special duty to the public welfare by offering public accommodations. The public sector considers transparency to be a cardinal virtue together with public accountability, and to see it as part of their obligation. Corporations whose activities are more often occluded, often intentionally hidden, are also subject to a level of public scrutiny. To be publicly traded they must submit to a level of transparency regulated by the Federal Government sufficient for a market for ownership to exist (e.g., through regular disclosure of material financial information and interests). A limited but pivotal line of sight on their activities is mandated through public reporting requirements of public corporations, which are the main focus of the present work. The necessity to develop upstream and downstream (supply and distribution) relations and to communicate offerings in the marketplace is also a means by which we can view their operational activity. In these relationships, being able to see the activities means varied publics can target and exert direct influence on what and how corporations work.

**Environmental Changes that Affect the Corporation**

Corporations pervade our society's public and private squares, entangled in ever more profound and complicated ways in our life-worlds. As much as this is a source of worry for some observers, I would suggest it is both a critical reason to give them sustained attention and a signal of hope for exerting influence toward common public interests through multiple points of entrée and leverage. In the present context of rapidly receding governmental moral leadership, direction, and pro-active bounding of market participants' behavior, the corporate sector and the self-generated ethicality of its decisions are ever more critical. An example of the abdication of authority by government regulators can be seen in the Department of Justice's antitrust division's activity over the past decade. From 2011 to 2015, the Department criminally charged 234 corporations. In the subsequent five years, only 144 corporations were charged, a 38 percent decrease. Total criminal cases (corporate and individual) filed by the division collapsed from 90 in 2011 to 20 in 2020, a 78 percent reduction in activity.[72] With an increasingly laissez-faire approach to industrial regulation and increasing misconduct at the federal government's top levels, there is reason to reassess the conventional ideas about the relationships among the people, the government, the market, and corporate

72. US Department of Justice Antitrust Division, "Criminal Enforcement Trends Charts Through Fiscal Year 2020" November 23, 2020.

actors. The center of gravity of moral volition may be shifting by necessity to the private sphere.

We need to engage and encourage corporations not as mindless actors which we must constrain, control, and tax, but as organic systems prone to moral suasion and endowed with untapped moral agency. Bad actors cannot be tolerated, and we need good actors to step forward in new ways. A resurgence of moral possibility among the individuals and communities who animate corporate life holds the potential to be part of societal transformation directed toward enhancing the commonweal. Articulation of the conditions and drivers conducive to that enhanced agency, to those deeper relationships, and a fuller awareness that will make such agency meaningful is an important first step.

Even as corporate wealth has continued to grow in the past decades, the integrity of the institution of "Corporate America" has continued to erode to the detriment of its participants, though not its equity holders. The viability of this as a long-term performance model is doubtful as the strain of class divides and global problems come fully to bear in the twenty-first century. As Ann Swidler notes: "The dynamism of the American Economy has been purchased at the cost of massive institutional disinvestment."[73] The alienation and disenfranchisement of those within them has powerfully signaled the decline of the institutions of capitalism in America. We should be alarmed by this state of separation because the fallout from it will be far reaching. First and most alarming is the distributive justice concern that the disparity of benefit

73. Swidler, *Saving the Self*, 46.

from the economic and personal participations seems allocated in shockingly imbalanced ways. More compelling yet is that disenfranchised actors (e.g., employees) may cease to act (indeed be able to choose to perform competently) in ways that preserve the moral integrity of, and reproduce the economic success of, the business. Social relationships and communities within the institutions are at the heart of their proper functioning, and they are today ecosystems at risk of collapse.

The troublesome byproducts of American capitalism we witness today are rooted in the proto-capitalism of past generations. In the mid-nineteenth century, at the rise of industrial capitalism, Marx observed the system's class-based functioning and he articulated a multi-dimensional phenomenon of worker estrangement or alienation.[74] The foundation of Marx's reasoning is that progress degrades the human existence of the laborer, "The worker becomes all the poorer, the more wealth he produces…With the increasing value of the world of things proceeds in direct devaluation of the world of men."[75] The worker's estrangement entails separation from the product of his labor and separation from the work of laboring itself. The labor, says Marx, is coerced, being an act of economic necessity, done only as long as that necessity exists. Such work is not natural to a human being but alien as the human becomes a self-sacrificing tool. The worker is also alienated from the "free, conscious activity" of the species, which Marx termed the "species-character" as well as, perhaps most strikingly, other members of the species. [76] The worker under capitalist structures becomes a means toward unnatural

74. Karl Marx, "Economic and Philosophic Manuscripts of 1844," in *The Marx-Engels Reader*, ed. by Robert C. Tucker (New York: W. W. Norton & Company, 1978), 66–125.

75. Karl Marx, *Manuscripts*, 71.

76. Karl Marx, *Manuscripts*, 72–76.

ends of the accumulation of the wealth of others, rather than the natural ends of the human themselves at work.

The industrial revolution quickly brought a new round of concerns over the worker's future and dignity. New structures threatened to limit and further alienate the individual worker and mark the end of a certain kind of professionalism and craftsmanship. Durkheim theorized the mechanisms of worker solidarity arising both from likeness and difference between people and their beliefs. He lifted up the importance of the professional associations in providing a moral compass to the worker in dehumanizing isolating institutional structures.[77] In the following century, the post-war era brought an answer to Durkheim's worry over isolation of the industrial specialist with a vision of the corporatized "Organization Man" whose virtues had become the unnatural virtues of the organization, placing the goods of belonging above all other ends. This included most alarmingly subordinating those goods that organizational-belonging was meant to advance on behalf of owners and society.[78] Public conflict over globalization and the related increasing influence of big business peaked in the late 1990s, spurring the UN's Global Compact, which called upon companies to pledge to "align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take action to advance societal goods"[79] The compact was an attempt to integrate a variety of movements in the development sector with the sustainability movement within the corporate sector,

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77. Emile Durkheim, *The Division of Labor in Society* (New York: Free Press, 1997).

78. David Whyte, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity* (New York: Riverhead Books, 2002).

79. *United Nations Global Compact*. https://www.unglobalcompact.org/what-is-gc.

bringing new partners together to make business work for positive effect on a wider swath of the global community.

Contemporary trends continue to challenge and destabilize institutional life and trouble or impede creating healthy moral systems. The leading edge of globalization was opening new markets for goods and business growth. It was followed by the opening of dispersed markets for labor which further reduced the strength of relationships within the corporations. The erosion of effective and empowering relationships inside the corporation has been accelerated through trends toward offshoring, outsourcing, relentless automation, the "gig" society, the creative class revolution, and the continuing breakdown of stable circles of affiliation and practice for workers. These are part of what paints the landscape of the challenge we face in contemporary business ethics—ever-larger corporate entities with increasingly disempowered, disillusioned, and disoriented participants.

The social imaginary of the corporation has also evolved dramatically since the inception of the modern corporate form over the past two centuries. The perceived and actual importance of the relationship between the individual and the corporation has shifted within our lifetimes. If we take the "social imaginary" in Charles Taylor's sense to mean "the way we collectively imagine...our social life in the contemporary...world,"[80] then we can hardly imagine such a life in today's world without taking some account of corporations and big business that employs many of us, and in some way sustains all of us. We might then consider the different, competing, and interlocking imaginaries of the

80. Charles Taylor, *Modern Social Imaginaries* (Durham, NC: Duke University Press, 2004), 50.

members of society who interact with corporations in the free market, the members of society who are “members” of the corporation itself using long-term employment contracts, and finally, the owners of the public corporations. The pattern of disembedding of individuals over the past century is reflected in the growing capacity of the individual to understand themselves and their potentialities independent of a given social context (and conversely, their incapacity to use their embedded social context as a generative ethical resource). Social contexts are no longer as totalizing as they were in more primitive life, but one setting among many in which an autonomous self (often electively) participates.[81] Being socially embedded means: “learning our identities by dialogue by being inducted into a certain language.”[82]

This social imaginary of society at large and the process of disembedding have direct corporate analogies. The corporate worker has a view of their lifeworld that entails a sense of place, role, purpose, identity, and social navigation accomplished by speaking a local patois. For many, it may remain the central anchoring life context and imaginary. For others, perhaps a whole generation of new workers struggling to find substantial vocations, it could be recovered as a much-needed tethering point. We hypothesize that the continued disembedding of the corporate professional undermines social networks, which will be critical to the decision-making required for ethical corporate action when animated by positive affective states.

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81. Taylor, *Imaginaries*, 49.

82. Taylor, *Imaginaries*, 64–65.

The American corporation's public image, purposes, and effects, especially related to this pattern of alienation and disenfranchisement, are complicated and conflicted. The past twenty years would seem to have been a period ripe for growing mistrust by the public of big business and corporations; it has been an era of falling out of love. Significant milestones in this shifting business trust run from Enron's collapse to the later collapse of the housing market with the shady role of financial innovators and subprime lenders at its forefront. The response has been manifold, including a turn toward tighter control: "the current emphasis on corporate governance is often seen as a direct response by business to counter the devastating effects that a series of well-publicized business scandals have had on the image of business in general."[83] Large anonymized datasets (i.e., news databases and aggregated Google searches) can be used to track key themes and attitudes toward American corporations over the past 200+ years.[84] Taking the large aggregation of literature in the 2012 American English Dataset of Google Books, we can glimpse the shifting zeitgeist from the 1800s to the 2000s from a different angle.[85]

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83. Deon Rossouw, "Internal Corporate Governance and Personal Trust," *African Journal of Business Ethics* 4 no. 1 (2009): 37.

84. *For methodological reference, on the use of massive public search datasets to track changing public attitudes and beliefs, see Seth Stephens-Davidowitz and Steven Pinker, Everybody Lies: Big Data, New Data, and What the Internet Can Tell Us about Who We Really Are (New York, NY: Dey Street, 2017).

85. Google. "Corporate Corruption, et al.," NGram (December 2020), https://books.google.com/ngrams.

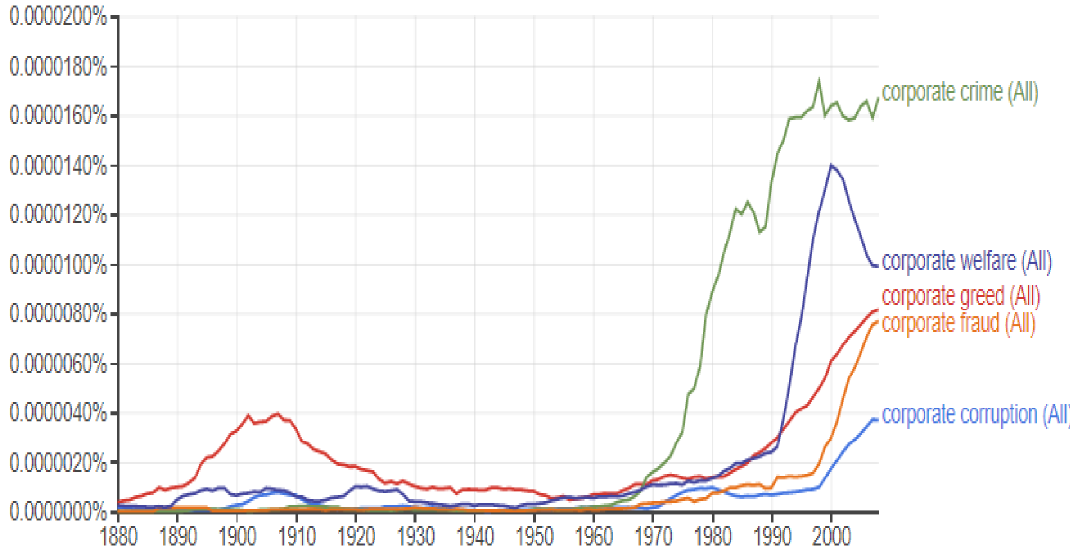


**Figure 4: Word Use Frequency as an Indicator of Public Perception**

We see the term "Corporate Crime" begin to rise in the 1960s, "Corporate Greed" rising in the 1980s no doubt with some Hollywood assistance from the "Gordon Gecko" effect, and the terms "Fraud" and "Corruption" taking off in the 2000s. Only at the turn of the previous century did we see another such peak of negativity, with corporate greed making its first appearance in the early industrial era. For reference, the Sherman Antitrust case was brought against Rockefellers Standard Oil in 2006 in the wake of its attainment of control of more than 90 percent of the American oil supply. In some instances, at least based on other survey data, the public expresses distrust of the integrity of corporations, not believing that they comply with the law or that they seek anything other than their financial self-interests: "Gallup's global research found that in 2017, 68% of adults worldwide believed corruption was widespread among businesses in their country." This number is no less than 60 percent in the United States, the world's presumed beacon for standards of ethical conduct in business.[86] Meanwhile, according to Pew data, "about six-in-ten adults today have a favorable view of labor unions (60%) and business corporations (56%)."[87] While the market recession of 2008 caused a dip in favorable attitudes toward business corporations, attitudes became more favorable thanks to both to shifting political dynamics. Even among traditional big business skeptics of the Democratic party, favorability opinions are about evenly split. Positive feelings toward big business are higher among the older, wealthier, and more Republican constituencies but are reasonably favorable across the board. More granularity would be necessary to understand the complex relationship people have with big business and the particular conditions under which the public valorizes business (perhaps when it's growing the workers' pension funds? Or introducing a new iPhone?) or placing it squarely at the root of societal ills (in moments of egregious corporate legal violations hitting the front page, perhaps).

## The Public Imaginary and Expectations of the Corporation

To explore the complicated perceptions and interpretations that the public has toward big business and American corporations, we facilitated conversations in the community. The heart of these public theological conversations (or also fairly characterized as "focus groups") articulates individuals' relationships, experiences, and

86. Ghassan Khoury and Steve Crabtree, "Are Businesses Worldwide Suffering From a Trust Crisis?" Pew Research Center. February 6, 2019. https://www.gallup.com/workplace/246194/businesses-worldwide-suffering-trust-crisis.aspx.

87. Shiva Maniam, "Most Americans See Labor Unions, Corporations Favorably," Pew Research Center. January 30, 2017. https://www.pewresearch.org/fact-tank/2017/01/30/ most-americans-see-labor-unions-corporations-favorably/.

expectations of the institutions with whom they have some interaction and the places where lives have been impacted for good and for ill. I conducted a series of four public discussions about corporations, corporate purpose, corporate ethics, and the relationship between corporations and their varied communities of stakeholders. They focused on personal experiences and impressions that reflect the challenges, best practices, and opportunities for improvement for public corporations and how we public interact with them in public.

The purpose of these discussions was to learn about public perceptions of corporations, their character, value, actions, and ethics—not for purposes of precise measurement of any phenomenon, but to understand the commonality and differences of ideas in the public mainstream. We were seeking to sketch a central imaginary and to identify a spark of possibility for constructive focus. Additionally, such discussions were intended as spaces of conversation where initial impressions could be explored through deepening conversation and challenge to arrive at threads of moral insights from different cultural locations. Participants in the focus groups reflected a diversity of gender, age cohort (from Baby Boomers to Millennials, to GenZ'ers), and professions (Professors & Teachers, University Deans, Religious Leaders, Unemployed Service Workers, Journalists, Scientists, and Lawyers). Educational attainment was skewed in this sample, with most subjects being college graduates and many holders of advanced degrees. Most subjects were in highly paid professions.

Our discussions took different directions in each of the groups convened, but every session included common areas of inquiry. Critical questions for group sessions were facilitator-prompted and began with general impressions and then used specific cases to elicit more in-depth feedback. Our discussions started with the same basic inquiry “What is a corporation and what is its purpose?” We explored distinctions between corporations and “big business” and between big business and small businesses. The facilitator asked respondents to choose examples that were top of mind for solid and weak ethical performers. These provided platforms to wrestle together with particular cases. Groups reacted to the straw man claims that “corporations in this country operate in ethical ways” and that “corporations in this country work for the common good.” They expressed beliefs on the drivers of (un)ethical conduct, using exemplars when available and brainstorming ways that corporate entities could be guided or nudged to more ethical behavior.

People primarily wrestled with the relationship between the individual working within corporations and the corporations and how to attribute responsibility. They explored the relationship, character, and competence of corporations in relation to the statement, “big Business, major corporations, in this country are connected to communities in meaningful ways.” Participants thought through which community or communities they represented, how corporations had been present in their experience, and whether this presence had made a difference. The facilitator elicited from the participants examples of not-so-good or bad things that corporations do for individuals and their communities.

The brainstorming phase of our gatherings focused on how companies could be better connected to communities and how communities more meaningfully influence corporate conduct. Using some specific corporate examples that usually arose organically in the conversations, the facilitator asked groups to give overall impressions of a company and its purpose and performance. These often tended to be healthcare and pharmaceutical companies, perhaps because they were some of the most challenging experiences people had in memory, but probably because these sessions took place at a time when the development of a vaccine for COVID-19 was center-stage in the national news and many people's hopes.

The interviews began by asking, "What is a corporation?" The answers ranged from the technical to the mundane to the ominous. Some offered textbook answers, such as: "A legal fiction…[with] some of the rights and responsibilities of an individual" (from a business school dean). Some were abstractly mechanical: a technology; essentially an algorithm; "a way of doing things, a way of knowing things"; an entity to make money AND to provide a good for the people; "an instrument to minimize risk for business;"[88] and a "profit-making enterprise" that works with "responsibility to shareholders."[89] Some were organic: "Corpus means body"; or, "A corporation is a body, and it has agency."[90] Some were ideologically and emotionally charged. One person described the corporation as the "Ideal structure for furthering interests of the shareholding class with very little regard for workers."[91] Several respondents concurred that a corporation is just a tool, "like a gun"; and yet another person suggested that "corporations are sociopathic" in that they have no sense of right and wrong or moral imperatives and noted that terrible things come from that.[92] The most optimistic suggested that they bring people

88. Personal interview with Public Group Subject #13, July 29, 2020.

89. Personal interview with Public Group Subject #12, July 29, 2020.

90. Personal interview with Public Group Subject #4, July 9, 2020.

91. Personal interview with Public Group Subject #11, July 29, 2020.

92. Personal interview with Public Group Subject #12, July 29, 2020.

together to give them meaningful work to make a decent living and produce a good product. People (at least when in a focus group) seem to see these two functions as equally important.

Study participants did not identify corporations as fundamentally ethical actors, suggesting instead that their primary motivation is financial, and public visibility is key. “Read the charters,” said one. “They try to present themselves as ethical and moral…but the bottom line is ‘are you making a profit?’” Public ownership matters, people suspect: “their only allegiance is to shareholders,” so the corporation is perceived necessarily to be nearly entirely focused on money. There was a broad consensus that shareholders are the primary concern of those who lead and make decisions for large corporate entities, expressed by the comment that, “they’re beholden to the stockholders and to hell with everybody else.”[93] The idea was common that people working there may have ethics, but the corporation doesn’t care or allow itself to be influenced by that. That corporations exist to make money and are generally agnostic with regard to the public good was a significant recurring observation. Respondents perceived that the main purpose of the corporation seems to have changed in this country over the past decades, noting that it “used to be…to make a product or provide a service; these days it seems to be more to make money.” Corporations’ perceived disinvestment in R&D was cited as a bellwether in the values of corporate leadership from innovation to money and from progress to profitability.

93. Personal interview with Public Group Subject #18, July 29, 2020.

What is in the interest of shareholders is evolving in a few positive ways, say members of the public. They consider some externalities to be part of shareholder interests. The environment is the most cited such example, with sustainability becoming a more accepted part of corporate value conversations.[94] Yet still, companies are "managing down to expectations."[95] The good to come from corporate work was characterized as a fortuitous byproduct of corporate action: "There are definitely ancillary benefits…their purpose though is to make money…if they can make money benefitting society, they will do that, but if they can make money not benefiting society, they will do that too."[96] Put most favorably, corporations are perceived to do social good when it can be achieved without significant direct cost.

Ultimately many concurred that legal interests drive ethics (in the form of compliance) in the corporation: "I wouldn't expect a lot of ethical conversations. *Legal* conversations, yes."[97] Corporations, respondents suggested, should be asking a different question than profit first, such as: "What can the company do to make your life better, more complete?"[98] Corporations today are "not designed to make sure the people are taken care of."[99] The positive news that comes out on corporate work is often overshadowed by a suspicion that something less meritorious is "really" going on. Corporations try to *look* good more than actually *do* good. Beneath the public relations,

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94. Personal interview with Public Group Subject #4, July 9, 2020.

95. Personal interview with Public Group Subject #3, July 9, 2020.

96. Personal interview with Public Group Subject #7, July 8, 2020.

97. Personal interview with Public Group Subject #15, July 29, 2020.

98. Personal interview with Public Group Subject #17, July 29, 2020.

99. Personal interview with Public Group Subject #19, July 29, 2020.

as one person put it, when talking about the healthcare and finance companies, there is "Beautiful copy. But they're making tubs of money…One healthcare CEO took home a $100 million bonus. What?!"[100] Public perception counts for more than practice, and the hidden conduct respondents perceived as being much worse than what is visible. Successful corporations, the groups of respondents concurred, are adept at shielding conduct from the general public's view and at making targeted efforts at controlling leaks.

Corporate structure and scale work against external accountabilities. In all its artful complexity, the corporate structure is about reducing risk and insulating the ownership class from liability. Said respondents, "The whole purpose of incorporation is to provide a particular set of protections for the shareholders. It has nothing to do with the common good." Harms by corporations are not ever really effectively mitigated or healed by courts, they said, and some suspect that "People are not ever made whole."[101] The hope for more ethical conduct is limited because corporations are generally disconnected from the remote negative effects of their actions.[102] "The corporate structure disconnects people from the consequences of their actions…it discourages ethical behavior."[103] The effect of scale on business conduct is not perceived as positive. Scale is power but scale also removes the corporation from any comprehensive and coherent individual knowledge of its moral effects. Ultimately, no entity can effectively police itself. Scale incapacitates "brain function," and reduces the corporation's capacity

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100. Personal interview with Public Group Subject #18, July 29, 2020.

101. Personal interview with Public Group Subject #5, July 8, 2020.

102. Personal interview with Public Group Subject #6, July 8, 2020.

103. Personal interview with Public Group Subject #5, July 8, 2020.

to change to respond to moral demands, "they start making the rules themselves" not connected to the larger economic system.[104] Size generally means people can't influence the whole. Further, large corporations correlate to market power and monopoly, which is bad for the public good.

The larger the company the more important regulation becomes in an effort to keep tight control over what the public knows, say a significant number of cautious participants in our study. Absent government regulation, there are few forces that will significantly limit or bound corporate behavior. Wrongdoing is generally hidden, typically long enough for companies to get away with it. One respondent noted in alarm that it's "pretty terrifying," and that "if they can get away with it, they are going to do it." We know that the free market doesn't police itself, agreed one group, because looking back to the early twentieth century, "We've seen it." The radical misconduct of corporations prompted the birth of modern American government regulation. We also saw the effects of deregulation, for instance, of the financial services industry, leading to the crash of 2008. The importance of actors outside of the corporation who can exert disciplinary measures cannot be overstated. Governance determines moral action either by the corporate board of directors or the government. We need to be especially conscious of this reality because it is often at the "same time [that] we see the erosion of the public sphere...the civic structure."[105]

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104. Personal interview with Public Group Subject #14, July 29, 2020.

105 Personal interview with Public Group Subject #10, July 29, 2020.

Respondents generally struggled with the idea of naming "who" a corporation is, often excluding the very people who constitute it. For many respondents, the entity obscures the role and relevance of the individual worker. The corporation seems to have a character and will of its own and overrides individual character and intention. Said one respondent, "The corporate structure prevents the individual from being terribly important."[106] Sadly, in moral matters there is a "difference between the individual and a crowd…" offered another respondent.[107] People doubt that virtuous actors within corporations fundamentally change the character and conduct of those corporations. The basic character and template of the corporation and its "M.O." is primarily shaped by the market, not by the people within and their values or aspirations. People are then shaped by the corporation and have little choice in the way the comply with the corporate will. "Subsidiary parts of the larger whole" can be good problem solvers, but it's not the corporation as the whole, which can't be trusted to make carefully weighed moral decisions.

People in our conversations recognized individuals making a difference in the corporate world, but saw them as few and far between—the exceptions that proved the rule. Sometimes individuals with power inside a company can drive meaningful moral action, but those are exceptional individual cases, and neither reflect nor transform the prevailing corporate ethos. An individual's location in the corporation, role rank, tenure, and otherwise may make a significant difference in their agency, power of voice, and moral suasion. Different roles in the corporation offer different levels of capacity to "be

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106. Personal interview with Public Group Subject #18, July 29, 2020.

107. Personal interview with Public Group Subject #17, July 29, 2020.

oneself" and bring a moral sense to bear. Good leadership at the top can make a difference. Even this has its limits; one respondent used the example of Jeff Bezos and his diluted agency despite his powerful perch and extraordinary ownership position. The motivation of the individual scientist working inside the company doesn't matter. Original motivation doesn't matter because once in the corporate system, the project "assumes the corporations' properties to make money for the shareholders."[108] The corporation, in time, corrupts the right intentions of individuals as it purposes those projects toward institutional ends: It is programmed to do what it is programmed to do. Overall, our public conversations reflected a skeptical view of the corporation. The corporation of the public imagination is relatively indifferent to individuals. More hopefully, on the weight of moral obligation for each worker and leader: "You still have to look over the table at Thanksgiving at your mother and grandmother, and you don't want to lie to those people."[109] The community is woven into corporate life through the communal affiliations of the individual workers.

"Corporations shouldn't be elevated to where they have personhood, agency, and character," was a common refrain of our groups. People were more divided on whether corporations do or should present a "human face" to their customers: "Some of us want that corporate entity to be local, to be part of the community, that makes us feel good we're part of something...the other side... it's just a non-human algorithm."[110] Responses were mixed when groups were asked if they sought to have "personal" relationships with

108. Personal interview with Public Group Subject #11, July 29, 2020.

109. Personal interview with Public Group Subject #18, July 29, 2020.

110. Personal interview with Public Group Subject #10, July 29, 2020.

corporations. "Businesses which provide products for my consumption," some said, "Having a relationship with them is important," others said. Sagely another respondent observed that it's human and natural to anthropomorphize, so we can have relationships, but that doesn't necessarily help achieve better conduct.[111] Corporations share an eternal quality that outlasts any individual, a "form of immortality," which reinforces the argument against corporate personhood since they never go away. Critically, for many respondents the relationship should not be through political engagement. "Corporations having their hands in our political system is all bad."[112]

Corporations are connected to communities in limited ways. That fact may not matter to many: "Honestly, I don't really care if they have connections with the community…as long as they're producing a good product."[113] A community connection can even be perceived cynically as obscuring misdeeds or as an attempt to offset more critical deficiencies elsewhere: "I am fine with the corps to go above and beyond…. but not to cover up not meeting basic obligations." Basic obligations include fair treatment of employees, paying a living wage, and paying taxes to the State.[114] Some went so far as to assert that corporations should not be in the business of philanthropy. One professor mentioned Milton Friedman as having a clear and simplistic view of how market actors should conduct themselves. This perspective offered the sense that if a corporation can give money (for instance, to the symphony), then they are making excessive profits in the market and should return the money to shareholders. Some held the exact opposite

111. Personal interview with Public Group Subject #8, July 29, 2020.

112. Personal interview with Public Group Subject #19, July 29, 2020.

113. Personal interview with Public Group Subject #8, July 29, 2020.

114. Personal interview with Public Group Subject #12, July 29, 2020.

opinion and felt that the community is taking too much corporate money, which distracts from the more critical areas where the company's performance should be monitored. The company also shouldn't be allowed to steer the community and its culture with its largess. As an alternative, the profitable corporation should be taxed and let the people use the money through democratic mechanisms of the public sphere. It's a question of who has the power. Many respondents expressed that corporations' current taxation is not adequate given tax policy and the way the government implements it, so there is not the kind of return of money to the public coffers as there should be.

Public corporations, however, have obligations to the public beyond the value of the products they distribute. Most often this was expressed as a negative obligation, namely that they have an obligation not to do harm to collective interests. Again, the environment was a primary concern: "Yes, not to mess up the environment…Capitalism has long assumed their right to the public space without paying for it." Corporate choices about their employees, for example, affect communities profoundly as well. One example raised is the widespread practice of relocating employees to meet business needs. This practice is a driving force in geographic mobility and rends the fabric of traditional structures that enabled neighborhood communities of old to function. A transient middle and professional class may hollow out towns, even though the population remains stable. The treatment of workers was most often identified as the company's essential discretionary moral action (besides compliance with laws and regulations), which had the most impact on society. Nearly everyone in our groups had multiple relationships with corporate workers, so their treatment, compensation, benefits, and reported experiences were top of mind. The groups were concerned about the financial wellbeing of employees and also their quality of life as workers. "Fair" treatment of *all* workers appears to be a leading concern, coming up prominently and repeatedly in conversations. For many respondents, the moral measure of a business entity begins with the workers' treatment rather than the customers.

Corporations have demonstrated a changing relationship with employees, which has degraded trust. It used to be that "you stayed there because they took good care of you...Then the bean counters took over."[115] Sharing wealth is a fundamental obligation of the company to those who work within it, in many people's estimation. The first and best measure of a good company is one that pays everyone a living wage or even a "comfortable wage." "Everyone should be making money."[116] Lifetime employment is gone, and more than that, "There is no loyalty from the company to their lowest people anymore," noted one millennial service worker, who then continued, "My coworker [an assistant manager] got fired for having COVID...My generation, we don't have stable careers because there are no companies we find trustworthy...They are not treating their workers with respect. At the end of the day, that's all the worker needs."[117] "Fair" treatment of *all* workers appears to be the leading concern, one that arose repeatedly and prominently in conversations. The moral measure of a business entity may begin with the workers' treatment rather than the customers. Even though that seems counterintuitive, several respondents agreed. Corporations demonstrate a changing relationship with employees, which has degraded trust.

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115 Personal interview with Public Group Subject #1, July 9, 2020.

116. Personal interview with Public Group Subject #6, July 8, 2020.

117. Personal interview with Public Group Subject #2, July 9, 2020.

Respondents perceived corporations as being sharply divided between the "executives" and the "workers." There are significant differences perceived between these two classes regarding power, accountability, motivations, and rewards. The evidence seems clear about the profound inequity between the salaries of the top people and the people in the factory: "I'm a socialist…I don't trust corporations…….I mistrust the intentions of those at the top… I'd prefer to see something widely held by the people creating the product."[118]"Top floor" people "care most about themselves" and "there is good within, but there's clearly unethical leadership."[119] All the executives get stock options while workers are left out, say our respondents repeatedly. Companies' leaders are not looking out for workers but only to "make the CEO rich."[120] A number of participants eagerly embraced the notion that the CEO's pay should be limited to a particular multiple of the lowest-paid worker's salary in order to close the gap between the *haves* and the *have-nots* in the corporation. Even with the majority of respondents embracing capitalism, the affirmation of such capitalism being bounded was evident.

Respondents recognized the power of corporations to influence social practices in the larger culture, but not without some cynicism. Some said corporations are simply not in the business of taking unpopular positions without economic motivations. Company ethics follow consumer attitudes and reveal economic preferences rather than lead them. The Black Lives Matter movement (BLM) is an excellent example, say our respondents, observing that corporations embraced this stance only once the American

118. Personal interview with Public Group Subject #2, July 9, 2020.

119. Personal interview with Public Group Subject #7, July 8, 2020.

120. Personal interview with Public Group Subject #2, July 9, 2020.

popular majority was in favor. For the most part, corporations emphasize public perception and how things look rather than what is good and right. Corporations have, of course, had centuries to take up the cause of anti-racism and anti-oppression, and had numerous opportunities to correct things before BLM. Their moment was a reactive rather than a mindfully volitional one, say our groups. By contrast, numerous participants affirmed that corporations could be positive actors in the public sphere, even if the moments are opportunistic.

Corporations can be morally impactful in a personal way by sending messages to the community about social norms. Top examples recalled by participants related to the transformative power of employment practices in the community, the use of the corporate voice for civil rights, and the porting of more cosmopolitan norms into parochial settings. One example was a company pushing for educational diversity in one higher education setting, needing to source diverse talent in hiring as a matter of corporate standards (referring to the University of Tennessee, where one respondent was on faculty), which held substantial sway in conservative settings. In general, large corporations were seen as advocates for "pro-diversity values" during a political season in which the backlash against diversity has been pronounced. Similarly, corporations were credited with taking unpopular stands for equality contrary to local social norms. One of our respondents told a very personal story of the good in corporate influence: "Growing up as a closeted kid in the deep south you know it made me feel good when walking into Walmart or Target or wherever and I would see that they had a 'Pride' stand, because…down here that wasn't the experience in wider society."[121] Another more

121. Personal interview with Public Group Subject #12, July 29, 2020.

current example is requiring masks to be worn in a setting where that act has been politicized. Having a large corporation advocate for a liberal position gives "cover" for politicians in conservative districts to consent to the same. Corporate advocacy for liberal social causes is invited by right-wing political blocks that place primacy on being business-friendly. An example is FedEx finally pressuring Washington to change their football team's name, in line with the rights of indigenous people and recognition of their human dignity.

From a public interest perspective, positive changes in corporate conduct are driven primarily from the outside, said the majority of our respondents. There is a minimal sense of drive to be good actors from inside the companies themselves. Corporations change practices when they're caught, and "Companies respond primarily to tax breaks and regulations."[122] The skeptics in our group (most participants) don't believe in the limiting power of the different market actors external to the corporation, except for the State: "Without government control, large monster companies go bad."[123] 'Government is more accountable to people than corporations' is the majority's refrain (though people's beliefs in this are a bit more shaken now). The public might have some opportunities to discipline companies directly without the force of a government intermediary. Consumers can sometimes influence some businesses' behavior through, for instance, the power of the boycott. Goya, the packaged foods company, was a recent example who faced backlash after their CEO made provocative claims. Respondents perceived the core customer base as quickly disciplining the company's political stance

122. Personal interview with Public Group Subject #6, July 8, 2020.

123. Personal interview with Public Group Subject #14, July 29, 2020.

on the integrity of the 2020 US presidential election. The power of the socially responsible investing movement has also been significant, particularly in drawing into crisp focus the environmental, social, and governance dimensions.

Some corporations are better than others, say our groups. A few strive to be "conspicuously ethical." Some companies start out good but that goodness erodes over time as it moves from the era of its founders and its original small size.[124] Along with such generalizations were others like that "Corporations are generally evil…[but] to say all corporations are evil would be problematic."[125] For some, companies do indeed "put their money where their mouths are some and are doing what they can," while others resist and fight regulations meant to protect the environment. Many respondents concurred that every company is a mix, and evaluating their ethical character depends on what you want to focus on. Examples brought up generally reflected a very mixed bag of actions in any particular corporation: Coca-Cola, bringing money and buildings in Atlanta but not healthy drinks; Monsanto, knowingly making poison and strictly limiting the use and fertility of its seeds, and then funding and putting its name to a performing arts center; Johnson and Johnson, making Sudafed, a helpful medicine with disastrous downstream consequences related to illegal use;[126] Wells Fargo is a good "mixed example," where the relationship with the local branch could be highly valued: "Locally here…they are really good at promoting diversity…" while evidence of fraud nationally was a regular appearance on newspapers--"It's so complex" well concluded

124. Personal interview with Public Group Subject #5, July 8, 2020.

125. Personal interview with Public Group Subject #6, July 8, 2020.

126. Ibid.

one of our respondents.[127] Ben and Jerry's was the poster children for conscious capitalism, started with great principles but then broke their own rules when the market required it (in the instance of CFO pay); Costco, "They care clearly…, and they want to do some things that are conspicuously ethical," yet in many areas said that respondent, they don't make an effort; Amazon, providing a revolutionary service but "working their workers to death"[128] and driving out competition through predatory pricing; Walmart, serving less-wealthy communities but got employees going on food stamps; Boeing, intensely ethical with managing employees–yet tolerating a significant disparity in employment practices between Washington and South Carolina operations.

Corporations are clearly not acting in every respect in ways that are socially good, but those that stand out are the ones that choose their location of ethical engagement based on the nexus to their core business, importance to their communities of engagement, and their power to have an impact. In helpful summary, one respondent observed, "it's about picking what you care about, it's hard to care about everything."[129] Those that do this are recognized again and again by larger circles in society. Given a chance to reform corporations in America, respondents were asked for their ideas. Prescriptions for bettering community connection were fewer than the observations of corporate actors' defects, but respondents suggested several. Some mentioned standard external solutions, such as a strengthening of oversight: "Institutionalize the social audit" through environmental, sustainability, and governance measures;[130] others

127. Personal interview with Public Group Subject #7, July 8, 2020.

128. Personal interview with Public Group Subject #1, July 9, 2020.

129. Personal interview with Public Group Subject #4, July 9, 2020.

130. Personal interview with Public Group Subject #4, July 9, 2020.

suggested, "Keep corporate money out of politics, ensuring the integrity of the watchdog"; and "A citizen review panel for corporations."[131]

The groups of respondents suggested making changes in how business is run: Make incentives oriented to customer needs;[132] Be able to admit mistakes or that being wrong sometimes is an element of the corporate culture; Move decision making (like about investment) to local management and away from headquarters, so there is community sensitivity;[133] Dismantle hierarchies: "I do not want anyone to have that much power…collaboration works."[134] Corporations could make a real contribution, said one African American respondent, and "not perpetuate white male supremacy" in the larger society.[135] Even those who are voicing "Black Lives Matter" have real problems in how they relentlessly transmit white male supremacy. Such efforts are clearly "thin and fake." One church pastor suggested providing moral leadership in the market when talking about the challenging state of healthcare services in America. Some problems may be ably solved by free-market actors, while others are knottier and seem not well suited to the private sector.

Pharmaceuticals is clearly perceived as within the knottiest group, and people visibly struggle with the fairness of mixing health, life, and death with market economics. On pharmaceuticals, people had extreme opinions and imaginations: citing

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131. Personal interview with Public Group Subject #7, July 8, 2020.

132. Personal interview with Public Group Subject #7, July 8, 2020.

133. Personal interview with Public Group Subject #5, July 8, 2020.

134. Personal interview with Public Group Subject #5, July 8, 2020.

135. Personal interview with Public Group Subject #20, July 29, 2020.

suppression of negative information about new medicines; drawing out litigation until people die, being “very ruthless,”[136] wondering why is there such a price disparity between us and other countries, and pointing to pharma’s “excessive political influence in Washington....” As one financially savvy participant concluded, pharma operates by “profit motive without care of consequences of their actions,”[137] then characterized such a company as a “rapacious octopus.” One respondent found pharmaceutical companies to be inherently unethical and “the measures to bring down the cost...laughable.”[138] In sum, issues of fair pricing were paramount in discussions of this industry and its actors.

People express having common sense notions of what things are worth and those seem unrelated to how products are priced in the market. Concerning health care pricing, one retired respondent—a former military and government employee—said: “I don’t know the answer. It’s just bothered me for a long time.” [139] People perceive such companies to be price gouging as a matter of course. “Return ought to be fairly modest” since the State has given them protection from their actions in the corporate form. They shouldn’t “make a killing.” “Be reasonable” was the mantra of the groups we convened. They also expressed the sense that rather than demand, some cost-plus logic should be applied when it comes to unique and high-value items such as highly differentiated medicines: “What are the actual costs 10, 15, 20% you make, but beyond that?”[140] Big pharma competing for studies in order to respond to COVID was seen as “monetizing

136. Personal interview with Public Group Subject #7, July 8, 2020.

137. Personal interview with Public Group Subject #7, July 8, 2020.

138. Personal interview with Public Group Subject #2, July 9, 2020.

139. Personal interview with Public Group Subject #11, July 29, 2020.

140. Personal interview with Public Group Subject #5, July 8, 2020.

the virus." One respondent even believed that the drug companies were in cahoots with the chemical companies, with chemical companies creating the diseases, then drug companies selling the cure, in a diabolical scheme. Finally, a hopeful if modest conclusion arose in the formulation of one potential measure of ethicality whether the company "cares" enough to try to conduct themselves ethically in a visible way. Perhaps you don't have to be perfect, respondents suggested, but you at least ought to *try to be good* and intentionally seek to get better as you go along.

Corporate conduct is generally perceived to be of low quality when judged against people's expectations, leading some to say that American capitalism in its current form is "broken." Some respondents said truly ethical practice is not possible under capitalism.[141] Much of what corporations do fails to rise to moral norms even though it falls within legal boundaries in America; thus much of what we see is "lawful, but horrific."[142] "Capitalism in America gives us leeway to cannibalize the people…for-profits."[143] We need to ask questions from a global, not just an American perspective. Corporations now also need to be asking, "What is it to be a good citizen of the world?"[144] Corporate generosity demonstrated outside of the business itself is noted but often readily dismissed as superficial. Certainly corporations do some good through philanthropy, "Donating money, donating whatever they have,"[145] but their real motives are tax benefits and public image, suggested respondents. One older respondent

141. Personal interview with Public Group Subject #4, July 9, 2020.

142. Personal interview with Public Group Subject #5, July 8, 2020.

143. Personal interview with Public Group Subject #19, July 29, 2020.

144. Personal interview with Public Group Subject #4, July 9, 2020.

145. Personal interview with Public Group Subject #6, July 8, 2020.

wistfully recalled a different era of more substantial corporate relationships when, for instance, Texaco (the oil and gas company) used to sponsor the opera, saying "that old ethic of giving back to the community…that seems to be disappearing."[146] Some blame moving the corporate headquarters away from its roots as the first step in organizations becoming disconnected and disembedded from the local communities they serve.

An ethical corporation must pursue a balancing of interests, many of the respondents concluded. "It's all about balance." It could be the "balance of making money and saving lives," or the balancing of other dimensions. Different companies are heading in different directions regarding such balance.[147] In the words of one rabbi, reflecting on the ethical guidelines of his tradition, "Making money is necessary to keep the corporation going just like I need food to live. The question is do I live to eat or eat to live…that's the same question here."[148]

Public impressions and imaginaries of corporate business matter because of the truths they disclose and how they speak to our relationships. There is a truth that is evident to the crowd, and consulting the crowd gives us clear direction as to where the work needs to be focused. Imagination becomes the reality to which people and organizations perform. If we expect less than is possible, we will surely end up with less than we need. There is an intersection of the imaginaries of the outside and inside. How the public views a company affects how the workers view the company. Every worker has a brother-in-law with whom he sits down to dinner, the person who for the worker is

146. Personal interview with Public Group Subject #1, July 9, 2020.

147. Personal interview with Public Group Subject #6, July 8, 2020.

148. Personal interview with Public Group Subject #6, July 8, 2020.

a primary voice contesting the reality and possibility of the organization. Paying attention to those relationships is part of our larger project of becoming more tightly woven into communities. This project must begin with listening to the stories and suppositions of the people.

### Corporate Consciousness from the Top: The CEO Imaginary

How do those who lead American corporations understand their character and purpose? By looking at their public statements, we get a hint and a more direct picture of the imaginary they are advancing. Stressors reveal weaknesses and fragility. Corporate consciousness in the era of #MeToo, the Black Lives Matter Movement, and a global pandemic appears to be shifting, at least on the surface. In an apparent effort at collective self-rehabilitation, either of practice, performance, or reputation, the leaders of many of America's largest companies made a joint public declaration in mid-2019. The Business Roundtable, a group representing American Corporate leadership and governance, issued a radical declaration in the summer of 2019 about the corporation's purpose. Under the aegis of the Business Roundtable, hundreds of CEOs declared a new commitment to justice. This contemporary CEO view has shifted from a shareholder-centric model to one more expansively oriented to a range of stakeholders. The statement opens on ground very close to a declaration of universal human rights, with a human capability bent. The report of that Roundtable noted that

> Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free-market system is the best means of generating good jobs, a

> strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.[149]

Expressed as what American's "deserve," this statement of aspiration has two parts: the right to "succeed through hard work," and the separate right to "lead a life of meaning and dignity." The former seems to be earned (and in line with a long history of American narratives of guaranteeing the opportunity for equality, rather than the achievement of equality), while the latter sounds like a right that is guaranteed and "gifted." That the economy should guarantee lives of meaning and dignity to everyone in the country seems like a radical claim. And more importantly, this economic guarantee is underwritten by private corporate actors rather than the public sector. We may pause to consider the revolution that would occur if corporations actually used their best efforts to accomplish this and whether they even could.

The Business Roundtable (BR) text then reframes accountability for the entire private sector, first unifying the duties of all public companies and then bringing in a stunning array of accountability partners: "While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders." The commitment to shareholders is thus transformed by proclamation to a commitment to stakeholders. What are the

149. Business Roundtable, "Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans," August 19, 2019, accessed March 29, 2021. https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans.

differences, and how—when they are in conflict—does the CEO mean for them to be resolved? The declaration of a transformation of the model from "Shareholder Capitalism" to Stakeholder Capitalism" was a signal of the potential for real market disruption and reflected a profound difference in expressed orientation from the earlier Business Roundtable construction of purpose from the 1990s.[150] As commentators have observed, that free-market-doctrine-infused position explicitly freed corporations from obligations that would distract them from growth with regard to their distinctive purposes, capabilities, and opportunities for return on the investment of their owners. What was seen as clarifying and empowering in the 1990s was overturned in the name of societal interests.

The new stakeholder mandate to deliver value encompassed customers, employers, suppliers, communities where business is done, and finally, shareholders. Themes such as fair compensation, support through worker benefits, educating workers, and fostering communities of "diversity and inclusion, dignity and respect" appear throughout the document. It continues to outline fair trading as a norm as well as a more abstract ideal of being "good partners." The closing claim sets up the problem to make this aspirational document a force in corporate action: Each of our stakeholders is essential. We commit to deliver value to all of them for the future success of our companies, our communities, and our country. This promise to deliver to all suggests the risk of delivering nothing. As business author Geoffrey Colvin notes, "The head-on

150. Geoffrey Colvin, "Revisiting the Business Roundtable's 'Stakeholder Capitalism,' One Year Later." *Fortune*, August 19, 2020. https://fortune.com/2020/08/19/business-roundtable-statement-principles-stakeholder-capitalism-corporate-governance/.

argument against the BRT statement is that when CEOs and corporate directors are accountable to many constituencies—customers, employees, suppliers, communities, shareholders—they are accountable to none."[151]

Professor of finance Charles M. Elson suggested the statement was problematic because it thinned the relationship between shareholders and the corporation to the "providers of capital."[152] We might hope that business owners have the knowledge of and caring instincts about the enterprise with which they have cast their lot. Surely there are indifferent and distant investors, but it might only take a subset of active investors amidst even a passive majority to influence corporate action. One sharp critique of the BR position is its implication of multiple competing points of accountability. The Council of Institutional Investors called for a clarification which reestablishes the focus on the shareholder for ultimate accountability. The BR proposal over-reaches in order to mitigate profound problems in the ethics of corporate conduct and the impact of the behavior on distal communities, but it does so by edict, without thinking through and outlining the mechanics of how it is to be achieved and how conflicts are to be adjudicated when competing interests arise.

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151. Colvin, "Revisiting 'Stakeholder Capitalism."

152. Charles M. Elson, "Three Problems with the Stakeholder Theory," *Directors & Boards* 43:5 (2019): 24–25.

Ira Milstein, the godfather of American Corporate Governance, makes an optimistic appraisal of the possibilities under our current legal system for management to take steps toward such a utopian vision:

> Under our existing legal framework, as long as directors satisfy their fiduciary duties, the law gives directors incredible flexibility, principally through the business judgment rule. There are very few situations where director decisions are subject to the more stringent standards of review of enhanced scrutiny or entire fairness. Directors should take solace from knowing they are legally empowered to make decisions they deem to be in the best interests of the corporation, which includes balancing stakeholder demands when appropriate.[153]

But this again leaves open the question of operationalization, about which Milstein aptly asks: "Can we find a way to help public companies achieve the necessary balance between shareholder value and stakeholder demands, which may require shareholders to forgo shorter-term profit, either temporarily or even longer-term?"[154]

Stakeholder capitalism is conceptually simple, but becomes less clear for a given company making a market decision or reacting in a time of crisis. How should a global pandemic impact this set of balanced stakeholder duties and the commitment to using a very long-term view on shareholders' interests? The BRT declaration makes clear our challenge but does not solve it for us. The question of corporate systems attuned to these myriad accountabilities is an open and acute one. This question is one that we hope to begin to answer in this work. Professor of Management Studies, Colin Mayer, offering a historical perspective on corporate purpose, noted the relatively recent phenomenon, which is its narrow construction as only optimizing shareholder value:

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153. Ira Milstein, Jeff Gordon, Ron Gilson, Colin Mayer, Kristin Bresnahan, and Marty Lipton. 2019. "Session I: Corporate Purpose and Governance." *Journal of Applied Corporate Finance* 31, no. 3 (2019): 12.

154. Ibid.

> Indeed the corporation was established under Roman law to undertake the public functions of collecting taxes, minting coins, building infrastructure, and maintaining public buildings. For nearly all of its 2,000-year history, the corporation has combined its commercial activities with a public purpose. It's only over the last 60 years that this notion that there is only one purpose of business—to make money—has emerged. It is this that is the source of great inequality and environmental degradation—and, I would argue, of that pervasive mistrust.[155]

We are in the position not of reinventing the corporation but of recovering something of its past soul. We have the opportunity to rehabilitate its disoriented workers and to reenergize its communities of practice.

## Corporate Consciousness Throughout: Thinking, Feeling, and Trusting

Individual workers in corporations make many decisions on their own. But "the most profound decisions about justice are not made by individuals as such, but by individuals thinking within and on behalf of institutions" as anthropologist Mary Douglas puts it.[156] Institutions make crucial decisions in terms of their own peculiar kinds of thinking, she argues, by contrast to individuals seen as autonomous moral agents freely arriving at moral judgments on their own. Institutions shape our categories of classification, logics of argument, and modes of moral discourse. They structure our social relationships, practices, and organizations. "Communities classify in a different mode…institutions survive by harnessing all information processes to the task of

155. Colin Mayer, "The Purpose and Future of the Corporation," Lecture February 21, 2019. https://www.hks.harvard.edu/sites/default/files/centers/mrcbg/files/Mayer_2.19.19.transcript.pdf.

156. Mary Douglas, *How Institutions Think* (New York: Syracuse University Press, 1986), 124.

establishing themselves. The instituted community blocks personal curiosity, organizes public memory, and heroically imposes certainty on uncertainty."[157]

For this reason, it is inadequate to think of workers only as atomistic moral agents, and it's misleading to make them the individual heroes or villains of corporate life. Grasping the institutional dynamics of corporations proves indispensable in pursuing their moral diagnosis and seeking to improve their moral integrity and accountability. "Institutions create shadowed places in which nothing can be seen, and no questions asked," Douglas observes. "They make other areas show finely discriminated detail, which is closely scrutinized and ordered."[158] Grasping the institutional field and dynamics that shape corporate capacities for collective cognition complements our insight into the emotional dynamics of their social psychology and interpersonal interaction, which we will explore primarily in terms of mutual trust and trustworthiness.

In his essay, "Social Differentiation and Moral Pluralism," sociologist of religion Steven Tipton offers an apt taxonomy of "styles of ethical evaluation" and links them to their central cultural traditions and their predominant institutional contexts to address the complexity of moral pluralism among diverse institutional spheres, which are too often elided by academic ethicists. Styles of ethical evaluation are marked by the authority to which they appeal, the mode of knowledge they favor, the questions they

157. Douglas, *How Institutions Think*, 102.

158. Douglas, *How Institutions Think*, 69.

raise, and the virtues they praise.[159] This schema parses four styles: *authoritative*, focused on the divine commands and ethics of neighbor-love revealed in biblical traditions; *regular*, focused on the rules and principles reasoned in classical republican traditions; *consequential*, focused on utilitarian consequences as costs and benefits calculated according to the bottom line of market exchange; *expressive*, focused on intimate feelings of appropriate fit and taste in circles of lifestyle-centric leisure, romance, and private life. Led by intersubjective feelings of taste and fashion, liking or disliking, the expressive style of ethical evaluation typically proves less prescriptive than following commands or adhering to rules. It centers on the sphere of private life and leisure, where "couples in love, circles of friends, and members of 'lifestyle enclaves'…are linked through shared tastes and experiences of intimacy." "What's happening?" it asks of sensitive individuals in touch with their feelings and each other here and now.[160] Though its emotional immediacy suggests an absence of rationalism and cognition, its moral content may be rich.[161] Moral emotions, moods, and motives take distinctive forms in different social spheres, including corporate work, since they are deeply rooted in the emotional experience of each person's moral development over a lifetime, beginning in concentric circles of intimate parental nurture, kin familiarity,

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159. Steven M. Tipton, "Social Differentiation and Moral Pluralism" In *Meaning and Modernity: Religion, Polity, and Self,* edited by Richard Madsen, William M. Sullivan, Ann Swidler, and Steven M. Tipton (Berkeley: University of California Press, 2002), 15.

160. Tipton, "Social Differentiation," 18.

161. As psychologist Jonathan Haidt and his school of modern social, moral intuitionism point out, experimental studies suggest that decisions are often made by fast emotional and intuitive means and then justified and explained through slow cognitive and "rational" means.

playful friendship, and disciplined schooling before adults enter the corporate world of work.

In this typology, corporations as market actors calculate utilitarian consequences as profit and loss on the act-specific bottom line of commercial transactions. As large-scale bureaucracies, corporations also rely on rule-utilitarian ethics to coordinate individual decision-making through long chains of consequences within a complex division of labor. In a given corporation, different styles of ethical evaluation may predominate among different sorts of workers. A typical mid-level manager may go by the bureaucratic book of standard operating procedures, while unskilled manufacturing or service workers follow a foreman's commands or factory-floor routines. Problem-solving professionals, scientists, technical specialists, and craft workers may rely on their disciplines more or less strictly or creatively.[162] Different styles bleed into those different micro-work settings. Individuals always stand at the intersection of demands to employ multiple styles, and they have at their disposal some freedom of choice in the style engaged. Managers, craftspeople, and other workers are required to engage one another in fulfilling their duties and need to find a common language and a viable path toward moral consensus. Each person, meanwhile, has other life settings in which different codes predominate. Critically, these intersection points for decision-making styles and moral norms create challenges of conscience and cognitive dissonance, which

162. Tipton, "Social Differentiation," 31.

are met either through strict compartmentalization of the setting or creative hybridization of the styles, each problematic in its own way.[163]

To understand how an institution may thrive given such complicated and often conflicting norms at play, Tipton calls attention to the substance of the discourse, to "its back-and-forth flow as a cultural conversation," which allows us to conceive of a "thick conceptual model" of moral dialogue, disagreement, and difficulty as well as moral persuasion, convergence and consensus-formation.[164] In conceiving this model, it matters very much who is in the conversation, around what questions it turns, and what sort of information it favors. Moral representation, salience, and evidence are fundamental to this thickly conceived model no less than a grasp of ethical styles of decision-making and the moral communities and traditions that carry them. Behind all of these factors are networks of durable relationships. Attending to these networks offers a key to understanding moral conversations through time and prescribing institutional strategies to guide those conversations more clearly toward what is good and just.

In *The Good Society*, sociologist Robert Bellah and his colleagues speak to the world of work and the state of the American corporation and a need for the greater recognition that such work takes place with individuals who are profoundly interdependent and that the reformation of the corporation must in part be in the

163. Tipton, "Social Differentiation," 33.

164. Tipton, "Social Differentiation," 31.

direction of "full participation by all in the corporation as a learning community."[165] Such a holistic vision addresses questions of productivity and worker experience and the morality of an action by the corporation, and the possibility for the workers participating to comprehend and embody a meaningful picture of virtue. This spirit of this alternative imaginary inspires the analytical work that follows.

The business literature on ethics mimics that fragmentation of applied practice. The writings under the subfield of leadership often rely upon a conception of personal virtue, and social relations and speech acts in transmitting those virtues. There is clear integration of these conceptions into corporate practice, most predominantly when it comes to leadership training and organizational development with an eye to culture and the kinds of behaviors idealized. Right alongside them, the organizational behaviorists are engaging corporate culture and the cardinal values which constitute a sort of corporate religion or an idealized code that is invoked for purposes of rhetoric and recruiting. Meanwhile, it seems the subfields of strategy and decision sciences develop sophisticated technical and analytic resources oriented to maximize expected value and thus naturally grounded in utilitarianism. Finally, the "management" subfield in academia and the practical manager in the corporation both tend to construct ethics as a matter of "compliance" and are thus drawn to legalism and rule-based deontological approaches.

Even in a single institution, the practice of corporate ethics often reflects a lack of coherence and integration. When it is time to motivate employees, the language of

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165. Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swidler, and Steven M. Tipton, *The Good Society* (New York: Knopf, 1991), 104.

leadership and corporate heroism rings with undertones of a virtue-prioritizing institution. When the question is prepared to make clear, hard-nosed, evidence-based decisions, then utilitarianism rules the day and technical optimization of financial returns is the procedural norm. When annual compliance reports are due (or some harm is being mitigated), training in the myriad of applicable employment, contract, and consumer protection laws is launched on every desktop. In corporate life, institutional ethics are often a port of momentary convenience, leaving the worker with a typically conflicting set of guidelines and no coherent understanding of operating as a competent moral agent through time and across situations. The divisions among the research in the field reflect a certain parochialism, just as the ethical foundation of the corporations can, both seeming to seem to shift to meet the needs and domain of the moment. A more integrated and systems grounded approach is needed in both theory and practice.

To remedy the shortcomings of ethical approaches in business and their tendency to engage the frameworks of greatest convenience, we should return to primary resources and consider opportunities for a more integrated model. At least we must better recognize the state of disintegration and conflicts present when individuals and groups need to make coordinated decisions inside corporations. Indeed, recognizing those collisions and conflicts makes up part of what we might mean by the metaphor we described in Chapter 1 as the "moral metabolism" of the company. In its scientific sense, "metabolism" means having the ability to process inputs efficiently into usable energy and manifest that energy in action. In the body, it is food, transformed into the power to move the body to achieve a human end. The corporate analogy is taking in capital and investing it in people and supportive tools to advance the collective body to achieve a collective good. Metabolism, in its organizational sense, is accomplishing a similar kind of processing of salient information related to real people and communities and processing and integrating it in such a way that decisions can be made that result in successful corporate action in the world. Just as in the human body, which may be healthy or impaired, administrative bodies can do this more or less efficiently and with outcomes ranging from fortuitous to disastrous. as we seek to understand and rehabilitate the moral metabolism of corporations, we can recognize in corporate life a wide range of moral feelings and sentiments linked to ethics of trustworthy authority and principled rules, not only to economic interests. these include loyalty and gratitude, appreciation and commitment to cooperation and mutual aid within circles of colleagues, friends, and coworkers who share virtues of moral integrity, honesty, mutual respect and unselfish charity. Such shared virtues, sentiments, and intuitions help determine the moral questions that corporations raise and they shape their answers. These dynamics underscore issues of full inclusion and representation in corporate decision-making when it comes to whose ideals are voiced and heeded as well as whose interests.

In business ethics, we must make choices about the moral frameworks in which we will engage and recognize the collision and conflict among the moral resources at our disposal. Inside the organization, the drive for economic return suggests utilitarian approaches and calculations, while the gurus of corporate leadership prescribe behaviors that reflect an exemplary character. Meanwhile, the workers as individuals come to organizational life from within different communities and situated in the lines of differing traditions (both religious and secular). These workers need to make sense of those resources and the community of collaboration they are entering. They must reach a practical understanding on shared moral language. This is not likely to be a clean or straightforward process. We must find ways to make space for the difficult conversations that ensue and continually and collectively "box the moral compass" through the back and forth of individual discernment and actions among those participating in the corporate system.

"Do not love your company; it will not love you back." These were memorable words of advice I received from an older colleague, seemingly wearied by decades in the company and feeling bittersweet about his professional career. All I could think was: Why stay married for thirty years if there is not going to be reciprocal love? I then long wondered what space is there in the world of business for the religiously-minded and especially the Christian worker whose every action in the world (especially those linked to her vocation) seems like they should attend primarily to the Christian norm of love? How can we begin to consider the kinds of affective states, which can in some way be institutionally reciprocated, or at least returned as a common practice of those who co-inhabit the institutions of our working lives with us? This is a foundational problem to the question of individual virtue in the context of institutional ethics.

Faith, hope, and love, according to Aquinas, are the theological virtues given by God that perfect the human ones. Aquinas explains that it is this set of virtues that transcends human's natural capacity alone:

> "Man is perfected by virtue, for those actions whereby he is directed to happiness, as was explained above.166 Now man's happiness is twofold, as was also stated above.167 One is proportionate to human nature —a happiness which man can obtain by means of his natural principles. The other is a happiness surpassing man's nature, which man can obtain by the power of God alone, by a kind of participation of the Godhead."[168]

I want to suggest that if, as Cornel West says, "Justice is what love looks like in public,"[169] then trust is what love looks like in the corporation. Absent trust, it is difficult to see the possibility for the right functioning of the more "operational virtues" such as honesty, commitment, industriousness, and creativity. Let's suppose you are an analyst on a team making a decision. You want to suggest an alternative path of action. It may delay the work, cost money, and imperil financial success. It may or may not improve an ethical outcome. What trust does to take to suggest that a "problem" exists in a world where only solutions are monetized? As in Aquinas' description of the theological virtues, trust is somehow above the natural capacity of a person alone by a gift of grace to the collective, whether by virtue of Nature, the Divine, or the Institution.

Trust is about the beliefs and feelings of one individual toward another individual or group as they relate to the sense of confidence that the other individual or group will behave in reasonable conformity to expectations, and toward a common good. Varied definitions in the literature take trust to involve confidence in the good intentions of the other; confidence in the truthfulness, fairness, or non-threatening nature of the other;

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166. Aquinas, *Summa Theologica* 1.65.4.I–II:5:7.

167. Aquinas, *Summa Theologica* I–II:5:5.

168. Aquinas, *Summa Theologica* 1.65.4. ST II–II, Q 62, ad. 3.

169. Cornel West and David Ritz. *Brother West: Living and Loving Out Loud: A Memoir* (New York: SmileyBooks, 2009), 232.

or the willingness to be vulnerable or take risks with respect to the other.[170] "Person-oriented leadership is more likely to inspire knowledge-based and identification-based trust in followers, whereas role-oriented leadership is more likely to create a calculus-based trust."[171] Rousseau, et al. reviewed the organizational literature and found the strongest consensus around a psychological definition: "Trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another."[172]

Major changes have created a more challenging environment to maintain high trust states. Businesses have changed organizational structures and become more flexible in adjusting staffing levels, which has made layoffs both more shared experiences and a continuous threat. In many cases, these individual business actions are less regulated than in previous eras, when government protection of the working class was more the norm. Businesses are continually becoming more global in operation, with leadership more remote from the majority of operating units and workers.[173]

The value of worker trust as an alternative to control of workers began as a consistent theme among managers and in management scholarship from the 1980s. The

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170. Bernadett Domokos and Andrea Bencsik, "The Engine of Business Performance: The Role of Trust in The Managerial Context." Paper presented at the 39th International Scientific Conference on Economic and Social Development, April 29–30, 2019, 29.

171. Markus C. Hasel, and Steven L. Grover, "An Integrative Model of Trust and Leadership," *Leadership & Organization Development Journal* 38 no. 6 (2017): 860.

172. Denise M Rousseau, Sim B. Sitkin, Ronald S. Burt, and Colin Camerer, "Not So Different After all: A Cross-Discipline View of Trust," *The Academy of Management Review* 23 no. 3 (July 1998): 395.

173. George G. Brenkert, "Trust, Business and Business Ethics: An Introduction." *Business Ethics Quarterly* 8 no. 2 (1998): 196.

value of trust can be expressed as the increased likelihood that workers will align their interests and actions with those of the corporation rather than succumb to the moral hazards of divergent self-interests. In this frame, trust emerges as a dimension of potential competitive advantage. Bernstein's prescription for establishing a high-trust culture followed closely the learnings of the "Quality" focused generation of management leaders including, widespread education in quality skills, participatory work processes, movement of decision-making down to toward the level of work implementation, and free multidirectional flow of information.[174]

"Quality Circles" or "Involvement Circles" emerged as a key tool in the quality movement, which relied on the recognition of interdependence between and among workers by cultivating a feeling of trust through new relational practices.[175] Quality circles put into conversation groups of humans who implemented related production activities, whereas specialization and technology intensification placed them in fragmentary isolation. W. Edwards Deming was one of the leading quality gurus of the 1980s involved in the transformation of American top-down command and control sensibilities to collaborative, horizontal team-based methods, in association with the global commercial success of Japanese manufacturing. Importantly, Deming talked not about trust but about its opposite—fear. Employees in the American business model were too fearful to speak up when problems existed, even if it might lead to performance

174. Paul Bernstein, "The Trust Culture," *S.A.M. Advanced Management Journal* 53 no. 3 (Summer 1988): 8.

175. Bernstein, "The Trust Culture," 6.

improvement, because they were incentivized to avoid punishment within the institution rather than to achieve the institution's external ends.

Fear is a simple mistrust of coworkers, bosses, and the systems they co-inhabit.[176] As Deming put it, "No one can put in his best performance unless he feels secure…*Secure* means without fear, not afraid to express ideas, not afraid to ask questions."[177] An environment of trust rather than fear is the basis for exploring the inherent uncertainty of the business and building the knowledge base to make the right decisions. As we will explore further in this work, the absence of fear can also create a foundation against which workers can challenge the norms by which the decisions are made and the meta-systems by which those norms are revised. Not all trust is the same, nor does it need to be. It has many forms: Trust in people sharing the same incentives and interests. Trust that people have the same knowledge and capacities to make use of that knowledge. Trust that people mean well. Trust in the power of enforcement by the institution sufficient to render coworkers generally compliant. Rousseau writes of the distinction between calculus-based trust (entailing a game-theoretic analysis of likely colleague responses and having confidence accordingly and conditionally) versus a deterrence-based trust (grounded in the institution's enforcement of certain behavioral norms).[178] Another helpful divide, to begin with, was Baek and Jung's highlighted difference between interpersonal and institutional trust, drawing apart the subjective assessment of a given individual versus the collective.[179] Indeed, in the latter case,

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176. Mary Walton, *The Deming Management Method* (New York: Penguin), 72–73.

177. W. Edwards Deming, *Out of the Crisis* (Cambridge, MA: MIT Press, 2000), 51.

178. Rousseau, *Not So Different*, 399.

179. Rousseau, *Not So Different*, 482.

institutional trust can be the trust of an anonymous person or persons because of their affiliation with the institution. In contrast, interpersonal trust, being individual, is always particular. Interpersonal trust can then be further differentiated importantly in its vertical and horizontal dimensions, such as with bosses and peers, respectively.[180]

There is a positive correlation between interpersonal trust and institutional trust.[181] There are significant implications for performance if any one of these types or dimensions of trust is deficient relative to the others. Congruence among the dimensions of interpersonal trust and institutional trust may be a key feature of high functioning organizations and is worthy of further empirical study. Different relationships may need to be undergirded by different kinds of trust. In all cases, though, trust needs to be actively maintained and continuously renewed. Processes need to exist to mend trust once broken. Restorative practices are key to the sustainability of a healthy corporate system. Many routine occasions challenge bonds of trust in organizational relationships. All sorts of examples where others' actions do not conform to expectations grounded in an individual's understanding of right-oriented action pose potential challenges to trust in a relationship. Sometimes this is a question of alignment of differing expectations, and sometimes it is a simple failure to perform. Organizations with practices and norms that allow for the restoration of trust will sustain performance, especially during times of growth, change, or unique challenge.

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180. Young Min Baek and Chan Su Jung, "Focusing the Mediating Role of Institutional Trust: How Does Interpersonal Trust Promote Organizational Commitment?" *The Social Science* Journal 52 no. 4 (2015): 485.

181. Baek and Jung, "Focusing the Mediating Role," 484.

Proven pathways for the repair of trust include "Showing empathy and remorse, or taking substantive action in compensation for the violation, and showing how one recognizes the wrong and is improving."[182] Practices of apology and forgiveness must be cultivated as tools of professional relationship. The capacity to forgive and the likelihood of forgiveness is a key predictor of leadership's willingness to apologize, which is a critical prerequisite to maintaining trust, as is the global assessment of the trustworthiness of the offender.[183] Practices need to be developed and transmitted through explicit codes and visible behaviors. Systems without trust can no doubt compel compliance under the right circumstances and of a particularly narrow, predefined sort. The traditional corporate organizational form took shape in light of this project, namely: "Hierarchies are necessary because all people cannot be trusted at all times to live by internalized ethical rules and do their fair share… This is true in the economy as well as in society more broadly: large corporations have their origins in the fact that it is costly to contract out for goods or services with people one does not know well or trust."[184]

Ever-advancing frontiers of technology increase monitoring capacity and automation of rules, but absent communities of trust, robust moral decisions about novel problems cannot be made. When facts are fuzzy and human impacts must be imagined and weighted, rule-based systems will invariably fall short. Not only will they fall short, but they will create unnecessary expenses as they do so. As Fukuyama posited,

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182. S.L. Grover and M.C. Hasel, "An Integrative Model of Trust and Leadership," *Leadership & Organization Development Journal* 38 no. 6 (2017): 853–854.

183. Grover and Hasel, "An Integrative Model of Trust," 853–854.

184. Francis Fukuyama, *Trust: The Social Virtues and the Creation of Prosperity* (New York: Free Press, 1995), 25.

"If people who have to work together in an enterprise trust one another because they are all operating according to a common set of ethical norms, doing business costs less…[others] end up cooperating only under a system of formal rules and regulations, which have to be negotiated, agreed to, litigated, and enforced"—all of which carries costs to the corporation in the form of increased bureaucratic infrastructure and other means of mitigating intracompany risk.[185]

Worker satisfaction and vigorous voluntary participation are linked to the worker's experience of recognition and reward in the workplace: "Workers usually find their workplaces more satisfying if they are treated like adults who can be trusted to contribute to their community rather than like small cogs in a large industrial machine designed by someone else.[186] The efficacy of the larger system depends upon the worker's effectiveness, which rests at least in part on their sense and reality of personal agency, which in turn relies upon an environment of mutual trust. The worker must be a subject and not an object, a controller and not a cog, in the system of the corporation. This is not mere heightening of worker satisfaction, which will hopefully affect things like unit per hour productivity and retention, though productivity and retention have a concrete value. Instead, this shift can also potentially result in the worker becoming an activated part of the institutional brain that directs the action of the whole and indeed its own emerging form, toward the end of wholly different and improved corporate products.

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185. Fukuyama, *Trust*, 27.

186. Fukuyama, *Trust*. 31.

A central thesis of Fukuyama's is that "there is a relationship between high-trust societies with plentiful social capital—Germany, Japan, and the United States—and the ability to create large private business organizations."[187] Not only can high-trust culture create larger corporate entities, but the organizational and operational regimes within them are more liberated: "A high-trust society can organize its workplace on a more flexible and group-oriented basis, with more responsibility delegated to lower levels of the organization."[188] He does not address very well whether large and low-cost organizations are morally efficacious ones. Nevertheless, we can hypothesize that trust does some of the same things for moral infrastructure as it does for operational infrastructure. Trustworthiness factors include integrity, benevolence, competency, personality characteristics, and track record.[189] The trustworthiness of individuals within an institution can be enhanced through training, procedural transparency, and the articulation of specific codes.[190] There is a "clear, positive correlation between the presence of trust, the performance of companies, [and] the motivation and commitment of employees."[191]

Fukuyama's most important insight for our present purposes is that "There is no necessary trade-off…between community and efficiency; those who pay attention to community may be the most efficient of all."[192] This prompts the related hypothesis;

187. Fukuyama, *Trust*, 30.

188. Fukuyama, *Trust*, 31.

189. Neville F. Bews and Gedeon J. Rossouw, "A Role for Business Ethics in Facilitating Trustworthiness," *Journal of Business Ethics* 39 no. 4 (September 2002): 378.

190. Bews and Rossouw, "A Role for Business Ethics," 386.

191. Domokos and Bencsik, *Engine*, 32.

192. Fukuyama, *Trust*, 32.

those who pay attention to community may be the most ethically successful of all, with no necessary trade-off in either cost or success. Why did trust fall away as a construct of importance? Because if in the 1980s, the warning about widespread changes from long-term to short-term contracts warned of the loss of trust, it seemed that in many ways the market transformation extinguished the traditional ventures for establishing trust.

So, our work is to create new mechanisms to create the scaffolding for trust: "Trust scaffolding in the corporation may take the forms of changes in employment contracting explicit or implicit, new operating procedure, organizational restructuring, changes in reward systems." Trust is necessary for any level of coordinated collective action. Trust is also an essential precursor to do moral work. Moral work is the process of identifying salient information, understanding the likely effect of alternative measures, identifying possible alternative actions, and anticipating the meaning for those affected *from their perspective*.

Darren Walker, President of the Ford Foundation, in 2020 called for a reformation of capitalism and remediation of its "consciencelessness." He starkly observed that "inequality in America was not born of the market's invisible hand. It was not some unavoidable destiny. It was created by the hands and the sustained effort of people who engineered benefits for themselves, to the detriment of everyone else."[193] At least since the Reagan era, government policies have shifted toward deregulation of markets and easing of protections for labor, decreased tax burdens on corporations and the wealthy, and demonization of "entitlement" programs which constituted the social

193. Darren Walker, "Are You Willing to Give Up Your Privilege?" New York Times, June 25, 2020, https://www.nytimes.com/2020/06/25/opinion/sunday/black-lives-matter-corporations.html?smid=url-share.

safety net for the working-class people in America.[194] Household income growth flattened beginning in 2000. As recessions hit individuals in lower socio-economic strata (SES) and left wealthier households with more resilience, earnings and wealth continued to grow at the top and stagnated at the bottom.[195] During this same era in which lower SES individuals were undermined and marginalized, so were their institutions of representation. Union power waned, and the churches declined. Corporate entities have been at the center of many of these relatively recent changes, which continue to strike at the heart of a more egalitarian and communitarian vision for a thriving America. Corporations have been drivers, co-conspirators, and/or beneficiaries of almost all of these changing policies. The opportunity for corporate ethics to serve as a corrective in the coming decade is therefore also substantial.

**Toward Rehabilitation of the Corporation: Mind, Body, and Soul**

The motivating insights and hypotheses of this project relate to the way we think about ourselves (we the workers, we the customers, we the public) and our institutions, as well as the practical means by which we act within them and shape them. The public perhaps misunderstands the moral complexity in corporate life, just as the participants in institutional business activities underestimate their agency and possibility within those settings. The public narrative and stereotypes about business infect the worker who, of course, is both part of those varied publics and a corporate insider. This

194. Michele Battisti and Joseph Zeira, "Inequality and Public Policy," CEPR Discussion Papers 13134, C.E.P.R. Discussion Papers, 2018.

195. Juliana Menasce Horowitz, Ruth Igielnik, and Rakesh Kochhar, “Trends in Income and Wealth Inequality,” Pew Research Center, January 9, 2020, https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/.

imaginary impedes virtue formation because it suggests that virtue is either irrelevant, impossible, or at least takes a different form than is common in other communities.

Those who work within corporate settings underestimate the moral freedom and agency they often have (or could have). In part, this misunderstanding arises because of the narratives from public life (and sometimes the narratives perpetuated within the corporations themselves), and in part, because the structures, processes, and norms of the corporation were formed in ways that fail to prioritize the moral agency and moral formation of the individual, and the affirmation of various communal relationships. Individuals can assert greater agency in moral action and interaction within their institutional context, given the right awareness, freedom, and resources.

The key to overcoming a problem with so many roots must lie inside the trunk or body of the corporation itself, that is with the individuals, teams, and communities entangled there. Individuals and the groups and networks they form have the capacity to grapple with virtue and to be virtuous in ways that individuals and institutions simply cannot. We must tap into that power so that it more readily reforms institutions that serve the greater good in the right way. Organizations can be structured toward and even "learn" to be virtue nurturing. Individual resources and virtue marshaled in the business organization's collectivity can become a meaningful source of competitive advantage.

Moral feelings derived from and sustained by meaningful relationships are necessary resources for individuals in organizations that will be able to identify, diagnose, dissect and resolve moral challenges—those organizations that have a healthy moral metabolism. The good corporation accomplishes its moral work by giving credence to the different moral resources within the individual worker and providing sustenance to social relationships among those passionately engaged in common practices, those bound through the interdependence of complementary work functions, and those bonded in trust.

The individual decision-maker exists at the intersection of several sets of resources that may be underused in making day-to-day decisions due to institutional pressures. Most critical among these resources are their communities of belonging (social, religious, economic, physical, practical, and professional). Individuals will inescapably hold moral values, inclinations, intuitions, and ideals that might seem at odds with the institution's norms and at odds with those within the institution with whom they must collaborate to determine a collective path forward. However, by the same measure an individual's ideals and values can conflict with one another. A person fully engaging all their resources will inevitably experience internal conflict. Effectively accessing those resources and integrating them thoroughly and efficiently is at the heart of the person's moral challenge *and* analogously, the organization's moral challenge.

As Walzer described in his treatment of "The Divided Self," we speak with "more than one moral voice," and so we are open to continual self-challenge and critique.[196] Walzer uses a visual metaphor of the inner moral self as a "thickly populated circle" across which moral discourse is conducted, and some unity of the whole is achieved.[197]

196. Michael Walzer, *Thick and Thin: Moral Argument at Home and Abroad* (Notre Dame, IN: University of Notre Dame Press, 1994), 104.

197. Walzer, *Thick and Thin*, 98.

Achieving moral coherence in life means not simply bearing the dissonance of moral values and practices in one's lifeworld or ignoring their conflict. Achieving high performance in social settings, such as the corporation, relies upon morally engaged workers and a similar process of effectively hearing and adjudicating different moral perspectives in a thickly engaged circle.

Morally aware and self-critical individuals can be more or less prepared to enter into morally engaged social groups and bodies, where moral challenges can be processed or metabolized by the whole into usable energy and action. Inclusive and dynamic moral engagement, including those individuals and groups who reside at the institutional margins, does not ensure perfect moral coherence. But it offers the best opportunity to secure high performance and accountability over the long term with a more ambitious imaginary of the public corporation, its purposes, and possibilities.

In this chapter, we argued that corporations play a critical role in the life of society and have a tremendous impact on the wellbeing of individuals. We observed changes in the character and conduct of corporations through time that weaken their capacity and will to serve the commonweal, in tandem with changes in the social imaginary of the corporation in the public mind. We discard the illusion of single-minded executive control of corporate entities or their mechanical coordination to maximize productivity and profit. Corporations act as a product of many decision-makers and actors within them and not one masterful individual. The organizational structures in place and the formal and informal rules of conduct will inevitably frustrate attempts to ensure optimal action through specifying strict regimes. We recognize how the entire corporate body functions to make decisions and take actions due to a complex interplay of forces within and beyond the conventional boundaries of its body. We must accordingly adopt a more organic model in which we accept messy but generative imperfection over the dangerous illusion of a precision high performing corporate machine. In this light, we call for a multidimensional rehabilitation of the corporate organism with the goal that it might be better attuned to a thicker array of interests, stakeholders, and outcomes. In the coming chapter we turn to taking inventory of a radically expanded set of tools which can be marshalled by those who work within and lead companies to define and serve this project of corporate transformation.

## CHAPTER III: Marshalling Resources for Transformation

These empirical observations of corporate conduct and performance coupled with our public theological conversations offer a view of corporate America in a slow-motion crisis, with few signs of reversing course. This troubling trajectory continues despite interventions by market regulators, investor activists, and public watchdogs. Corporations and the individual actors they include are too often confused and paralyzed by failures of perception, integration, and imagination; deficits in the richness and consistency of practices; the disintegration of individual values and group decision processes; and the ruptures and alienation of individuals and groups from larger communities that could offer insight and resources necessary for better ethical decision making and action. Accordingly, in this chapter, we engage and explore a range of resources from the religious traditions and twentieth-century theological and philosophical perspectives.

In part, the "the method is the message" as we propose that decision-makers within the corporation must be able to draw upon diverse and not easily reconciled moral resources in their decision-making processes. Universalist theologian Rev. Angus MacLean coined that phrase in response to the question of where we should put our confidence in a landscape of continually changing truth (or at least continually changing comprehension of the truth). He suggested that "methods of ascertaining truths are truths themselves"[198] and are the most precious in matters moral and existential. The truth rests in an engaged, inclusive and organic process rather than in some fixed law.

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198. Credit for the phrase to Angus MacLean appears in *A Documentary History of Unitarian Universalism: From 1900 to the Present,* ed. Dan McKanan (Boston, MA: Skinner House Books 2017), 236.

The business organization as a whole must as a matter of deep and ongoing practice produce a decision from the disparate individual understandings from different salient positions within and beyond the corporation.

**Expanding the Resources for Practical Ethics**

We have more abundant resources to respond meaningfully to the array of problems in corporate life than we usually recognize or use. We have tools to stretch and cultivate the moral capacity of the corporation and the human beings who animate them. Religious, theological, and philosophical resources can expand our conception of ethics in corporations and strengthen the way we practice them driving toward: (1) greater presumptive dignity of the individual worker; (2) clearer understanding of the priority of moral interests; (3) thicker connectivity with communities that can inform and shape ethical decisions; and (4) a continuous process inside the corporation of learning to be ethically better agents. The practice of widening resources is an important one, independent of the particular resources we will lift up in the pages that follow.

As I identify this set of frameworks, which are most relevant to the problems spotlighted in the first phase of field research, I also hope to demonstrate how the manager can deploy disparate stereotypically "non-business" resources to approach practical business challenges. The point is not to narrow down the focus to a singular "new" way of looking at moral problems in the corporate context but to consider what lenses might be employed to see the issues and potential solutions more clearly. Underpinning this objective is the conviction that workers, managers, and leaders with expanding and evolving repertoires of moral reasoning will be better equipped to face challenges not yet on our horizon.

### Joining Something Larger: Religious Resources

"Sooner or later, we admit that we cannot do it all, that whatever our contribution, the story is much larger and longer than our own, and we are all in the gift of older stories that we are only now joining...we are all looked after by other eyes, and we are only preparing ourselves for the invitation to join something larger."[199] The project of joining something larger is shot through human existence and the experience of entering institutional life as a worker. We join teams, professions, traditions, and corporations. In doing so, we also re-join and reposition ourselves within the larger human community in a new way. Of course all of this is true only if we notice the invitation and courageously open ourselves to new belonging and engagement.

The human shortcomings behind the moral crisis that provided the impetus for this project relate to limitations and deficiencies in human knowledge, thinking processes, practices, and relationships; the inability to see the harm that we are doing and thus being unable to make explicit judgments about fitting actions (either a failure to see the impact at all on some person or group or failing to recognize it as harm); misapprehension of the proper and myriad goods of our work and its associated practices; disconnection from the forms and feedback of excellence in practice that

199. David White, *Crossing the Unknown Sea: Work as a Pilgrimage of Identity* (New York: Riverhead Books, 2002), 95.

realize the goods intrinsic to the practice; and a lack of clarity on the necessary practices at the heart of our excellence in our work.

There is a problematic misconception in contemporary America that religious life should be relegated to a private sphere such that their impact on public institutional life will be negligible.[200] The old institutional paradigm reinforced a supposed separation between religious and economic life, "describing economic behavior in masculine terms as rational and public; religious faith in feminine terms as irrational and private."[201] This troublesome separation is only plausible and sustainable if religion itself is understood as merely a belief-oriented phenomenon having to do only with other-worldly salvation. A more progressive understanding could cast religion as "a complex of practices that are intertwined with everyday life (and thus with work and consumption), and these practices have economic dimensions and implications."[202] The possibilities offered by the religious world's tools are manifold. Allowing "religion" and its attendant sensibilities to seep into all the spheres of our life enables us to gain a holistic, integrative sense of that which would otherwise remain kaleidoscopic and unintelligible. The root of our collective moral shortcomings might be in our misunderstanding of who we are, what we are to each other, and to what we are called. These are among the foremost practical questions at the center of religious life. Moreover, these questions never become more urgent than in vocational pursuits.

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200. Robert Wuthnow, "New Directions in the Study of Religion and Economic Life." In *The Handbook of Economic Sociology*, ed. Neil J. Smelser and Richard Swedberg (Princeton, NJ: Princeton University Press, 2005): 604.

201. Wuthnow, *New Directions*, 608.

202. Ibid.

The discussion that follows first takes account of the substantial field of faith at work, a field arising both from the Christian tradition and from the motivation to accommodate the increasing religious pluralism of the members of corporate communities. The second part engages a few key resources from the Jewish and Christian Scripture both to model liberatory inclusive readings of sacred texts for "secular" use and to tee-up value commitments which offer a guiding frame for the later discussion of morality in the corporation. I then turn to theologian H. Richard Niebuhr and his ethics of responsibility to take inspiration from his inquisitive awareness of the larger system across which moral decisions have effects, the call to respond fittingly, and the sense of continuously finding balance in order to make forward progress. I explore Christian Scriptural resources both as an example of engagement and for substantive insight on human dignity, interdependence, and the rightful place of material things in our lifework. I move then from theology to philosophy with a discussion of the works of Aristotle and contemporary neo-Aristotelian philosopher Alasdair MacIntyre, who together offer a framework for virtue, practices, and communities and their place in flourishing.

## Individual Faith at Work

We should first recognize that faithful individuals cannot avoid carrying their religious background, commitments, and the associated ethical inspirations and bounds into the workplace (whether these are the product of their formal or natural religion). We might be appropriately concerned about this dimension of a worker's religious life, if for no other reason than to interfere with that religious life potentially violates the law or could disenfranchise or demotivate the worker. But there are also reasons to exercise caution about the power of religious resources in the workplace or in pluralistic, public spaces more generally. For example, a business which makes decisions on religious bases may be at risk of adversely and perhaps inadvertently affecting the civil rights of others. The 2018 Supreme Court Case “Masterpiece Cakeshop, Ltd. v. Colorado Civil Rights Commission” brought attention to the conflict between a business operator’s religious conviction and the civil rights of the customer to be served (in this case, the Christian proprietor refused to make a cake for the same-sex wedding of the plaintiffs, citing his religious beliefs).[203] The complexity of the case and the high court’s ruling gives us a good principle for decision making. The character and priority of conflicting interests must be understood and weighed. In several similar cases, for instance, cake bakers were in violation of black letter law, which ensures nondiscriminatory service based on the identity of the customers.[204] In the Masterpiece case the question was not only whether the business could discriminate in selling products based on protected identities (as in commodities, such as a diner selling coffee at a counter), but whether a creative artist could decline a customer and direct them to a different particular expression of an idea. In this case it was not the customer but the speech-like nature of the work that was requested which in the Court’s view was a fair basis for the business owner to turn down the client engagement. It is worth noting that in this case the baker would sell the customer a cake but not decorate it in accordance with their request. The case instructs the business decision maker to be clear about those areas which are public

203. Masterpiece Cakeshop, Ltd. v. Colorado Civil Rights Commission, 584 U.S. S. Ct. (2018) https://www.supremecourt.gov/opinions/17pdf/16-111_j4el.pdf.

duties, such that compliance is the only option, and those areas where moral discernment is permissible. The second question is whether the religious conviction when expressed through the business does a harm to another that outweighs the virtue of religious fidelity. My view is that we have reason to care, not just for the avoidance of harm, but for the opportunity to do better both in terms of traditional corporate measures and the aspirations we hold as citizens for the common goods not evident on corporate balance sheets.

The growing body of "Faith at Work" scholarship and applied activity, while concerned with reaching inside the corporation, focuses on the individual rather than the social network and the free expression of religion in the work*place*, and not always within the work itself. The faith at work movement of the past forty years seems to have been centered on dealing with the integration of (primarily) Christian values and practices into workspaces in ways that negotiate commitments to secularity and others' religious freedom on the one hand, and accommodation of the multiplicity of such values and practices coming into shared spaces in a religiously pluralistic workplace on the other. David Miller, a leader and historian of the movement, characterizes one primary type as the individual perspective: "For many business people in the movement, ethics is the primary way in which their faith manifests itself at work, by connecting biblical ethics to concrete applications in marketplace settings. They seek to discern and culturally transpose biblical teachings or principles to the complex ethical dilemmas faced at work in contemporary society."[205] The translation of biblically validated

205. David W. Miller, *God at Work: The History and Promise of the Faith at Work Movement* (Oxford and New York: Oxford University Press, 2007), 1038–1040.

principles of the Christian life into business guidance is at the heart of a family of works like Alexander Hill's *Just Business*.[206] The conception of one's work as a ministry occurs in a range of books on servant leadership, including the excellent *Ethics in Business: Faith at Work* by James Childs, Jr.[207] Other books, such as Williams and Houck's collection *A Virtuous Life in Business*, capture moral exemplars from real life, and suggest that cultivating virtue in business is a mimetic process which requires that we tell the stories of "what good looks like."[208]

As Nash and McLennan argue in their *Church on Sunday, Work on Monday*, misapprehensions about religions tend to preclude it from being an influential force in business institutions, leading to a state of entropy. Causes of this range from stereotypes, different languages, and misguided ideas about boundedness and appropriateness. Healthier integration, in their view, requires not absolute or totalizing religiosity but dynamic engagement between the values of faith and the challenges of work.[209] Richard Kyte's recent book *Ethical Business* was an important move toward greater synthesis in the field of business ethics as it took narrative and systematic approaches to show hallmarks of ethical leadership, culture, and a procedural model of

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206. Alexander Hill, *Just Business: Christian Ethics for the Marketplace* (Downers Grove, IL: IVP Academic), 2008.

207. James M. Childs, *Ethics in Business: Faith at Work* (Minneapolis, MN: Fortress Press, 1995).

208. Oliver F. Williams, and John W. Houck, eds., *A Virtuous Life in Business: Stories of Courage and Integrity in the Corporate World* (Lanham, MD: Rowman and Littlefield, 1992).

209. Laura L. Nash and Scotty McLennan. *Church on Sunday, Work on Monday: The Challenge of Fusing Christian Values with Business Life* (San Francisco, CA: Jossey-Bass, 2001), 246.

decision making. Kyte made use of religious resources without identifying them as religious in order to make the work accessible to a secular audience.[210]

Another body of literature related to religion and the workplace but housed in the guild of Christians ethics does not often concern itself with the institution's internal moral mechanics. Christian theological economics typically takes more macro perspectives as it envisions systems which disrupt and displace capitalist structures in the marketplace. Examples include Daniel Bell's escape from an economy of capitalistic desire reorienting toward the common good,[211] the radical imagination of Kathryn Tanner's re-centered *Economy of Grace*,[212] and William Cavanaugh's sloughing off the yoke of consumerism and the free market in *Being Consumed*.[213] In these and other contemporary works of Christian theological economics, market actors and their market exchanges are scrutinized for insight on the larger market system in our society rather than the specific exchanges occurring inside institutions and between organizations amidst long-lasting relationships. Intra-institutional actions and relationships at work are what so often precede marketplace actions and the shape of the marketplace itself. We need to penetrate the corporate veil to get to the source of the more visible challenges in the market.

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210. Richard Kyte, *Ethical Business: Cultivating the Good in Organizational Culture* (Winona, MN: Anselm Academic, 2016).

211. Daniel Bell, *Economy of Desire: Christianity And Capitalism In A Postmodern World* (Grand Rapids, MI: Baker Academic, 2012), 165.

212. Kathryn Tanner, *Economy of Grace* (Minneapolis, MN: Fortress Press, 2005).

213. William Cavanaugh, *Being Consumed: Economics and Christian Desire* (Grand Rapids, MI: Eerdmans, 2008).

Open space seems to exist for models of individual and collective ethical thought that integrate “the religious” instead of partitioning it and to reconceive an authentic way of being in a corporate relationship that brings together (or makes accessible) different forms of practical, spiritual, and religious knowledge. This is more than, for instance, having a space set apart in which to pray during the workday. It means being a fully integrated religious self who is at work amid worldly structures and alongside fellow workers with different spiritual resources. It means being a self who in the community of work is informed by the good and the virtues of their religious community in an ongoing way. The following pages address this gap by bringing disparate resources to the table from cultural and intellectual traditions extending over religious and secular terrain. The intention is not to put these resources into argument or demonstrate how they easily reconcile. The purpose is to show how drawing upon different resources can potentially generate new resolutions to different classes of problems.

**Scriptural Principles: Dignity, Interconnectedness, and Material Wealth**

Judeo-Christian sacred texts are uniquely entangled with American moral thought and civic ideas. They offer strong reference points for human rights, material sustenance, and prosperity, and the duties we have to one another. While these texts are powerful within contemporary American institutions due to their cultural centrality and place in forming the institutions themselves, I do not suggest they are the alpha or the omega of corporate moral resources. They do however do the paradigmatic work of offering up first principles about the character of being human and the project of humanity. These fundamental sorts of assumptions are necessary to make sense of subsidiary projects such as running a steel mill, a coffee shop, or an airline. They are essential but too often absent. Typically, corporate mission and vision work begins with values, but may not begin deeply enough. Organizations that begin by locating and centering core understandings of being human, being in community and being trusted with purpose are, I propose, better grounded to more practical rules and norms.

Human dignity is embedded in the character of humanity itself. The tradition proclaims the creation of the person in the image of God, *the imago dei*. In the first chapter of Genesis, it was written:

> "So God created humankind in his image,
> in the image of God he created them;
> male and female he created them.
> God blessed them, and God said to them, "Be fruitful and multiply, and fill the earth and subdue it; and have dominion over the fish of the sea and over the birds of the air and over every living thing that moves upon the earth."[214]

God-like characteristics set humans apart from the other creatures and from creation itself. Whatever these characteristics are, they are necessary and sufficient to exercise prudent and fruitful dominion. However, if we continue to labor under the interpretations of the great reformation theologians, then we may not see all of our constructive opportunities. Under the orthodoxies shaped with Lutheran and Calvinist interpretations, we quickly conclude that humans are in their deformation of mind and character incorrigible in self-seeking and self-gratification at the invariable expense of the many. We might think that humans lack the autonomous agency to do anything to

214. Gn. 1:27–28 (NRSV)

remediate that fallen character. We may look at institutions in this framework to discipline and punish the people's inevitable misconduct as a primary function. We may naturally turn to the primary institution's governing forces to limit the resultant greed in collective economic action (e.g., the government to regulate the corporation, just as the corporation regulates the individual).

However, more heterodox and liberatory readings can bring inspiration into business life. We have an alternative, more progressive, and more optimistic view we can take. Humans might be essentially good but woefully finite and in need of intricate and intentional connection to overcome the natural self-isolation leading to an excessive self-orientation. To enter the world is to endure the trauma of separation. To live well then is to seek redemption, reunion, and reconciliation. To be connected to one's God, one's deeper self, and one's neighbor demands a shift in aspiration as well as fundamental theology.

The interrogation of Jesus recounted in the Gospel of Matthew elicits what could arguably be understood to be a cornerstone of Christian theological ethics:

> "Teacher, which commandment in the law is the greatest?" He said to him, "'You shall love the Lord your God with all your heart, and with all your soul, and with all your mind.' This is the greatest and first commandment. And a second is like it: 'You shall love your neighbor as yourself.' On these two commandments hang all the law and the prophets."[215]

Two principles are put forth in this commandment: place value in ultimacy that transcends the immediate context of one's life, and maintain the right kind of relationship to those with whom you ought. Your neighbor is the one next to you with

215. Mt. 22:36–40 (NRSV)

whom you are in a necessary (meaning inescapable) relationship. The work is to recognize it and, through action to make it a loving one. Who is it that must count as my neighbor that I should love them so? Those in the houses to the left and right of me or those in similar or adjacent positions on the assembly line? These both seem like reasonable suppositions. They may, however, be too modest.

In Paul's first letter to the Corinthians, he radically shifts our perspective as he expands the neighborhood:

> As it is, there are many members, yet one body. The eye cannot say to the hand, "I have no need of you," nor again the head to the feet, "I have no need of you." On the contrary, the members of the body that seem to be weaker are indispensable…there may be no dissension within the body, but the members may have the same care for one another…."[216]

Whom do we consider part of this body? Proximity has something to do with our natural relationships. Loving our neighbor implies physical contiguity and has that emphasis for a reason. The center of love is first God, then is perceived and experienced as a self-regarding self, and finally has as its object those with whom we are in a primary relationship. These relationships are organically arising, often without deliberation, and are therefore relatively "easy," aided not the least by the incentives and threats of more direct social reciprocity. Proximity, however, does not seem to be part of Paul's principle of bodily integrity. Paul's body metaphor must comprehend the whole at once that we might take notice of the vulnerable, to protect those parts of the body as a central and shared priority. It is precisely the farthest extremities (the hand, and the foot) and the most dissimilar in function (the eye and the hand) that must grasp their connectedness.

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216. 1 Cor. 12:12 (NRSV).

Of course, when we think of the places we work and how we work and the fact that we must depend upon others, we understand that our closest vocational neighbors may have little to do with geospatial location (now even more so than in Paul's time). The unnatural and more challenging part is recognizing those connections, those functional interdependencies, and those duties of love and care for our more remote members. Understanding the communities of which we are a part is critical. Consider, for example, the discussion of "stakeholders" that so often arises in business. It would be bizarre to speak of the heart as having a stake in the hand or the foot, or vice versa. Although, of course, without the heart, the foot would soon wither. Reducing the nature of this relationship to the flow of material sustenance would significantly underestimate the corporeal reality.

The problematic schism that good theology helps us bridge regards stakeholders with whom we seem to have no communal bonds. Are they less a part of our body? And are our duties any different toward those who do not pay us directly? Theology leads us to see communities first in their organic organization before material interests coarsely partition them. Material interests fluctuate. Communities of belonging do not fluctuate—at least not the sorts of communities that do moral preparatory work for us by fixing the character of who we are and of what ends we value. Transient communities cannot fulfill this place and will be prone to discord and transactional harm. Durable communities will prove necessary for the individual worker and the successful collective.

The relationship between the apparent need for worldly material well-being and the duties to God was at the forefront in Jesus' Sermon on the Mount: "No one can serve two masters; for a slave will either hate the one and love the other, or be devoted to the one and despise the other. You cannot serve God and wealth."[217] A simple reading suggests there is a choice to make between being a servant of wealth and being a servant of God, that to be one is to foreclose the chance for the other. In a beautifully simple way, it demands that we make a choice, asking ourselves what is first in our lives. Yet the arc of the Sermon on the Mount is one of leading us into liberation from worldly worries, not away from the world itself. It is a text commending human appreciation of creation, not spiritual surrender to it. It unpacks the sense of trusting dominion that the human should be exercising.

In Luther's commentary, he reads the teaching as a more dire warning about greed and condemnation of those who pretend to serve God but are actually only fulfilling their desire for material wealth. "There is no contradiction involved if I serve both God and my prince or emperor at the same time; if I obey the lower one, I am obeying the highest one as well, since my obedience moves in an orderly fashion from the one to the other."[218] Luther's first instinct is to uphold the severity of Christ's demand upon the faithful: "That, you see, is what every Christian does when he has the Word of God. He honors and keeps it, regardless of whether this irritates the world or whether it costs him his success." This is his attitude: "There are my wallet and money bag, my house and home. But here is my Christ. Now, if I have to forsake and surrender

217. Mt. 6:24 (NRSV).

218. Luther, 186.

one of them, I will let it all go in order to keep my Christ." That is what Christ means with the words: "No one can serve two masters." Eventually, they will come into conflict, and one will have to yield to the other. Therefore, it is vain for you to persuade yourself of the idea that you will keep them both as your masters, but you simply have to make up your mind to forsake one of them."[219] In this reading, we are led to reject the world, for who can envision a business that does not conflict with the example of Jesus? If we took seriously and literally the Christian charge to give away our money to the poor, we would surely not have the capital to open a business, so that the point would be moot.

But Luther, despite the strict first reading, ultimately offers an "out" and opens the door to a pious life in business. He glosses one word of the sermon to achieve something that seems almost opposite to its plain-sense meaning, saying: "Thus the emphasis here is on the little word 'serve.' It is no sin to have money and property, wife and children, house and home. But you must not let it be your master."[220] Such a move is typical in dealing with the so-called "harsh sayings of Jesus" around money. From those earliest days, we can imagine protests from two ends of the spectrum: the poor person for whom radical asceticism does not appeal (or make any sense) as a path to closeness to God and the rich person unwilling to sacrifice what seems like so much. Therefore, the practical need to qualify this teaching arose early in the life of the texts and persists to this day. The contemporary commentary also rather conveniently softens its meaning: "Undue focus on possessions can distort judgment" (Oxford Bible). Some recent translations have it as *excess* wealth. Wealth is fine, runs the message; too much

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219. Luther, *Works Vol. 21*, 188–89.

220. Ibid.

wealth is destructive. “It’s not the top 50 percent (or 90 percent) of economic strata. It’s the top 1 percent (or 0.1 percent); they’re the problem” the common refrain would have it. Wealth is not excessive if it keeps us alive. Wealth is not excessive if we use it generously. Wealth is not excessive if it is merely the byproduct of doing good work in the world. Wealth is not excessive if it is the means and not the end of our actions. These are among our options for intellectual reconciliation. We should be wary of easy accommodation of the Christian life as we seek to live it in business, but perhaps again, not underestimate the potential stringency of Luther’s warning. Do not let money be the master who wins in times of value conflicts, nor fear letting money have its voice in matters of commerce.

Here, the sense of wealth can be taken to mean all kinds of material things. Therefore, are we to take this commandment literally or as a statement of the paradoxical situation in which we find ourselves? Religion’s first purpose is to name the paradoxes of existence. So, we might imitate this idea in organizational settings. We ought to name the occasions of paradox, naming the tensions that cannot be resolved but must be confronted with some sense of balance and guided by a compass that attends to True North, that we might find a faithful way to navigate it.

Later in the Gospel of Matthew, we return to this wrestling with material things when the disciples ask Jesus:

> “Is it lawful to pay taxes to the emperor, or not?” But Jesus, aware of their malice, said, “...Show me the coin used for the tax.” And they brought him a denarius. Then he said to them, “Whose head is this, and whose title?” They answered,

> "The emperor's." Then he said to them, "Give therefore to the emperor the things that are the emperor's, and to God the things that are God's."[221]

Perhaps Jesus was just echoing his harshest words on wealth, and suggesting that wealth is for worldly rulers, so give it to them that one may be unburdened to serve God. Perhaps Jesus was not making something simple of the impossibly complex human situation at all. For Jesus' answer to make sense, we would need to interpret that there is no overlap between the things of Caesar and the things of God. Here is a problem central to our work. We want to marshal the resources of God to make decisions and take right actions in the corporation and in the marketplace, but do so in a way that creates thriving marketplaces and corporations, with the conviction too that they are a vehicle by which to attain worthy and necessary worldly goods.

In these few examples of Scripture from the Christian tradition, we are reassured that the tension between the spiritual and material goods is enduring and not simply resolved. But resolve it we must, for there is a material necessity to the work, and especially in the world of business. There is the insistent call to be the servant of the Good rather than the servant of wealth as our primary commitment. While this is not easy ,it is the primary practical challenge of worldly vocation. In facing this challenge, the scriptural claims about human goodness (in the image of God) and the connectivity of people in community (part of a singular body) give us a source of hope to mitigate the nagging problem of wealth and its diversions. Thus, hope will lead us to look at themes of individual regard and empowerment and the development and activation of diverse communal relationships that can support leaders and workers in their journey.

221. Mt 22: 15–21.

**Theological Resources: *The Responsible Self* in Organizational Life**

Theology has a vital role in a schema of corporate ethics, important and unexpectedly unifying given the secular stereotypification of religion as a divisive force. Theology is distinct, though not divorced, from religion and culture. Theology is uniquely equipped to do the integrative work we need to make sense of the simultaneous demands of different modes of ethics and varied stakeholders' diverse needs. H. Richard Niebuhr was instrumental in ushering in a new era of liberal theology at the opening of the 1960s after decades of the rehabilitation of a more conservative theology concerned with the recovery of tradition and those looking toward the past. As he asserts, "if the primary task of theology is not that of building a total and coherent system of reflections but rather that of understanding and clarifying as much as possible a given set of data," then it is not foremost a systematic project, but a pragmatic one. It must "in all honesty refrain from the effort to build a system and content itself with the effort to discover the relations between various parts of the given reality."[222] The humility of this aspiration is compelling; one need not solve everything to disclose something true and helpful. More generally, reading H. Richard Niebuhr's broad conceptual orientation triggers ready comparison to his brother's grander undertaking of systematic theology. In the more modest approach, we have tools that readily lend themselves to doing applied work—not explaining all of Christian life, but a piece of the picture. In this case, the part of the picture is how to do business and pursue a vocation

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222. H. Richard Niebuhr, *Faith on Earth: An Inquiry into the Structure of Human Faith* (New Haven, CT: Yale University Press, 1991), 102.

as part of a large institution and in relation to all the others who constitute the ecosystem of the particular goods of exchange,

Niebuhr lifted up what he described as the “great polarities that characterize our human existence.[223] He conjures the image of the theologian riding a bicycle forward on a path, making corrections left and right to progress forward. Progress forward will not be straightforward in such a kinetic and bodily metaphor. Human movement and progress demands a constant balancing motion and the availability of enough space to make those movements. This bike metaphor is useful in organizational ethics, asking strategically where there are polarities that create tensions and require collective movement between, and whether the spaces exist where the freedom for that to-ing and fro-ing is possible. They could be constructive spaces for conversations that include voices giving life to the polar perspectives that would otherwise be obscure. They could consist of areas for experimentation where practitioners can judge novel actions and their effects. Many of these spaces don’t naturally exist, and need intentional action to create or claim them.

Both past and future are present with us and can do critical service as part of our being a vocational self and becoming an effective moral actor. Memory and expectation provide necessary poles between which we navigate the present: “Past and future are effective in us as selves as memory and as expectation.[224] Memory is the ground for virtue in that it provides the stuff from which we continue to become ourselves. The

223. H. Richard Niebuhr, *Theology, History, and Culture* (New Haven, CT: Yale University Press, 1996), 10.

224. Niebuhr, *Culture*, 5.

progressive possibility is present not despite our temporal character but because of it. In some sense, all human and professional ends must be progressive in spirit if they are to converge with the future. We seek to move forward and must have the capacity to expect a world of the future imaginatively and locate our ends there, choosing to act by drawing upon the potent reservoir of memory (or tradition). The past secures us as who we are that we might have the capacity to go into the future. But go into the future we must.[225]

Another necessity to our forward movement is our ability to go "between a revelation given and a revelation anticipated...between a reconciliation accomplished and an atonement yet to be."[226] Much of the missing capacity in corporate environments and ethical practices they produce is a spirit of reconciliation and a capacity for this kind of movement. Reconciliation of this sort can pertain to harms done by past action. The organization must become conscious and undertake the reconciliation of competing goods in decisive moments. The organization must actively and consciously "choose" in that peculiar way. Orientation toward identifying our ends and retaining an open sense of revelation are prerequisites to moral discernment. They are theological in the universal sense. Not limited to a solely Christian sensibility, these principles demand recognition as part of the human condition that our human systems might take us forward from the past. Said another way, we might function as a powerful living bridge between past and future, balanced in our movements between them. In so doing, we can embody the virtue of hopefulness. To be hopeful is not to lose who we are; we need that

225. Niebuhr, *Culture*, 7.

226. Niebuhr, *Culture,* 9.

identity and its navigational resources. Rather, it is to marry it to the imagination of who we can become.

Embracing Niebuhr's historical and timeful sensibility calls for us to listen for the wisdom transmitted to us by our elders, the aspirations voiced to us by our youth, and the cries of our youngest children (or our newest employees and customers). All are part of the conversation, without regard to linguistic capability or audibility. Faith is essentially relational, "faith…is not something which exists in a person; it is an interpersonal relation; nor does it exist simply between two persons save insofar as they have a cause which transcends them," as Niebuhr expressed it (Niebuhr 1989, 109). Sharing a recognized and extraordinary common cause is a catalyst for human faith in one another. That common cause or ultimate concern, may be God or may not exist in a secular workplace. So I would suggest that the place of penultimate concerns that are shared (perhaps a virtue such as honor, or a cause such as human suffering), which each person then connects to their own God (or another ultimacy of values) is the likely commonality of the religiously plural workplace.

Niebuhr's vision of the structure of a community of faith is compelling in his emphasis on communities of trust mirroring God's Grace; Niebuhr's theology also responds to a need for cohesive, well-functioning organizations, trust in coworkers, leaders, and owners such that we feel gratitude and confidence, which motivates our right action. As Niebuhr describes the community of faith, grace is central and seminal. God's loyalty to us and our companions is sheer grace. Trust is a response available to us through the gift of grace. As Niebuhr often does, he puts us in the position of having to choose how to respond to the world with God's grace expressed through it, and we are compelled to take into account the other.[227]

In either conscious or unconscious divine mimesis, to respond in kind is to advance other people a measure of grace. It is a means of "priming the pump" for trust to flow through the community. This seems commonsensical in the economic sphere particularly; the first duty of the economic actor must be to extend the goodwill that serves as a prelude to an interpersonal trust sufficient to make any value exchange possible. The ongoing and more significant challenge is not to increase the size, frequency, or relative advantage of trade but to create conduits through which grace might circulate and create environments of trust. The broader atmosphere of trust, which is conducive to thriving in the future, is often something we cannot yet visualize, but for which we nonetheless bear the ultimate responsibility.

Martin Marty wrote on building communities of trust, crossing from religious to secular settings. Insights on the process of trust formation include most centrally a dialogical spirit, well suited to Niebuhr's theological sensibilities. He values proximity that enables ongoing conversations that he aptly calls a "bid for trust"[228] as well as a means to learn and to come to "know things." The generative possibilities are most significant when building trust across lines of difference. Marty talks about bridging the knowledge of religious and scientific types so that at the intersection of them new

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227. H. Richard Niebuhr, *The Kingdom of God in America* (Middletown, CT: Wesleyan University Press, 1988), 111.

228. Martin E. Marty, *Building Cultures of Trust* (Grand Rapids, MI: Wm.B. Eerdmans Pub. Company, 2010), 134.

insight can occur precisely because they need not agree about the only satisfactory conclusion ("they do not have to 'settle' anything"), for things cannot necessarily be settled across those very different epistemic spheres. Yet both can somehow be made better by access to the light of the other.[229] How often in institutional settings do we think consummating some agreement and achieving some "likeness of mind" is the only successful outcome? Precluding the interactions where such an outcome is likely or even possible forecloses relational possibilities and ensures a kind of narrowness and ignorance that further replicates the institution's moral errors.

Our theology for economic institutions must be one that undergirds an ethic that is pragmatic, oriented toward real case and controversy, and takes into account the durable systems which comprise many varied individual relationships, formed and re-formed through iterated interactions over time. H. Richard Niebuhr offers us a theology and ethics that understands the human self as one necessarily engaged in a set of ongoing conversations. Indeed, in this dialogical vision, our very selfhood is grounded in and formed by the engagement with the other and others. It offers an ethic of figuring out how to respond to that which acts upon each of these actions by our friends, colleagues, and strangers, and even our enemies. There are continuous opportunities for each of us to react to the continuing movement of the creator. We are in this situation together, "All life has the character of responsiveness," Niebuhr begins his work on *The Responsible Self*[230] as he proposes a vision of dialogical existence in which the "image of

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229. Marty, *Building Cultures of Trust*, 140.

230. H. Richard Niebuhr, *The Responsible Self: An Essay in Christian Moral Philosophy* (Louisville, KY: Westminster John Knox Press, 1999), 46.

man-the-answerer, man engaged in dialogue, man acting in response to action upon him" is the cornerstone.[231] Taking a step back to how Niebuhr frames his ethics of responsibility with his understanding of the Christian project and its demands upon us is helpful as it suggests radical inclusivity. According to Niebuhr, a Christian shares a project with Jesus of Nazareth.[232] This calls us at the most basic level to be engaged in liberatory work that is supportive of the coming Kingdom of God, one in which all relationships reflect the dignity and Grace of God. It is the call to dignity and decency yet again. The themes of connection and movement enliven Niebuhrian theology and compel us to attend to and nurture our potential to change the world.

The ethic of responsibility "proceeds in every moment of decision and choice to inquire: 'What is going on?'" and to initiate the fitting response, taking into account the complex intersection of factors, and humbly mindful of the incomplete freedom to determine that response in a given moment or situation.[233] This theology means understanding that we are, from the very first instance, acted upon—whether by God, by nature, by the parent, and by the community. We are in dialogue from our first breath. This requires understanding that we are connected in one organic body, with echoes of Pauline theology. All of its implications are in force for making choices that attend with care to the totality of the body (or in the same sense, as Niebuhr says, "the total conversation"). This counts both in its horizontal dimension of connecting individuals (personally known and unknown) as well as in the longitudinal dimension as part of the

231. Niebuhr, *The Responsible Self*, 56.

232. Niebuhr, *The Responsible Self*, 56.

233. Niebuhr, *The Responsible Self*, 60.

conversation which is ongoing through time (mindful of the history that has shaped our practical wisdom and of the future to which we are a co-creator). Responsiveness, active interpretation, accountability, and social solidarity are the intrinsic components of this Niebuhrian ethic of responsibility.[234]

To speak of Niebuhr's theological and philosophical frame and its assumptions in economic rather than scriptural terms, it assumes that we are each a player in a repeated game with feedback, so we have an incentive not only to win in a given round but to optimize our possibilities and advantageously shape the game itself in successive rounds (which have no fixed terminus). Such a game-theoretic frame implies we need to contemplate the effects on others in the short term *and* their responsive actions in the long term. In the language of transaction cost economics, we are all long-term contractors, not market traders engaged in atomistic exchanges. The institution is a bundle of these long-term contracts, which we are always in the process of renegotiating and redrafting through our interactions. Niebuhr's theology suits necessity in its breadth and adaptability. It challenges application by providing a model, absent clear decision criteria, which may leave us stranded in conflict and indecision if we do not build upon it with a practical sensibility.

We need a theology of covenant rather than one of contract to take account of such a life circumstance, for any resort limited to contract or the law will always leave us under-equipped by their incompleteness, their incapacity of form to anticipate an ever-changing and novel world that we as humans must confront together. For as we act

234. Niebuhr, *The Responsible Self*, 61–64.

upon each other, so we are together acted upon by nature, by God, and by the confluence of forces producing provocations that are ever-surprising. Niebuhr observes the disconnections and inadequacies of the utilitarian and deontological conceptions of ethics. In seeing the human as a mere maker of things or legislator, they fail to offer a framework for the whole human situated and reckoning in the thick context of lived community. In his characterization of the covenantal understating underpinning American democracy, H. Richard Niebuhr drew the distinction clearly, “Contract always implies limited, covenant unlimited commitment; contract is entered into for the sake of mutual advantages; covenant implies the presence of a cause to which all advantages need to be sacrificed.[235] To strive for this understanding in the American political sphere may be idealistic, and to do so inside the American Corporation utterly Quixotic. However, something of that spirit of aspiration must enliven the workers’ and leaders’ sense of duty in serving the corporation. There must be an understanding beyond mere tit-for-tat reciprocity of labor and financial reward., There must be a connection to the inner goods to which the corporate body is oriented that takes precedence and endures through time, a connection that will complete and where necessary even drive to amendment the explicit contractual features of the employment relationship. If such is not recognized, then the true capacity of the corporate body to respond to its mission amidst uncertainty will be left untapped.

The situation of being acted upon and needing to make sense of myriad ethical resources in responding to that action and then having the wisdom to foresee a chain of counter-responses rippling through the system is the template for the worker’s virtue

235. H. Richard Niebuhr, “The Idea of Covenant and American Democracy,” *Church History* 23 no. 2 (1954):134.

and a model for moral response. Then being able to adapt (consciously or otherwise) and continuously reform the institution itself to take account of the interactions and their implications is a key process underlying the metabolic strengthening of the corporation. Niebuhr's protean framework recognizes the countervailing forces in us and in our organizational systems. He compels us to unify and consolidate, ensure that pieces fit together, and at the same time to diversify, differentiate, and disintegrate to ensure that growth occurs.[236] His theology emphasizes the possibility for constructive action as it acknowledges the complexity of practical situations. In order to act in these situations, we must take stock of the body as a whole of which we are a part, to make sense of what's going on, and to act in a fitting way.

## Philosophical Resources: Virtues, Practices, and Communities

Philosophical voices that feature prominently in the background of this present work include Aristotle, and Alasdair MacIntyre. Aristotle gives us a conception of virtue and its relation to the good of a human life. MacIntyre provides us with a means to contextualize this conception of virtue in life as actually lived, in specific contexts with specific critical relationships. In this section, we briefly draw on each of these thinkers to provide frameworks for understanding the moral resources available for the individuals embedded within corporate life and the communities to which they relate.

Aristotle contributes a foundational notion of human virtue in its relation to action and the habits emerging that is helpful in our present project. The rightful aim of a human life is *eudaimonia* or flourishing, a universal human *telos* that is rightly

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236. Niebuhr, *The Responsible Self*, 54.

achieved in an active state, a being-at-work of the soul in accord with virtue. In the Aristotelian mold, virtue is thoroughly entangled with practice (one cannot be virtuous and sleep through life, he observed). It cannot exist absent some *doing*. The good life is about acts of doing rather than states of being.[237] Virtue is not a feeling or predisposition, but an active condition, a way of actively being, which makes the actor apt to choose the just and fitting action in response to circumstance: "Therefore, virtue is an active condition that makes one apt at choosing, consisting in a mean condition in relation to us, which is determined by a proportion and by the means by which a person with practical judgment would determine it."[238]

I focus this overview on four central features of Aristotle's conception of virtue, which should also inform our conception of the virtuous worker: agency which requires choice, seriousness, practical judgment, and community. The human good is fulfilled in the fullness of life, not in brief periods. Real virtue is only possible in the sort of life suited for a human, which is one marked by agency. Seriousness is an intrinsic part of excellence; a virtuous person is a serious person. Practical judgment is an indispensable capacity in matters of achieving the good. Community is critical to moral formation, individually and collectively.

Choice, the capacity for which is a mark of being human, arises from the confluence of intellect and character.[239] We quickly make individual "choices" in ways in which we are not fully conscious, which reflect our habits of mind and practice.

237. Aristotle, *Nicomachean Ethics*, translated by Joe Sachs (Newbury, MA: Focus Press, 2002), 1099a.

238. Aristotle, *Nicomachean Ethics*, 1107a.

239. Aristotle, *Nicomachean Ethics*, 1139a30.

However, freedom and minimal agency are preconditions for exercising virtue. An action taken totally without willingness is a sort of mechanical phenomenon that does not rise to the level of something human and is not conducive to moral judgment. Aristotle makes this distinction, that for humans forced into action we are naturally compelled to a sort of sympathy but not for praise nor blame from a moral standpoint, for the person is not accountable for the action and is not in some sense the source of them (Aristotle NE, 1109b30). Extending Aristotle's philosophy into the corporation, we might say that workers must have the power to make a decision without extreme exogenous consequences and with the information necessary to make a competent decision.

For Aristotle, seriousness is also an intrinsic part of excellence. Likewise, the capacity to see things as they really are and not as they appear and to judge reasonably and wisely are central virtues related to practicing in the organizational setting. Aristotle asserts that seriousness is an intrinsic part of excellence, and that therefore a virtuous person must be a serious (*spoudaious*) person:

> And if the work of a human being is a being-at-work of the soul in accordance with reason, or not without reason, while we say that the work of a certain sort of person is the same in kind as that of a serious person of that sort, as in the case of a harpist and of a serious harpist, and this is simply because in all cases the superiority in excellence is attached to the work since the work of a harpist is to play the harp and the work of a serious harpist is to play the harp well—if this is so and we set down that the work of a human being is a certain sort of life, while this life consists of a being-at-work of the soul and actions that go along with reason, and it belongs to a man of serious stature to do these things well and beautifully.[240]

240. Aristotle, *Nicomachean Ethics*, 1098a.

A serious person seeks to live a good life as the ultimate goal. We can draw on Aristotle's description of the harpist in order to extend this notion of seriousness into the life of the worker. The serious harpist is one who ought to be able to play the harp "well and beautifully." Even more than this, however, the serious harpist is fully oriented toward the project of playing the harp well. In that right orientation, we might see the component of knowing what good harp music ought to sound like by some aesthetic standard and an element of aspiration that her work rises to that standard. This aesthetic standard we could imagine would also comprise the selection of music, with the musician selecting that which is most worthy of practice and performance, and a conception based on experience and judgment of the desirable characteristics of its performance. In terms of aspiration, it may further matter where and for whom the right piece is played the right way. All of these constitute primary concerns of the serious musician. To be serious is to have something like a special kind of sight: "the person of serious moral stature is distinguished most of all, perhaps, for seeing what is truly so in each kind, since such a person is like a rule and measure of what is beautiful and pleasant."[241]

Wealth and material goods have enabling power rather than centrality in a virtuous life; they are always means and never ends in themselves. Here is a central conflict with thinking in business, especially in those instances where ownership and management are separated. Realistically observed, for many, wealth is both a means and an end, and so we must consider how to confront this reality when the accrual of wealth occludes the view of higher ends. This is a theme we pick up most directly as we

241. Aristotle, *Nicomachean Ethics*, 1113a30–1113b.

discuss MacIntyre's work in regard to the relation between the worker and the owner, the practitioner, and the institution. The serious person and the serious worker will not confuse ends and means and will have wealth situated in its proper place.

Practical judgment (*phronesis*) is an inseparable capacity in achieving the good. A person with practical judgment is "able to deliberate beautifully about things that are good and advantageous for himself, not in part, such as the sort of things that are conducive to health or to strength, but the sort of things that are conducive to living well as a whole."[242] Practical judgment comes into play in relation to a *telos*, as seen clearly by a serious person, who must make an assessment to determine the fitting response: "A sign of this is that we also speak of people as having practical judgment concerning some particular thing when they calculate well with a view to some particular serious end, among those about which there is no art" (Aristotle NE,1140a20–30). Most importantly, practical judgment (and by implication, the highest sense of human happiness) seems to relate to areas outside of the crafts or practices which rely on some established craft (*technê*). Absent *technê*, with its established measures and rules, the range of possible responses grows larger, and the need for the powers of thought become more critical. It is in this unstructured territory, in which the human must use their unique gifts of thought, that the most human and complete good can be realized. The person of practical judgment is able to take into account the good of the moment, as well as good within life as a whole.[243]

242. Aristotle, *Nicomachean Ethics*, 1140a20.

243. Aristotle, *Nicomachean Ethics*, 1140a20.

Communities are necessary to do "good" work and for individuals to become good people. For a complete life, work must be done in responsive relationships to others in a stable community.[244] Aristotle's ethics seem to center the individual but they are also inherently social. This ethical system demands that one knows who they are, what they do, and how that being and doing relates them to the society. Friendship bears upon the relational dimension of human being-ness, is entangled with virtue and orthopraxis in a variety of ways, and is necessary for life itself.[245] Communities are critical to individual and collective moral formation and realization of the good life. Relationships with the right people matter in the pursuit of virtue, but the character of those relationships count as well. They are not mere transactional connections, but thicker bonds filled with human affection and complexity. It is in this context that wisdom and purpose can be shared. The idea of being a *spoudaios* person is only possible with serious relationships with people of like orientation and commitment. Through a lifetime of interactions, those that affirm and those that challenge, the moral self comes into fullness.

Valuing the right things is rooted in being able to have right relationships. A virtuous life lived in isolation and under conditions of disconnection is very difficult to imagine, impossibly so when the varied but universally outward-facing missions of public corporations are taken into account. The work done in the corporation must drive to the depth of a vocation, an activity of one's central being, calling forward the best and most human self, reflecting not only a surrounding convention, but personal character

244. Aristotle, *Nicomachean Ethics*, 1097b10.

245. Aristotle, *Nicomachean Ethics*, 1155a.

richly informed by the context of one's life. Individuals need to be understood as ongoing participants in the corporation. Thus a worker's day must be envisioned at the same time as is her entire career. In short, the individual worker must envision the long-term implications and opportunities related to their individual actions.

At the heart of this project is a desire to increase the possibility for an individual corporate worker to live into a vision of not just being a good worker, but a good human actively at work over the long term. The measure of the corporate good can be analogously constructed as a collaborative being-at-work in accord with a plurality of virtues. We need to ask what resources are necessary to "do good"? Surely there are material inputs, but there are also equally important experiential inputs which rely upon human relationships within and outside of the company. In order to enter the fray in beautiful form, they must have some common set of knowledge and co-formative relationship of practical wisdom about the work to be done and the virtues necessary. Virtue is neither an abstract nor an independent quality which transcends time and circumstance. Instead, it is always a highly embedded one. Virtue is necessarily socially embedded in latitudinal and longitudinal ways—meaning in communities of practice working together and within traditions persisting through time. To develop this point, I draw from Alasdair MacIntyre who asserts that accepting the "phenomenon of embedding is crucial." He continues, "the history of a practice in our time is generally and characteristically embedded in and made intelligible in terms of the larger and longer history of the tradition through which the practice in its present form was conveyed to us."[246] As with Niebuhr and with Aristotle, I focus on a few key concepts from MacIntyre that I find particularly helpful in pursuing the good of the work in corporate contexts today.

First, I draw heavily on MacIntyre's concept of practices. The practice is the frame for the formation and expression of the virtues. Practices and virtue are tightly entangled. Virtues are qualities of a person necessary for their attainment of the internal goods of a given practice.[247] Virtues only make sense in a thick social context of practice, but practices in return rely on the importance of the cultivation of virtues among a people. For "Practices then might flourish in societies with very different codes; what they could not do is flourish in societies in which the virtues were not valued, although institutions and technical skills serving unified purposes might well continue to flourish."[248] A practice in MacIntyre's construction is "Any coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to and partially defined above, that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended."[249] To understand the full meaning and application of this complex definition, we must examine several aspects of each case: We must recognize a practice, applying the standard of coherence and

246. Alasdair MacIntyre, *After Virtue: A Study in Moral Theory* (Notre Dame, IN: University of Notre Dame Press, 2007), 222.

247. Alasdair C. MacIntyre, *The MacIntyre Reader* (Notre Dame, IN: University of Notre Dame Press, 1998), 71.

248. MacIntyre, *After Virtue*, 193.

249. MacIntyre, *After Virtue*, 187.

complexity (e.g., making French cuisine may be a practice while making an omelet is not). We need to identify and be in relation to the social community in which the practice is situated and attend to the norm of excellence established in that community. We must then most critically know, and be practically attuned to, the difference between internal and external goods and become aware of our own orientations and motivations toward them. External goods are things like money earned as compensation or as prizes in a chess tournament, while the internal goods are realized through excellence in the conduct of the practice itself. We must pay attention to the other practitioners by our side and take cues, challenges, and admonishment from them.

True practice is more than a technical skill; it is set apart because of the essential relation between technique and the internal goods, those that are intrinsic, indispensable, and of normative value to the community.[250] Technical skill must not be valorized to the point of idolatry, but neither can it be discounted as merely incidental to the intangible good at the true heart of the practice. Practices are at the heart of the possibility of living a good life: "A good human being is one who benefits her or himself and others...both qua human being and also characteristically qua the exemplary discharge of particular roles or functions within the context of particular kinds of practice, as someone may benefit her or himself and others both qua conscientious and cheerful human being and qua shepherd or nurse."[251] This is an important claim about universal human virtues and human practices. Virtue must always be social and

250. MacIntyre, *After Virtue,* 193.

251. MacIntyre, *Dependent Animals*, 65.

ultimately be "local" (to our position), and must be borne of and through action if we are to realize our humanity fully.

Those who are trained in such a way and engaged in practices are part of a "practice-based political community" or else are outsiders.[252] Those inside the community recognize on another and share in a mutually comprehensible way of life. Outsiders lack these capacities and privileges. These communities of practice are the primary reference group for norms and their changes. It is through this ongoing relationship that excellence is defined and made possible in practice. Engaging in a practice involves subjecting (and "subordinating") oneself to a community and allowing one's performance to be measured against their standard of practice. MacIntyre asserts that a practice "involves standards of excellence and obedience to rules as well as the achievement of goods. To enter into a practice is to accept the authority of those standards and the inadequacy of my own performance as judged by them."[253] Community norming is achieved not through a democratic or populist process, but through one shaped by those practitioners who have set the standard of practice through their prior excellence.

Practices must take place within lived communities and be transmitted by way of tradition over the course of time. Only thus can practices be understood as a human relational phenomenon: "To enter into a practice is to enter into a relationship not only with contemporary practitioners but also with those who have preceded us in practice,

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252. MacIntyre, *Reader*, 127.

253. MacIntyre, *After Virtue*, 193.

particularly those whose achievements extended the reach of the practice to its present point." MacIntyre sees relatively coherent and stable communities of practice, which through the excellence of action by an individual within them advance through time.[254] Practices are the context in which virtues are exercised and given life. Practices are the gravitational centers around which we as human beings interact to create the good, and in so doing, construct and enact virtue with all its necessary particularity. Actual human conduct takes place within a thick context, and instruction in virtue is about equipping someone to discharge roles well in context.[255] Through sustained interaction in communities of practice, we are able to grow the infrastructure of practice while refining a sense of virtue. Specific practices play a part in forming the virtuous person in the narrow communal context of that practice and those practices also more broadly shape their capacity in other domains of human activity.

While virtue is always employed by an individual, we need others in order to become most successfully ourselves. For "To become an effective independent practical reasoner is an achievement, but it is always one to which others have made essential contributions"[256] We need others because only within a community of practice can we make sense of our actions' goodness. We need others because we must be coaxed into that community and aided in our formation as a practitioner with mutual regard for those engaged in like endeavor. Simply put, we need many teachers and co-conspirators to prosecute a virtuous life. Moral instruction of this sort is necessarily boundless,

254. MacIntyre, *After Virtue*, 193.

255. MacIntyre, *After Virtue*, 89.

256. MacIntyre, *After Virtue*, 82.

pervading life's activities: "we would make a mistake if we inferred from this that some part of the child's education has to be set apart for specifically moral instruction. Just as the virtues are exercised in the whole range of our activities, so they are learned in the same range of activities."[257] The same holds for the training of workers in the corporate setting. It is not that we need more ethical training (though perhaps we do): rather, we need the training in the practices of the job to be permeated with a moral sensibility attuned to the inner goods of the higher vocation.

In addition to practices and community, narrative constitutes a third core feature of MacIntyre's philosophy that has profound implications for corporate contexts. Virtues serve us not only in realizing practical goods but in "sustaining us in the quest for the good."[258] This quest through time constitutes our life narrative and is bound up with both virtue and the relationships among people. Human goodness is highly contextual, in a lateral way, in a moment in time within an area of practice (itself connected to other practitioners, a tradition, and the institutions that cohere and convey) and through time as a narrative arc. Both of these dimensions of connection are needed to render the human good intelligible. Constructing the necessary narratives is achieved, in part, by telling each other the stories of our lives and making sense of them together. MacIntyre is an optimist regarding the universal capacity for this self-forming activity, both as regards the giving and receiving of a story and as regards the judgment

257. Alasdair MacIntyre, *Dependent Rational Animals: Why Human Beings Need the Virtues* (Chicago, IL: Open Court, 1999), 88.

258. MacIntyre, *After Virtue*, 219.

about the usefulness of the story.[259] In my view, leadership is ultimately about helping people to become effective storytellers and enabling them to see the generative narrative lines among events in their own lives and in the stories they inherit.

The corporate context in 2021 is unlike that which either Aristotle or MacIntyre had (or could have had) in mind as they specified primary virtues. From a theoretical perspective, business ethics has been formulated which takes the necessary virtues from each: "the four cardinal virtues of temperance…courage, justice, and prudence (practical wisdom) together with two virtues which MacIntyre[260] identifies: integrity (the consistent application of virtues across practices at a particular point in time) and constancy (the consistent application of the virtues over time) are those that are appropriate in a corporate context."[261] The extension of MacIntyre's philosophy into corporate contexts must remain attentive to the conflicted nature of the relationship between practitioners and institutions. Institutions are necessary to house and perpetuate practices through time and exert a corrupting force on those practices. In the first instance, the institution houses the practice and creates spaces for exercise within society's larger institutional framework. In this way, it is conducive to the possibility of practices flourishing. However, institutions trade in external goods, while the practices are rightfully grounded in the internal goods.

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259. Alasdair MacIntyre and Joseph Dunne, "Alasdair MacIntyre on Education: In Dialogue with Joseph Dunne," *Journal of Philosophy of Education* 36 no.1 (May 2003).

260. MacIntyre, *Animals*, 317–18.

261. Geoff Moore, "Corporate Character, Corporate Virtues," *Business Ethics: A European Review* 24 Supplement (August 2015): S105.

Practices rely upon communities of practitioners, and these communities, in turn, depend upon institutions to support and perpetuate them. Institutions are distinct from communities of practitioners (and the practices they engage), distinguished by their orientation and organization toward external rather than internal goods, "Practices must not be confused with institutions. Chess, physics, and medicine are practices; chess clubs, laboratories, universities, and hospitals are institutions. Institutions are characteristically and necessarily concerned with what I have called external goods."[262] Institutions "are involved in acquiring money and other material goods; they are structured in terms of power and status, and they distribute money, power, and status as rewards."[263] There is therefore an interdependence between practices and intuitions—but also a tension, since their priorities differ. True practitioners place the internal goods as the primary focus of activity, while institutions are ordinarily driven by the external goods which ensure their self-perpetuation.

Nurturing practices in a community entails cooperation and competition, whereas institutions are more often inclined to focus on the latter.[264] The critical discriminatory issue between institution and practitioner concerns entails the separation of internal and external goods. This speaks to a core tension in the relation between the professional communities of workers and the institution that is their common vessel. The corporation as a vessel has the power to cohere and convey (people, communities, and traditions), but also to deform and corrupt. Work that is oriented

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262. MacIntyre, *After Virtue,* 194.

263. MacIntyre, *After Virtue,* 194.

264. MacIntyre, *After Virtue*, 191–94.

toward consumption (meaning toward goods external to the practices of the work itself) is likely to be less interesting.[265] For example, the corporation which enables making new medicines cannot be divorced from the mechanisms of comprehending the inner goods of medical practice. Or for instance, the practice of human clinical testing. To the doctor who is looking for a positive clinical response in a given patient to a novel medicine, the internal good cannot be obscured: there is right before her the transformation of the patient. To the executive who must determine whether that trial proceeds or is enlarged, that internal good may be obscured. Nonetheless, there is in the intimacy with that one patient and the internal good of their newfound health something inescapably critical to the realization of the external goods of the business. The executive, who has power, must not be disconnected from the practitioner who has insight. To use a sports metaphor, it may only be the view from the bleachers that the owners of the football team have (at a distance from the players on the field, let's say from the kicker who has just been called into action on the fourth down). Still, without an appreciative sense of the internal good of the kick and its relation to the field goal, they cannot be a meaningful part of the game at all.

A central critique whenever the project of business ethics in the American context is approached is that the entire arrangement of contemporary capitalism is unnatural and calls for a new imaginary of the economic institution, which places value-creating activity as the ultimate end of deployed resources rather than the reverse. As MacIntyre describes it, "The dominant way of understanding work under capitalism…Is that…what matters is that as much as possible be produced." Focusing on external rewards flattens

265. MacIntyre, *Reader*, 55.

moral complexity and keeps everyone in the corporation, worker, management, and owner, aligned in interest. When it comes to the internal goods, then conflicts will necessarily arise.[266]

The role of the manager embedded in her bureaucratic context is often too limited to the selection of efficient means to achieve the predetermined ends of the corporation. This radical flattening of the person, who is a manager, precludes the possibility of exhibiting virtue. More than character though it is a caricature, one formed it seems by the experience of theatrical representations rather than the range of real people inhabiting economic institutions that are far from pure Weberian cages. As Sinnicks points out, the evolution of the practical field of leadership studies in the last several decades has perhaps transformed some managerial automatons, obsessed with efficient means toward ends they do not (and do not care to) understand into moral actors with a set of practices to employ and constitute their "post-bureaucratic" moral world.[267] Athenian battles were not won solely by the *arête* of the generals but by that of the archers. The problem is complicated because perhaps business is a meta-practice, but the institutions, which give succor to business practice, must also give rise to the practice of chemistry, medicine, and engineering, and so on. The intersection and non-mechanistic alignment of these practices toward a global good is no trivial task.

266. MacIntyre, *Reader*, 55.

267. Matthew Sinnicks, "Practices, Governance and Politics: Applying MacIntyre's Ethics to Business," *Business Ethics Quarterly* 24 no. 2 (April 2014): 239–240.

The corporation may work to extinguish virtue.[268] We should take MacIntyre's worry seriously that the institution has specific incentives to reduce such discourse as it represents a cost that may not drive economic return. MacIntyre launches an even more compelling critique of the institution as driven by short-termism that stunts moral imagination and action.[269] Institutions are natural sites of contested values, means, and ends. They are where different ideas about the world come into practical (and often irreconcilable) conflict. As MacIntyre observed more broadly, "Conflict, arguments, contestability, unpredictability; it is striking how much more often these appear in our lives than in our social theories."[270] The competing values which MacIntyre hypothesizes are clearly at play in corporate environments. As Moore phrased it, "In many cases, a tension exists between what individuals feel they ought to do when at work and what the corporation expects of them—a kind of ethical schizophrenia."[271] Problematically in the real world, when actors on one side of the argument have the power to deny or obscure the fact of the conflict (through, for instance, economic or organizational power), then they have, of course, won the argument.

Different participants will have different understandings of practices based on their vantage point and role.[272] Institutions can easily obscure and even annihilate individual human differences, but may do so at high moral and economic costs. Through

268. John Dobson, "Alasdair Macintyre's Aristotelian Business Ethics: A Critique," *Journal of Business Ethics* 86: 1 (April 2009): 45.

269. John Dobson, *Critique*, 46.

270. MacIntyre, *Animals*, 58.

271. Geoff Moore, "On the Implications of The Practice-Institution Distinction: Macintyre and The Application of Modern Virtue Ethics to Business," *Business Ethics Quarterly* 12 no. 1 (January 2002): 25.

272. MacIntyre, *Reader*, 57.

framing ideologies and methodologies, those in power can determine contested social realities, and "by representing conflict as marginal and manageable by administration," it is made so.[273] The imaginary has been created to benefit the interests of those in power, rather than those who do the work, "But, the managing and owning classes do not have to fight this particular battle over interest and privilege as they might otherwise, because they have already, for the most part, won the battle over how interest and privilege are to be conceptualized and understood."[274] The overweighting of those in the most powerful positions to reduce the voice, agency, and influence of those less endowed with power is one of the main challenges in reforming institutions for the better. In the modern corporation, through increasing specialization, short-term contracting, and increasing automation, we are ensuring would-be architects are put squarely in their place as bricklayers. This is a systems improvement on the measure of machine-like efficiency, but perhaps at an incalculable cost of collective moral incapacitation. Since making this claim about the present state of affairs privileges the CEO excessively, we might be led to conclude superficially that only the CEO class could be conceived as effecting a practice that transforms the whole business system at once. This minimizes the mental complexity of business and so simplifies our ethical agenda because we could look to the ethical judgment of a few great leading persons. However, this would be a lost opportunity based on a false narrative. There are many more moral actors in communities of practice than are generally recognized.

273. MacIntyre, *Reader*, 66.

274. MacIntyre, *Reader*, 55–6.

This section presented a diverse set of resources from Scripture, theology, and philosophy. In so doing it modeled the hope for ethical reasoning which relies on the intersection of different voices and perspectives on a given problem. Deep religious resources can act as cardinal values that can be touchstones in decision making, even in secular spaces where the Scriptural attachment may not be common to the group. Niebuhr's dialogical ethics of responsibility brings a claim about the scope of the system in which we participate and how that calls us to respond as we are continuously acted upon. Our philosophical resources give a perspective on the critical place of durable communities of practice in which we become competent and excellent and prosecute the business of life together.

As a whole, this chapter has named philosophical and religious resources and the value they might hold in corporate contexts. From scripture, I have highlighted foundational ideas like human dignity, freedom and interdependence. These principles may easily port into pluralistic secular environments. From H. Richard Niebuhr, I emphasized his dialogical ethics of responsibility as it brings a claim about the scope of the system in which we participate and how that calls us to understand what is happening and to respond as we are acted upon continually. From Aristotle, I considered the importance of choice, seriousness, practical judgment, and community in his understanding of the virtue. From MacIntyre, I focused on the concept of practices and the critical place of durable communities of practice in which we become competent and excellent at prosecuting the business of life together.

**The Agenda for Exploration, Experimentation, and Formulation**

In concluding this exercise of gathering up resources, we take both method and substance forward into our dialogue with corporate workers about their experience. Methodologically we look for how individuals can use their own religious resources to inform and improve collective moral decision-making and action. Substantively, the notions of individual and universal human dignity, human freedom, and human interdependence undergird a predisposition toward attending to systems that regard the human person (workers and outside stakeholders), engender greater agency, and align goals to the interests of a much broader "we." In taking a theological frame, we have a model for taking stock of the complex of dynamics and tensions in the systems that we might move forward in a progressive way achieving a sense of balance despite a clear-eyed vision of the competing demands on our body. In looking to virtue ethics, we open an alternative to the very narrow utilitarian reasoning often deployed in economic life, focusing on right action rather than fortunate outcome and on the practices and relationships that will give us ongoing insight into what "right" means. I now turn to real-life testimony of corporate workers and leaders through which we will explore values, problems, and practices, and the communities that wrestle with them.

First, it is important to specify the relevant practices of the corporation. Importantly, institution-building is itself an essential practice, according to MacIntyre: "The making and sustaining of forms of human community—and therefore of institutions—itself has all the characteristics of a practice, and of a practice which stands in a peculiarly close relationship to the exercise of the virtues."[275] This present work is ultimately for a circle of institution builders, who are also its long-time inhabitants. Those who build institutions, it should be noted, are often those who have practiced within it. We must not forget the interrelationship of these practices because it represents the reconciling field for practices and the institutions and the relation between internal and external goods (where the interests of the participants respectively predominate). The corporation itself may be virtuous as far as it recognizes that it must sustain the internal goods of practice-nurturance to optimize external goods.[276]

Second, it is helpful to name particular virtues in the corporation. Empirical inquiry among professionals practicing in different domains generated a compelling list of top and necessary virtues in the professions.[277] Here expected candidates from general virtue ethics lead the list: honesty, fairness, kindness, teamwork, perseverance, and practical judgment. From a theoretical perspective, business ethics has been formulated to include: "the four cardinal virtues of temperance,…courage, justice, and prudence (practical wisdom) together with two virtues which MacIntyre[278] identifies – integrity (the consistent application of virtues across practices at a particular point in time) and constancy (the consistent application of the virtues over time) –are those that

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275. MacIntyre, *After Virtue,* 194.

276. Geoff Moore, "On the Implications of The Practice-Institution Distinction: Macintyre and The Application of Modern Virtue Ethics to Business," *Business Ethics Quarterly* 12 no. 1 (January 2002): 30.

277. James Arthur, Stephen R. Earl, Aidan P. Thompson, and Joseph W. Ward, "The Value of Character-Based Judgement in the Professional Domain," *Journal of Business Ethics* 169 (2021): 293–308. https://link.springer.com/article/10.1007/s10551-019-04269-7

278. MacIntyre, *Animals*, 317–18.

are appropriate in a corporate context."[279] The new corporate virtues I would add to the mix must be relational ones, drawing upon friendship notions in both Aristotle and MacIntyre, such as nurturance, attention, and humility. I would look to trust, enduring commitment, and optimism for a future reality in which faith, hope, and love are rendered more freely in the corporate environment. We must consider whether the pursuit of these virtues is valuable to workers in praxis and whether they can reside within the "rational" interests of shareholders.

Third, our conception of practices and the corporate system of virtue demands we understand who is involved in system of knowledge, decision making, and action. Those who cannot participate in a practice-based, vocationally-grounded virtue orientation will not function in a way that serves and protects the interests of the corporate body. For instance, the vertical community (between classes of workers) is one critical community to preserve to inform decision-making with the benefit of practical wisdom. Therefore, we must overcome their exclusion, not for the sake of individual worker well-being or justice (though both are important in their own right), but because their continued alienation is part of the root problem undermining the moral competency of the corporation. How can profound errors of distributional equity be understood without relationships of equal footing with those who have less? If the corporation cannot maintain those relationships internally, then how would it possibly do so externally?

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279. Geoff Moore, "Corporate Character, Corporate Virtues," *Business Ethics: A European Review* 24 Supplement (August 2015): S105.

Thus, we need to practice asking: What are the conditions in the background, the structure, and the professional practices, which suggest, lure, nudge, and enable individual workers to make competent, courageous, and even heroic choices? We must consider what counts as a practice in the corporate context. Are there jobs that lack practices, or do they just seem to do so from an outside perspective, or from more privileged positions looking downward? As a thought experiment, let us consider a reverse Turing test. An activity whose maker (human or machine) we cannot identify, cannot be one involving practices of the sort that MacIntyre requires as a context for virtue. How many of our corporate jobs would pass this test? Through our study and discussion we will return to the question of specific practices and their relation to vocation and communities, with special attention to their absence or fuzziness. The mechanics of individual virtue expression and formation and collective moral metabolism are of special applied interest.

Importantly, institution-building is itself an essential practice, according to MacIntyre: "The making and sustaining of forms of human community—and therefore of institutions—itself has all the characteristics of a practice, and of a practice which stands in a peculiarly close relationship to the exercise of the virtues.[280] Institutions are necessary for the perpetuation of communities of practice even as the institutional forms can be at odds with the goods sought by those communities. Institutions both offer an opportune space for the cultivation of virtues and mitigate against them through a relentless insistence on the delivery of external goods. Conversely the individual virtues allow for flourishing within communities of practice conveyed

280. MacIntyre, *After Virtue*, 194.

through time by institutional forms and allow for resistance of the corrupting effects of those same institutions. This present work is ultimately for a circle of institution builders, who are also its long-time committed inhabitants, and who are mindful of the paradox of purpose they entail. Those who can best build institutions are often those who have practiced best within them. We must not forget the relationships of these participants because they structure reconciling fields for practices and institutions through the interplay between internal and external goods, where the participants' virtues and interests respectively predominate. The virtuous corporation recognizes that it must sustain the internal goods of doing business as a moral practice in order to optimize the external goods of its profitability and power in the marketplace.[281]

The linkage between virtue and business interests was a central focus of our empirical explorations, the highlights of which are upcoming in Chapter 4. Relational capacity may translate into a competitive advantage through enhanced market knowledge, avoidance of liability, and a return to longer-term commercial relationships. Those with power in the corporation continually need to reassess who should be included in circles of practice for them to be most effective. Our corporate systems of thought and action must include more people. In our theoretical work, public theological conversations, and worker interviews, we ask: "Who can and must be included in circles of practice and virtues in action to achieve a transformation of corporate behavior and outcomes?" We now turn to weighing and answering that question.

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281. Moore, *Distinction*, 30.

# CHAPTER IV: Lived Experience of Corporate Workers

## A Story of Relationships: "Don't Be a Rat Bastard"

It was the early days before the launch of a strategic alliance between two large pharmaceutical corporations to sell a medication for a disease that had never before had a meaningful treatment. On paper, the deal was worth billions of dollars and would be a first-of-its-kind collaboration. Corporate leaders had brought together representatives from every company's functional area to discuss how they would work together in the decade or more to come. It was good business luck to be in that room; working on a high potential new drug launch was always the most rewarding season of the work, no matter the department. The leaders of the meeting had already taken careful note of everything written in the contracts, which had taken more than a year to negotiate. They'd spent endless hours mapping formal protocols and procedures, filling out organization charts. And then the team got together to make a more detailed list of the "rules of the dance," the operating principles by which the two companies, inhabiting the illusion of being one, would conduct business in-house and with customers, and facing the public.

People had good suggestions about diligence, timeliness, forthrightness, honesty, and many other simple business virtues about which there could be little disagreement. These were all recorded on the flip charts lining the room. Then one woman, who had been in the business for a long time, said it aloud. She named the kind of rule you knew deep in your heart but would usually only name when the bosses weren't around, or among friends, maybe at the pub after work. And the room erupted in joyful cheers because that was exactly it, and everyone knew it, the most important moral rule above or behind all the others, the one that didn't ever appear in an employee handbook. It was written on its own flip chart in Big Red Letters: "Don't Be A Rat Bastard."

"Rat bastard" could mean a lot of things (none of them good). Still, it surely referred to someone who, though they might comply with the rules explicit in the corporation, was not somebody with whom anyone wanted to work because they ignored the codes of real working relationships among people who did this as a profession, a vocation, a living—and most planned to do so for the rest of their working lives. It also probably meant that they failed to import the higher human standards to which they undoubtedly held themselves in other settings (perhaps the unspoken codes in force at church, home, or at their kid's Cub Scout troop meeting). The term referred to someone untrustworthy. Embedded in "not-being-a-rat-bastard" was an ineffable, yet indispensable, set of moral boundaries and practices understood by workers (*qua* workers, and *qua* human beings) that would make the real project go, in furtherance of the corporation and its material objectives, and sometimes, paradoxically, despite them. Everyone intuited that the meaning of "rat bastard" was a sign of a hidden defect in the corporation, the pervasiveness of work absent a necessary dignity for the collective good.

No doubt, every professional team needs to find some serviceable moral center in a set of rules and norms that have a relationship to but are not identical to the standards of the institutional or societal surround. However, not every institution creates spaces that allow the tacit measures of worker virtue to break through into explicit institutional norming and to let people develop relationships and enact practices, and make real choices against that backdrop. How uncommon it is to name aloud the rules of social virtue in formal institutional settings. More broadly, how rare it is to have the liberty to pursue personal virtue in durable social communities within institutions. What does it take in the background of that occasion to make that possible?

If we were freed to name the necessity of virtue in our interdependent vocational lives, stating plainly what we need from each other and then embodying those values in action as we trust those around us to do the same, we might be on the road to transformation. What spaces, resources, or permission would we need to have such formative conversations regularly? How might the American corporation, and life within it, be transformed for the better if this way of working were the status quo, and how do we get there? What if those in the room then made efforts to make a connection to those not in the room in person but present in interest? How could relationships with the larger "we" disrupt, redirect, and invigorate the work of a group of pharmaceutical workers in an era when trust of the pharma corporations is at a despairing low? How might American society, and life within it, be transformed for the better if this way of working were the status quo, and how do we get there?

How to be a good worker (one who is effective at the prescribed ends of the role) and live a life of personal virtue through one's job (or profession, or even vocation) in the corporate world is central to our investigation. Our field research began with an inherent belief and bias that people care about their work and are inclined to seek excellence and avoid causing harm when given the requisite room and tools to do so. Along with this optimistic conviction, we accept the reality that people also struggle within the limiting frame of institutions to achieve that sort of excellence.

We hypothesize that corporations should be interested in employing and then shaping people who are both good at their jobs and *good*, more generally. The corporation stands to benefit by cultivating people who have a moral sensibility about them that equips them to respond to uncertainty. Ethically-robust decision-making can often propel the business forward in the right and profitable direction and almost always helps to avoid perilous pathways. Confidence in the long-run benefits of ethical business takes something like faith. Certainty in the nearer-term costs of ethical failure requires only careful attention and good memory of how the market can harshly penalize such failure.

Learning how institutions actually work so that they can liberate and empower employees and deliver dual goods is essential. Wisdom of how systems work (and fail to work) means learning from those who live and work with them. We labor then, if we're lucky, with the benefit of what experience has taught us coupled with where our better aspirations have led us. We can take our experiences and those shared with us through story and example and work to adapt our conduct and our organizations to our environment and to achieve better manifold ends (e.g., financial, social, and ecological). Most important, when we weave those experiences into stories, they yield meanings and morals, sometimes recognized but often remaining as subconscious operatives in our working existence. The process of meaning-making and story-weaving can be solitary. It can also be a collaborative project if we intentionally make it one as a common practice. When it is the latter, we can form a relational system that reflects, learns, strives, and rises to become better. And so, we turn to workplace stories and testimonials to see what light they may shine on the questions of business ethics we have taken up so far. In the following chapter, longer-form stories are interwoven with shorter insights clustered by areas derived from field research.

**Field Research: Purpose and Design**

The purpose of the field research was to gain the benefit of the lived experience of workers within institutions, learning about the sorts of moral challenges they faced, how they identified them, what tools they relied upon to solve them, and how the relationships and practices available to them in their role helped or hindered that work. We used two key methods in field research: Public information gathering and one-on-one interviews. Interviews were conducted (by electronic media, on the Zoom videoconferencing platform) with individual experts at the managerial and executive levels who work in different corporate areas in various industries. These interviews explored how individuals and their organizations identify and resolve moral challenges in their business. The goal was to have a broad practical perspective based on human experience in different settings, not to have a new theory bred merely from the hybridization of the old theories, but in meaningful response to real human struggle and need. Candidate workers for our field study were employed in a range of industries, including those in the consumer, healthcare, energy, financial, and technology sectors. The characteristics shared by these companies were four-fold: (1) Corporate structure, complexity, and scale—for all entities are public corporations and have complexity created by size, geographic dispersion, worker diversity, and layered organizations; (2) evident moral challenges confronted in recent years with significant challenges brought by stakeholder groups; entrenched internal professional communities with well-developed norms; and finally, a means of approach for study participation. Experts participating were volunteers who responded to invitations presented via professional societies and professional electronic networks. Each subject was provided with a verbal description of the study and their rights and affirmed their consent to participation.

The selected conversations included twenty-two informants in individual conversations ranging from forty-five to ninety minutes. Most participants were very eager to keep those conversations going with stories at the end of the planned session time. Individuals' readiness to name the moral problems faced in their professional life was striking, as was people's ability generally to tell three stories without struggle about ethical conflicts they navigated. It was clear that people carried these with them, with a mix of appreciation, celebration, trauma, and, when enough time had passed, humor. Our group included people at differing levels of the organization, from middle manager to CEO. Most of these people reflected on experiences of being the layer right beneath the CEO. Most of our respondents had decades of experience in their industries. Some were at the peak of their career, and some had retired after long careers. Their training included law degrees, MBAs, and a good number of science PhDs. Most were enthusiastic about their work and companies and energized about their ongoing job or their next role. A few were in other places. One worker in middle management had resigned the week of our interview due to internal politics, poor recognition, and discriminatory treatment. One retired, successful C-level executive talked about looking for new project after new project with no desired conclusion ever. Another in the same stage and economically-privileged situation looked mystified at the suggestion that he would miss work and ever want to return even as he told stories casting it in the fondest light from his home on the Florida coast.

We had folks bring their non-work identities into our conversations. So for example we had many moms and dads in the group who talked about family and how work was connected to it for good and for ill, people who had immigrated to the US from other countries who found opportunity and dissonance with their core values, deeply religious “believers” and atheists, millennials, Gen X’ers, many Baby Boomers, and at least one member of the “Greatest Generation.” We had broad socioeconomic representation from millionaires many times over to those now living in economically precarious situations. However, most were likely in the top 10 percent approximately of the American wealth distribution. Significantly absent from our interviewing mix were blue-collar workers in these corporations. The reasons for this relate to both design features and practical realities. First, by design, we set out to explore the moral decision-making apparatus, so we focused on those jobs where formal power and explicit authority tended to be allocated within the institutions. From a recruitment standpoint, the use of professional networks on virtual platforms introduced a strong skew toward white-collar professionals. Entangled with this, more problematically, is that one of the phenomena we were studying was how jobs are created and conditioned such that they have more or less agency. The absence of blue-collar workers misses hearing that first-hand testimony and is a serious limitation of the present study. Indeed, as the theme of inclusion in voices heard is an important one in this dissertation, this could be a valuable piece of the puzzle and perhaps an opportunity for a companion work in the future. For now, in this work our focus is on how people at the middle and top make decisions that affect life within the corporations and how these kinds of decisions may affect people not in those positions, inside of and outside of corporate walls.

Our conversations were guided by a set of questions oriented toward our hypotheses around the corporation's moral metabolism and what being as "good" as possible looks like for them in their context. Each interview began with questions locating the worker's experience, job, title, role, and company, as well as the conception of their profession or vocation and its most important practices, goods, and communities. We explored their knowing and responding to moral hazards, inviting them to name the top ethical issues they've encountered and the ones where they had the most influence. The process for moral decision-making and action was core to our conversations, including the groups that discern and decide together, the sources that inform their deliberation, and the places where "outside" voices rise. We looked to locate where discourse, dissent, and adjudication of moral conflicts take place. Broader cultural themes included reflection on the environment of trust and encouragement to bring forward values, insight, and wisdom that could positively transform the company.

Clifford Geertz, the sociologist and ethnographer, taught us that we must know people to understand people, and suggested that we can know them by paying careful attention to their individual stories. The underlying spirit of these conversations was derived from a Geertzian striving for "thick description" of the vocational lifeworld of the individuals,[282] the challenges and experiences that stand out for them, and the things they have in common with one another as they wrestle with similar and different moral questions and arrive at different conclusions.

282. Clifford Geertz, *The Interpretation of Cultures: Selected Essays* (New York: Basic Books, 1973).

## Moral Cases and Conflicts Highlighted by Industry

The top moral challenges had remarkable consistency in character across roles and industries. Major business decision-making frequently has a profound impact on the business, and on the families and communities that depend upon them. Conflicts between business opportunities for top-line growth or cost savings and societal welfare were not ever very distant from most informants' decision-making processes.

**From the Education Industry.** Making decisions that affect the workers and impact livelihoods was critical to many leaders. One executive of an international for-profit education business reflected on decisions that affected individuals and communities in negative ways but that offered such strong financial incentives for the company that the course of action was unquestioned. He explained: "We bought [a company] in Brazil. Yeah, absolutely right decision. I believe tens of executives were let go…we don't need two CFOs. You don't need two treasurers. You don't need two…and people get impacted inside and out."[283] They certainly thought of human impact, but the priority of the financial logic was clear and compelling to the organization. Externally, large groups of often vulnerable customer groups can be affected by single business decisions—and in many of these cases for our respondents that fact could not outweigh the direct cost-benefit analysis to the company. This private education executive offered this contrasting case:

> "We had an option to acquire the assets of Corinthian Colleges…one of the first for-profit colleges to go out of business…after the crackdown from the Department of Education…. The reason we wanted to do this deal is really getting 25,000 students and just say, "okay…You go automatically to this program. All

283. Personal interview with Worker Subject #1, January 26, 2021.

> your credits transfer. You continue on track." That's more social benefit than anything else…One of the undersecretaries of Department of Education asked us to look into that…The way I see it, this is way more important than the maybe $10 million NPV [Net Present Financial Value] would [be] in a company of two-and-a-half billion."

He gave an excellent example of how this broader context then influenced the decision-making given the latitude of judgment in performing seemingly technical financial analytic practices: "Look, I ran the numbers, and I stretched them…I tortured the numbers until they confessed." In this instance, non-monetary impact tipped the scales of corporate decision making. "So, it was not a material deal. It was going to be a gigantic distraction. It was the right thing to do, right? This was absolutely approved by all our management, board, etcetera. We were all in to do it." But then it was blocked by the attorneys general.[284]

The practices of financial investing, for instance, comprise more than the concrete techniques of financial analysis and execution. They also include a practical judgment regarding the impact of the practice on those who are party to it in the broader system and the business's tolerance for meeting non-financial goals. The idea of moral influence at the margins of business decision-making is crucial because it is not the rare investment decision that is within a wide margin of error or on the margin of acceptable returns. Many choices can turn by virtue of a moral thumb on the scale by practitioners with an awareness and sense of the value of the various goods at stake.

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284. Personal interview with Worker Subject #1, January 26, 202.

In offering another example in the industry, he provided the problematic decision of exiting an unprofitable business in K-12 education that performed a socially essential function:

> "Now, the minute I put that operation for sale, I knew for a fact that all those students that are in connect…in advanced academics for a reason, and most of them are either children that were bullied in school and decide to go online to avoid it…parents who figured out they cannot homeschool and decided to…use our services as basically an aid."[285]

In this case, the numbers would not comply with preserving a social good. Such is the mix reported by many of our respondents. Not everything is possible when serving varied stakeholders' competing interests, with some having the most power. But seeing that difficult work of balancing is possible inspires hope.

**From the Consumer-Packaged Goods Industry.** Another compelling moral problem was the example of public health and packaged snack foods and beverages beginning in the early 2000s. It was distinctive because of the number of people in society affected and because of how central to the companies' core business the snack foods and beverages component was. One C-suite executive told the story:

> "At the time… there was correctly a growing concern about childhood obesity on the role of foods and beverages in that… The public health community started really beating the drum, and they were following tobacco. You know, it came out of like the World Health Organization, so a group of activists pioneered the idea that obesity is the next step in terms of public health concerns globally. We should follow the playbook of tobacco…We should look into whether companies are willfully hurting the public…. So, a bunch of activists became pretty effective at drawing attention to that issue. One of them was…at Yale, and another one was at NYU, a guy who worked at Michael Jacobson Center for Science in the Public

285. Personal interview with Worker Subject #1, January 26, 2021.

> Interest…The place they started was with the soda companies because of the amount of soda consumption and sugar."[286]

This case demonstrates effective learning from across industry lines and clear seeing of market threats coming. More than that, it recognizes a market shift as an opportunity rather than a threat: "We had been developing a lot of healthier products not because felt under threat, but because we felt there was a consumer demand that we could capture."[287] The primary driver in the story was really commercial competitive pressure, to a position in the market (as the forever #2 cola producer) effectively against the market leader because winning without a different proposition and value offering had proven unlikely. This leader credited the activist community for triggering the market transformation, more than the consumer community, saying: "I don't think it became a kind of an urgent shareholder value question, until..the activist community started really pushing."[288] This case offers another good example of how the confluence of market forces, aligned through attention and conversation, created change in a zone of common interest.

The more extraordinary part of the case was how external alliances with these seemingly hostile market actors became an opportunity to service customers' needs that the customers themselves couldn't articulate, and all the while increasing long-run economic returns. The respondents tells the story:

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286. Personal interview with Worker Subject #7, February 4, 2021.

287. Personal interview with Worker Subject #11, February 4, 2021.

288. Personal interview with Worker Subject #11, February 4, 2021.

> "So…what we did, because our portfolios span to all kinds of things. I went out and talked to a bunch of activists, but then we also decided we were going to get together an internal advisory board. We called it our blue-ribbon panel on health and wellness… And so, we got people like David Kessler to participate. …We got a bunch of nutritionists. We got Dean Ornish…and we said to them, 'We're not asking you to endorse anything we do. We're not asking you to be a show. What we want to know is what we should be paying attention to before we hear about it elsewhere, so we can have a chance to respond.' …They were all a little bit apprehensive about it, [and asked] 'Are these people for real?'"[289]

It is possible to reset the ground rules for relationships between companies and their stakeholder. In this case, a seemingly naturally adversarial one was transformed by naming explicitly different expectations for the relationship and creating a safe space for opinions to be aired and collaborations to be public. The corporation undoubtedly took from the insights offered what aligned with their business interests (even a competitive advantage) and perhaps left the rest. But here is the key: the discovery of common ground can avoid a deadweight welfare loss. In this case, finding such a key overcame a market inefficiency that was only masquerading as a moral hazard and reframing the rules of engagement between the corporations' leadership and some of its external stakeholders.

Our snack food company leader described how he followed up on what experts outside the company told him about the primary threat to public health posed by trans-fats: "I went back and talked to my nutritionist…and I said, 'Tell me about trans fats.' He told me how they were actually more dangerous than saturated fats and a real problem there. And I said, 'Then why haven't we heard of those?' Right? …And the answer was, 'Because we didn't think anyone would listen.'"[290] Often answers to problems are

289. Personal interview with Worker Subject #11, February 4, 2021.

290. Personal interview with Worker Subject #11, February 4, 2021.

resident in the corporation but not well accessed. Complicated systems and mechanisms for knowledge management aside, sometimes discovering what the corporate “we” know depends upon the definition of “we” or the reaching out to different parts of the corporation and then giving invitation and permission to offer insight. Sometimes it is as simple as asking the right question. In this case, the company subconsciously “knew” of a moral problem (meaning employees below the executive level knew it well) but had not processed it in a way that was usable to transform knowledge into action. Again, this is a real-life example of a metabolic deficiency that was easily solved through practices of curious inquiry and a posture of neutrality to receiving disruptive news.

Action in the face of compelling evidence is, though seemingly obvious and often challenging, an essential standard for decisive ethical action. Along with competitive advantage, this company’s pre-emptive exit from trans-fats across its entire product line was a win with a high upfront cost and significant returns: “Year one, it cost us $57 million to do it. But we bit the bullet because we became convinced that the facts were the facts, and it was, it was a severe brand risk. Then, you know, in the next, in the decade that followed, trans-fats eventually got banned…and we were the first out.”[291] There was a knock-on effect to others in the market, unexpectedly: “I remember when I had, at one point, the Girl Scouts came to me, and they said, you know, ‘You’re really putting a problem on us because all of our cookies have trans fats and we don’t think we can make the cookies without trans fats.’ And so, I gave them the name of our foods technologists and said, “You can do those.”

291. Personal interview with Worker Subject #11, February 4, 2021.

This example shows that such market leadership at the top of the market can bring even the smaller players along if they are in (legal) conversation or pay careful attention to competitive leadership signals conveyed in the marketplace. If there is a fundamental business virtue in speaking the truth, there is a companion virtue in recognizing the facts as a neutral reality prior to the imposition of business interests and the subjective interpretation they inescapably carry. One of the practices to which many respondents returned as a necessity of doing profitable and ethically advantaged business is setting up systems such that factual information absent biased filtering arrives at the decision-making nexus.

**From the Pharmaceutical/Biotechnology Industries.** The pharmaceutical industry's refractory moral problems are front and center to both the leadership and the functional teams, as a number of our participants confirmed. A central question in this technology-dependent industry is whether the intellectual property in a project can support enough of a proprietary window to pay back lengthy R&D investment and whether the population suffering from a disease can pay enough to offset its development costs. One classic example regards the disincentives to invention when the commercial opportunity is limited to only low-payer capacity markets.[292] Even among those doing the most cutting-edge medical science for under-treated diseases had the vulnerability of the populations they sought to help and who they needed in an instrumental way to make that (and its related business) possible:

> “We were developing in that role, new medicines, potential medicines, for patients with [a] rare, severe, life-threatening disease.... We were asking them to participate in clinical research... and we had to tell them, "You may or may not

292. Personal interview with Worker Subject #2, February 1, 2021.

> get our product. We're going to give you something. It could be a placebo that may not help you at all, or it could be our product, which might help you or might harm you." And so those are profound, people-affecting, ethical kinds of decisions."[293]

The relationship to this group of people, research subjects, and future customers is unavoidably fraught with conflicting interests.

The moral tension is especially acute in the biotech company looking to move from development stage to commercial stage for the possibility of dramatic economic returns: "The motive is to do your best to get the product approved, and to get on the market, and sell it to people, and make money [from] it. It's what you're there for as a company…But it's really [about] leveraging the lives of real people, who may or may not benefit, who may suffer adverse consequences because of what you've done."[294] Conversely, products that start to shape up in a way that substantially misses a commercially attractive profile, one that meets a bar for investment returns determined by the capital markets, could be abandoned when it might have benefited a few (whether that's a small benefit for many or a more considerable benefit for smaller subpopulations).

Simply knowing moral problems, such as a potential adverse impact, doesn't necessarily override the basic economic laws and pressures of business but can make a decisive difference at the margin. Notable in the education industry case is the keen awareness of the social impacts of the decision. A respondent cited a corporate culture

293. Personal interview with Worker Subject #21, January 26, 2021.

294. Personal interview with Worker Subject #21, January 26, 2021.

of “robust discussions” on moral issues, and workers could feel confident that “everything was up for discussion all the time. So, if someone had a moral problem, you could raise that in the…senior leadership team.”[295] This however was not the culture in all of the companies where we had informants.

There are moral problems that defy easy solutions in so far as they pit the internal goods, such as the practice of medicine, against the external good, say the sale of pills. One Chief Counsel in the Life Sciences industry describes the case well. He explains:

> “Anti-infectives would be another gray area, you know, where a lot of companies would decide to get out of the anti-infective business, which is… tragic in many respects. …If you develop a great anti-infective in the pharmaceutical space, …the infectious disease professionals…will keep it locked up so that we do not develop resistant infections”

saving it for specialized use, allowing its mainstream adoption (for clinical management reasons) later when the proprietariness afforded by patent protection may be short-lived. The clinical benefits to society and economic benefits to the inventor are not always neatly aligned. It should not give us confidence that the pursuit of economic success will always lead to a beneficial outcome.

There are also moments of collective moral heroism, the COVID crisis providing one top-of-mind example:

> “The most powerful example against that would be the significant resources that have been poured into COVID vaccines, with a full understanding that there were 20 or 30 players running after the same thing and that many, if not all of them,

295. Personal interview with Worker Subject #1, January 26, 2021.

> would succeed. Vaccines are… notoriously non-profitable…and yet, you see massive investment being poured after that for… human good."[296]

**From the Student Loan Industry**. One CEO in the student loan industry reflected on trying to bring right transformation to the students, amidst the moral problems created by the well-intentioned programs combined with many forms of opportunism by market participants:

> Had [lending] kept up with the cost, undergraduate students would be incurring seven, eight, $900,000 worth of debt. It's just mind-bogglingly distorted. So dealing with that particular tension is really what drove our company and what encouraged us to begin to look at finding ways in which we could provide better services…which would make the program efficient, make the servicing honest and decent, but keep the structure of the debt in such a way that it was financeable and payable….access and affordability issues that were constantly at the hub of our ethical decisions.[297]

An immediate moral hazard for borrowers regarded the use of funds: "Well, there's a disconnect there that creates immense problems, and did throughout the industry. The euphemism in the business used to be called the red Corvette problem because there was a show that was run on 60 Minutes once, which showed somebody getting a student loan and going out and buying a red Corvette with it.[298] However, that turned out to be the least of the industry's problems. An unintended effect of creating a debt market is that it enables the sellers to raise prices. Once people can borrow, there are ready lenders, and you can sell a bit more expensive car. Two people entered the business and started selling, saying, "Well, if there's financing for cars, I can make a car," and then

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296. Personal interview with Worker Subject #2, February 1, 2021.

297. Personal interview with Worker Subject #7, February 4, 2021.

298. Personal interview with Worker Subject #7, February 4, 2021.

they sell you a (probably) junkie car. The for-profit education industry ballooned after the expansion of the student loan programs, and that's one of the things that kids bought. They no longer used the money to go to the University of Texas and become a Congressman or a lawyer. They went to Phoenix University, and their professional outcomes failed to offer a meaningful return on their investment. Yet, they borrowed $100,000 (likely more than they would have for the state school). Finally, families themselves responded by saving less for their kids' education.

**From the Information Technology Industry.** One technology services company executive ruminated on the challenges shared by Facebook and Twitter as a platform for the success of other organizations: "So we're empowering two organizations with completely opposing ideological philosophies to change the world and make the world a better place. Do we serve as an arbiter, similar to how we've seen Twitter, Facebook, and other entities emerge in the political realm, to say, "What does going too far mean across the spectrum of lines of free speech?" I believe that our company has taken a very neutral stand."[299] The subject expressed a sense of the tenuousness of that moral position as he recalled other larger companies who had tried to take shelter behind that claim. (Facebook remains the paradigmatic case). However, the solution was not yet obvious for this emerging company.

**Takeaways across Industries.** No one in our conversations took the position that corporations, theirs or others in their industry, were amoral actors, not concerned with ethical implications outside of financial results. Since this concept was raised

299. Personal interview with Worker Subject #20, February 3, 2021.

frequently in our public conversations, it's powerful to note that difference. However, there is a vast and mostly uncontrollable cascade of market events happening in the system around the corporate leader. Doing "good" business takes place in dynamic systems, with unanticipated reactions by good and bad actors in different segments of the system. The slow-motion student loan crisis shows the limitations of good intentions and seemingly righteous action and the need for more connectivity and consideration of the entire network.

Corporations still have some luxury not to be pure wealth-generating machines. In contrast, the investment banker or hedge fund manager has less freedom not to generate and deliver measurable short-term transactional results, continuously. The corporation has to integrate many competing interests and exercise judgment which incorporates qualitative factors. Nonetheless, a moral dilemma is continuously set up, not just in theory but in practice, between the fiduciary duty to shareholders and the moral duty to stakeholders. Living with this exposure means living consciously with a limitation on the pursuit of purely social goods. The central norm of motivation in the company is an essential cultural feature. Different motivations predominate in an organization—places where people are powerfully reward-motivated, and places that are substantially motivated for "good works," and places where people are motivated by a daily fear of the repercussions of non-performance, are among the evident options.

**Worker Relationships and Shared Knowledge**

Inside the corporation, the separations among those who are collaborating to deliver a product to the outside world or an impact for various external stakeholders need to be overcome and more durable linkages created: "If there's an issue with a customer and there's a thread that goes through support, to engineering, to services, to collections and finance, I would walk the thread through and get to know everybody along the way and try to understand what happened and why because I'm driven..."[300] One of the great critiques since the Industrial Revolution shifts is that due to this sort of efficiency-oriented specialization in business, nobody is remaining who understands that thread holistically. With that absence, moral problems could go undetected, regardless of honorable intent.

**Worker Connections Shape the Quality of Practices.** Successful companies perhaps rebuild first the circle of the team whose combined activity delivers value to a customer. Strikingly, so many describe it as an elective process of connecting and understanding what is central to the coordinated quality of output and the ability to respond not only technically but also morally to questions that arise. The dismal alternative is a more disintegrative and demotivating one: "As soon as a group, a department, a leader takes the perspective, 'I am just here to sell this thing, I am just here to build this thing, I am just here to market this thing,' they stop caring about what the other groups are doing, and that really is what I think impacts overall morale and vision and the ability for the business to deliver to its core value and mission."[301]

**Well positioned individuals can single-handedly influence the ethical climate.** Individuals can be powerfully persuasive in setting the tone for ethical

300. Personal interview with Worker Subject #20, February 3, 2021.

301. Personal interview with Worker Subject #20, February 3, 2021.

decision-making in a corporation when they are well positioned and recognized. As one executive put it, "There are some people that are always the moral compasses organization. In our case, it was the head of regulatory. [S]he was a former school teacher. She had that attitude that she always… she was a community organizer in Chicago in the '70s." Carrying exceptional credibility, he continued because she worked at that time with President-to-be Barack Obama. When she spoke of potential harm to Chicago public school children, more senior leaders in the company took note. Keepers of the corporate conscience (those perceived to have "moral weight") are essential players whose existence should be considered a best practice. In another industry, it was our respondents themselves that had that role: "Some people call me the conscience of my company. I've been called that directly because I will call it out when I see it. And it's also by the way it impacted me negatively, and it has hurt my career to become known as that because I refuse not to speak out under certain conditions."[302] Being the dissenting moral voice is possible and potentially powerful but does not necessarily come without personal cost.

As there are moral voices with extraordinary weight on matters impacting outside stakeholder also there can be voices for the workers, "So often the head of Human Resources kind of plays that human element role where you would think feelings and ethics and morals and things like that are part of people, not part of technology."[303] This is effective only to a point, as our same respondent observed that the impact was "many times, not so much. I think either because the organization says, 'Yes, I hear you. Be

302. Personal interview with Worker Subject #20, February 3, 2021.

303. Personal interview with Worker Subject #21, January 26, 2021.

quiet now'…or there's not a strong leader who can take those feelings up to a conflict point" (W#21). The willingness not only to let "negative information" and "negative feelings" surface in corporate decision-making and life but to have actual professional conflict take place are pre-requisites to coming to better moral solutions. Aversion to bad news and conflict means avoiding certain kinds of "problems" at the future cost of taking on another more severe set of troubles.

**Fear of Knowledge Impairs Moral Decision Making.** There may be a natural disincentive to voice problems if you're not going to do anything about a problem, but effective leaders are unafraid to know their problems. Confidence in being able to bear the costs of being a trouble maker is an evident virtue as one executive shared on speaking up about a moral hazard, "once that I raised my voice and someone in my team went around me to the… to my boss, to basically say that I'm a bleeding heart. What the hell am I doing there." In the end, though, he points out that a former investment banker was fired, and he, the corporate worker, remained on.[304]

**Information timing matters, as does the ability to discriminate between signal and noise in the data.** The full nature of a problem is rarely clear at the time a corporate leaders is required to take decisive action: "There are always tough calls to be made when you're seeking to understand the nature of a problem…problems don't reveal themselves in full at the beginning…the moral dilemma there is that… many problems which are revealed partially …could not be a problem at all, while others could

304. Personal interview with Worker Subject #1, January 26, 2021.

be…just the tip of the iceberg."[305] In talking about good decision-making practice, one executive recognizes the relationship between accessing early information and having the opportunity to make meaningful ethical decisions at the outset:

> "They were very intentional about sitting down with the frontline managers to find out exactly what's really going in the field level. What are our customers telling us about our products? How they're working, how they're not working, how our messaging is working, how it's not working… so what does that do? It helps an organization to, first of all, deal with the problems they need to before they need to…it's not a disaster at the time it gets identified. It's something that just needs to be dealt with."[306]

A proactive stance to knowing problems does, in one sense, result in the company consciously "having" more problems. At the same time, and more realistically, it can give the company more time to react, and more capacity pre-emptively to solve the smaller problem. There is an element of courage in being willing to see difficulties for what they are and to communicate that fearlessness as part of the cultural system of the corporation. By contrast, curiosity and thoroughness are not *always* recognized as virtues, for instance, when slowing achievement down or discovering latent moral problems:

> "I've heard it said time and again…If you're in the middle of a transaction, you don't dig a hole in the ground unless you know what you're going to do with the information, as it relates to environmental issues, for instance. Don't just go around poking holes in the ground…We don't want to disturb what's undisturbed right now…by definition, it's contained right now, let's just keep it contained."[307]

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305. Personal interview with Worker Subject #2, February 1, 2021.

306. Personal interview with Worker Subject #2, February 1, 2021.

307. Personal interview with Worker Subject #2, February 1, 2021.

There is an ongoing tension between the risk of not knowing and the risk and costs of knowing.

**Varied overlapping circles of practice need to be identified and maintained.** The coordination of looking at this array of information continuously flowing in and deciding when you have a problem is nearly overwhelming. It takes a collective mind to be able to process the information using disparate expertise, and it must be accomplished in real time, very quickly. As our informant observed: "It's very easy as a leader to sit in a room and say, "If you have something to say, say it right now. I want to hear it." It is much harder for that leader to go back to that person who sat in the corner who didn't say anything and say, "Look, I sensed that you had something to say, and I want to hear it." Looking just at formal systems in these cases of group consultation, it can be a very procedural and very performatively inclusionary, checking off departmental boxes. The leadership practice which changes the decision paradigm is the willingness really to hear different unfiltered perspectives across the team. This requires asking and hearing in varied ways and with an attunement that the corporate tradition might not suggest.

Critical circles of information sharing, standard keeping, and consultation exist outside the individual firm and even the specific industry. These circles, to the extent that they are prevalent among some of the highest-paid knowledge and "decision" workers, could be especially relevant to ethical decision-making. One Vice President of Strategy and Corporate Development, who characterized himself in the vocation of "Corporate Strategist," talked about the circles that gave them support and insight into the practices inherent to their role: "Primarily former management consultants and former, to some extent, investment bankers.” For this leader, their career beginning in management consulting at McKinsey seemed the anchoring frame for what came subsequently in terms of both practices and the people to whom they remained accountable. Another leader confessed the importance of social networks of leaders who he didn’t need to know or interact with personally:

> “I find that social media is a reasonably strong influencer of my thought process in this regard because I connect through social media channels, Twitter and the like, and follow strong voices in the biotech industry, who often speak about things that are happening and make judgments about companies.”[308]

Management consulting at its top level is a bridging force in the industry and a conduit for knowledge transfer, for both good and ill. One of our respondents, having moved around within and between sectors, nonetheless experienced the professional circle of these folks as anchoring: “I kept in touch with them, and I could pick their brains if I had a problem…” as well as with the ones they now hire.[309] The picture of interconnected professional services networks is essential–law firms, investment banks, and management consultancies all staffed with people of “like mind” which operate from transaction to transaction, firm to firm, in well-choreographed and oft-rehearsed ways, all staffed with individuals with elite educational pedigrees and the set of shared norms that may come with that. Together, all this offers a transmission vector for practices and knowledge transfer among the workers in those circles. For a certain part of business, having to do with shifting boundaries of ownership and core strategy, the bankers, lawyers, and consultants, along with the driver in the corporate seat, are the

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308. Personal interview with Worker Subject #21, January 26, 2021.

309. Personal interview with Worker Subject #1, January 26, 2021.

four legs of the stool for getting anything done. Recognizing this, it becomes clear that they are tremendous resources for cross-pollination of good ideas and strengthening the corporation's capacity, but also a vector for practices conducive to their external goods (either selling the engagement or closing the deal) and farther from the internal goods sought by the practitioners within the corporation proper. The great cloud of advisors, at their worst moments, doesn't augment corporate capacity for thinking. They displace it and potentially contribute to learned helplessness in corporate strategic and moral cognition.

To counter what could be a picture of homogeneity, the executive points out that a different kind of diversity in decision-making circles contributes to ethical decision quality:

> "The banker is looking to get a deal done. The consultant is making sure that this company is going to do the right thing for the company…and they couldn't care less if the deal is done or not. If it's a bad deal, they'll say don't do it…the corporate person has this interest and know, by the way, my career is at risk here. And the lawyer, well, I would say that they charge by the hour; but other than that, I have no idea what their role is. [Laughs] no, they have the very specific role of protection…They're the shield."

But importantly, a shield is not an impediment. He continues: "I want the one-armed lawyer because they cannot say, 'Well, this is what you should do. On the other hand.' An enabling lawyer is one who can say: 'This looks like an interesting deal for the company, and there are problems one, two, and three, and [here's] how we mitigate them.' That's different from… 'well, there are problems one, two, and…Don't do it.'"[310] This reflects the hope for an ethics of compromise and accommodation, seeing

310. Personal interview with Worker Subject #1, January 26, 2021.

possibility rather than limitation, yet meaningfully attending to the boundaries of the law. This points up how difference and integrity can be enabling rather than disabling when cultivated in an environment of inclusion and trust.

The external voices that count vary by industry, but all informants cited the make-or-break value of hearing and integrating those perspectives and of not having insular institutions or practice groups. Connectivity to outer society is a critical success fact reported in many of the industries we studied. For pharmaceuticals:

> "the voice of the regulators—and many of us work with regulators—is a critically important external voice. The regulator will not hear information before the customers do. When you're in the health care field, whether your product works or not, you're going to hear it from the customer…Not just hearing the individual complaints, but also connecting the dots on those complaints is critically important.[311]
>
> The voices of investors are important…[they] can often become aggregators of customer type information, but investors have…multiple needs that they're satisfying… they're often providing feedback in an effort to gain information…special insight.[312]
>
> Your competitors can be an important external voice to listen to. And listening…is not just…taking their phone call…but it's also knowing and understanding how they're operating in the very same markets that you are in… seeing them deliver innovation to the market so that can put yourself in a better position to deliver."[313]

Informal networks within corporations also determine which voices are heard. Individual credibility can count, as can communications between those who speak a common corporate patois. Said one informant, "Even today, I look for those links. I don't have a lot because I don't value most of what people say and do." The norms of

311. Personal interview with Worker Subject #2, February 1, 2021.

312. Personal interview with Worker Subject #2, February 1, 2021.

313. Personal interview with Worker Subject #2, February 1, 2021.

communication about business topics were oriented to allowing for moral ambiguity and commitment ambiguity. One chemical industry scientist put it this way: “I was driven to learn doublespeak; you're driven to learn to be obfuscating in your discussions, right? I've always felt that was a moral affront, and you're just like, "Say the thing!" And most of the world doesn't work like that.”[314] Cultures of doublespeak and cultures of silence eliminate the possibility, of course, for the clear flow of information, which might feed better decisions and produce relationships, that more robustly “wire” the corporate mind. One CEO told the story of working to transform a work team unaccustomed to management talking to them:

> “When I did my first town hall meeting, not a single question was asked. I couldn’t get anyone to ask, to talk… Because they were scared out of their mind. By, I think it was like, the fourth town hall meeting, we went to a park. We had a little history tour of Jerusalem, because most of the employees are in Israel. And then we went to this little area to have lunch and we did Q&A.”[315]

The need for workers to speak clearly and forthrightly must be undergirded by a culture that engages speech practices broadly in the first place.

By contrast, relationships outside of those required for completing the corporation’s tasks are necessary to do the corporate mission well. “When you start talking to people that are not like you, you listen to different voices, and you… [hear] something different … [than your] Facebook group of all your Harvard and Yale friends, and they will tell you everything is hunky-dory, and everybody’s making money, and, “Oh, by the way, I just bought a new Ferrari. ‘Good for you.”[316] The wisdom of the old-

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314. Personal interview with Worker Subject #4, January 30, 2021.

315.Personal interview with Worker Subject #12, February 5, 2021.

316. Personal interview with Worker Subject #1, January 26, 2021.

fashioned company picnic and softball team is revealed and affirmed through this possibility. Even the simple cliché of "management by walking around" was cited by more than one participant as a means to get information flow moving outside of formalized and often dangerously constricted arteries: "The other way is inside the companies when you walk the halls. If you are one of those unapproachable leaders, you are never going to hear anything. But if you are…willing to talk to the assistants and to talk to the mailroom people and…you get a different perspective."[317] Creating opportunities to see and hear a wider circle of workers increases access to knowledge and decision capacity but also transforms from the individual outward as it dignifies the worker. To be seen and heard is a bare minimum for belonging to a human community. Belonging is prelude to functioning as more than an automaton and to produce an enhanced total capacity for the corporation to see and reckon clearly in its choices.

More robust moral networks give an advantage in understanding, choosing, and acting in corporate settings:

> "It's your neighborhood group. It's the volunteer firefighters. It's whatever, whatever you do, right? Your, uh, your scouts' group. …All this… civil society organization if you… Lions, Rotary, whatever, …I don't even know anymore, but… have we ditched a lot of those things to sit behind our keyboard just writing crap to people who think the same thing we do?[318]

The circles that matter might not always be the obvious ones, but instead the ones that meaningfully cross lines of difference to gain an authentic multi-perspectival view of the community. As one of our informants said: "I go play poker with a bunch of people that are not in my social strata and suddenly, I have…people talking…And we're sitting there

317. Personal interview with Worker Subject #1, January 26, 2021.

318. Personal interview with Worker Subject #1, January 26, 2021.

waiting for a hand, and people are talking, and releasing…things that are very different from you, what you're used to hearing."[319] There may even be something like "poker games" inside the corporation—social windows where the interaction of employees outside of role allows disclosure.

**Goal setting determines whether ethical practices are realized.** The "good-enough" product and the "good-enough" company, two more moderate visions suggest that an ethic of reasonableness might be a key to excellence. In pharmaceutical product development, it was expressed this way: "If you weren't able to develop perfect products, was it appropriate to develop a product that was good enough?…If your products didn't achieve the original design, were they still acceptable or do you need to go back?" Does excellence in this business mean setting a higher bar than merely better-than? It's a worthy observation that in human sports, the drive to run the race fastest amidst a given field of competitors has tended to produce faster human speed records over time. Striving for good-enough across the right populations over time comes to be disclosed as a pursuit of human excellence in a fuller (if somewhat slower) sense.

**Figure 5: Coburg Dairy Charleston SC,2020 Corporate slogan of a different era "Better than it has to be" Photo Credit: D.H. Messner**

319. Personal interview with Worker Subject #1, January 26, 2021.

Looking to catastrophic events in another industry offers a study of an ambiguously scaled problem:

> "You could take a situation as happened to Boeing, with the 737 Max, and I'm sure there were people who were watching situations evolve who said, "Is this the beginning of something, or is this just a one-off type of event?" And trying to decipher …which it is and to make decisions. Decisions which have the effect of causing plants to shut down…people being fired because their plant has been shut down because there's been a single incident."

The good-enough product might be a product excruciatingly close to perfection, as in the case of aircraft (and heart valves, automobile brakes, and nuclear power plants. among others). There is an ethical calculus that must be employed in continuously calibrating the meaning of "good enough" as well as taking the measure of each product delivered or service event against that benchmark.

Ethical reasoning in highly-regulated and highly-contracted environments may actually be stifled or stunted since compliance with black letter law is itself such a complex and intense focus: "That there's so much focus on the rules that exist in those constructs, that there is no other room for any other framework around morals or ethics. And hopefully whoever set the rules at the FDA or the SEC or your alliance partner did so with a moral bent in mind, but if they did not, then it does not exist."[320] Corporate participants don't always see themselves as policed or restrained by regulators against business interest. In many cases, as in the financial business, they rely on government regulators to protect and enable their businesses: "I do appreciate the role of regulators in kind of enforcing good practices in the industry."[321] This example is from the financial

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320. Personal interview with Worker Subject #21, January 26, 2021.

321. Personal interview with Worker Subject #19, January 27, 2021.

industry, where this dependency liberates the company from some responsibility :“If somebody is a sanctioned individual, we'll block a payment, right. We have a process for that; if they're a sanctioned company, we do the same thing. Otherwise, it's like fair game.... it's not like we are turning a blind eye. We're not, we're looking for signs of trouble.”[322]

Depending on the company, decisions of significant moral import can be made either in what’s seen as a collective fashion, constituting a “corporate decision,” or through decision making according to the wisdom and idiosyncrasies of a select few. In one example of the latter case in a biotech company:

> “It wasn't the company. Companies don't do things; those individuals did. I often found myself at ethical odds or with a disagreement about how to proceed…ethically, with the motivations of another individual…You put a very small group of those together with a power dynamic, there's somebody in charge who gets to choose.”[323]

Certainly he recognizes there are knowledge and moral resources that are distributed across the more extensive base, that this ganglion is the site where it happens. Not all workers are equal in the social system of the corporation. Of course there are differences in role, level, and reward. There is a powerful class system in corporate life. While there may be numerous classes that could be identified in the institution's deep strata, one is distinguished among all: Those with decision-making authority on make-or-break choices. Said one executive:

> “There was a ruling class, the people in the ‘C-suite’ or people who had a C in their title, and in fact, not even all of them. There’s even a smaller inner circle, of really two to three people, who commonly drove all decisions and set the

322. Personal interview with Worker Subject #19, January 27, 2021.

323. Personal interview with Worker Subject #19, January 27, 2021.

> direction and the ethics for the business, influenced somewhat strongly by other C's around them…Beyond that, just an absolute hard cut-off where everyone else is kind of irrelevant, a worker, a proletarian. They should just all be in gray uniforms; it wouldn't make any real difference."[324]

This phenomenon of increasingly restricted decision-making circles is well recognized by those in the figurative grey uniforms, who adapt and learn to service that hierarchical system and its elites. One mid-level manager talked about her counter adaptation to gain influence within the corporate structure:

> "And because I was in a fortunate position to have enough experience dealing with senior management before, I managed to develop a good-enough relationship with several members in the C-suite that it got to a point where I was a bit of…a "C-level whisperer"…I was the person who kind of called BS…it becomes a very fine line of how much you can push them to accept that things could be better and that they're in a position to do something about it."[325]

It is important to note that this informant offered these words about the possibilities of having influence after having resigned her position, in part because of this company's unwillingness to hear, recognize, or include her, a younger woman of color, in their core strategic processes.

The centralization of decision power can again lead to learned moral helplessness in wide swaths of the larger corporation as they divest themselves of a responsibility they have been led to understand has been assigned elsewhere and above:

> "People assume that the leaders are in charge and have knowledge and experience and morality. And when they make a decree, "We're going to go do this," I think there's often an assumption that, "Well, they must have thought about the moral or ethical implications. They must be trying to do the right thing." And when you have a company that doesn't work that way, it gets to be

324. Personal interview with Worker Subject #21, January 26, 2021.

325. Personal interview with Worker Subject #14, February 1, 2021.

> very toxic very quickly. People lose faith in leadership, and I think the whole enterprise is in trouble."[326]

In corporations, it is clear that some people may have less agency, less influence on the larger decisions. In light of this fact, people may abdicate whatever agency they've been granted because it's easier (and more directly incentivized) to focus on their deliverables rather than the larger questions of implication for stakeholders outside the corporate system. Jobs that are embedded within recognized formal professions have a certain higher level of agency to them. To be a professional, whatever profession that may be, is entangled with a notion of the power to make choices about at least some issues that matter in a fixed domain. It's helpful thinking about what determines class and who's in the conversation because the idea is that with more people in the conversation in some way, that maybe more better choices happen, maybe better drugs get made.

**Maintaining intentional differences in identity, style, and perspective yields better decision quality**. Diversity, while often reduced to motivational posters and the weak pablum of corporate orientation programs, came up in our conversations recurringly as a resource for productive tension, insight, and better judgment:

> "I think as I have learned over the years, and you know, as a fifty-seven year-old corporate leader, I've learned the benefit of having, different race groups, different genders, different orientation[s], different ways of thinking in the room. I've …definitely learned the benefit and seen that and so I think all of that is important. But I think while we're doing that, we need to make sure that we're getting different thought styles, different expression styles, different ways of getting things done …into the room to create the best team."[327]

326 Personal interview with Worker Subject #21, January 26, 2021.

327. Personal interview with Worker Subject #2, February 1, 2021.

Notably, the value of diversity remains contested by leaders in these corporations, some from quarters one might expect, that is, entrenched older white males with positions and privileges to protect. One leader of color, born outside the United States, said it this way:

> "Depending on your cultural background, you really don't see a difference between black, white, brown and Chinese and Indians and all that because you are coming from a perspective where that's least of your issues. The major issue is how to put food on the table…The only race you run is a rat race in order to make money to put food on the table."[328]

**Morally healthy businesses support an array of thriving relationships.** When the healthy ecosystem of relationships has failed, management tends to put its energy into remediation rather than constructively "trying to mollify the increasing amount of irritation and resentment that was building up in our employee base, and trying to do that in such a way that no legal norms were violated."[329] Relationships, even friendships of the business sort, can function to make you better, to make the company better, to make better decisions to succeed in the market, to succeed at achieving the inner goods, that is, of creating value in the market with the external good of getting paid for it. It's not so bad on many occasions to have people drinking a beer after work together. It helps with employee retention. It fosters awareness of others and their roles. It builds a foundation for resilience in crisis. It's informal knowledge transfer. It can create social accountability that raises ethical and performance standards because it would mean letting friends down. The informal sort serves a unique function because they are trusting, have the loosened communication rules that come with friendship

328. Personal interview with Worker Subject #18, January 27, 2021.

329. Personal interview with Worker Subject #7, February 4, 2021.

(beyond formal worker relationships) and a shared set of knowledge and interests at stake. As one entry-level highly skilled worker put it: “We were friends in the context of the beast, so we were all contemplating the beast.”[330] These kinds of friendships seemed more prevalent when people recounted their experiences early in their careers. It's not that relationships diminished later on in people’s careers, but they were less frequently described as friendships.

Conflicting moral duties are often par for the course for organizational managers below the CEO. One deputy to a CEO characterized his challenge:

> “My job was to reflect the position that we had agreed upon and reflect whatever decisions that we had decided upon as accurately and as tightly [connected to] his view as I could. And at the same time, to put these fires out, to go around and get people back down off the ladder from screaming, “Well, he’s over there with such and such a woman, and they’re doing so forth and so on in the parking lot, and etcetera.”

This person continued on the limits of fulfilling moral duties:

> “You also ought to preserve at all times the capacity to say, ‘No,” the capacity to say, “This is dangerous. This is stupid. This is a mistake, and this is a mistake that you should not make, and I advise you not to make it.” ...Ultimately, I suppose you’d say, “You’re not taking my advice. You don’t pay any attention to what I have to tell you. I quit.” But short of that, ...A, it’s fairly draconian, B, lawyers don’t like to do that.”[331]

Hindsight on business-to-business partnerships offered moral insight for our baking respondent twenty years later:

> “Well, interestingly, what I could have done, and perhaps... But for my temerity, should have done, is we had contracts with every school we did business with. Those contracts were, to some degree, not required by the Federal statutes and were not...I was dubious about their legality...about whether or not they were enforceable. But one of the provisions which was in the contract, enabled us to

330. Personal interview with Worker Subject #4, January 30, 2021.

331. Personal interview with Worker Subject #7, February 4, 2021.

> restrict them from raising their tuition…I never became convinced that if we were sued, that we had an ironclad case that would justify our conduct in saying, "You can't do this. You can't charge this much.[332]

Ultimately corporations' fundamental norms have a sorting effect on who chooses to work there, so it's not a question of how good people will make or remake an ethical culture, but how cultures with weak ethical norms simply sort out people seeking a higher standard. This is consistent with the testimony of one scientist talking about the use of hazardous materials in the company's industrial coating product: "It was more of voting with my feet. I don't think there was ever a big meeting to say, 'Well, Monokote is bad…That's why I…don't work at Grace anymore because I just couldn't reconcile…' I never had that [Erin Brockovich] moment, I just couldn't reconcile it."[333] Worker exit is just one of the means by which bad companies become worse.

**Leading for the Better**

The leadership class or executive class has become more distinct and distant from the working class in many industries. The executives are also more distant from non-executive workers. The executive class is distinguished by many differences in compensation, power, and work scope. These are obvious. It seems natural that higher organizational levels oversee a greater scope of work than those "lower" in the organizational hierarchy and would be better compensated accordingly. The difference in compensation in qualitative and qualitative measures means that qualitatively executive wealth is created through equity participation rather than salary.

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332. Personal interview with Worker Subject #7, February 4, 2021.

333. Personal interview with Worker Subject #4, January 30, 2021.

Quantitatively the level of executive pay is at such a dramatic multiple of non-executive work pay that executives are unlikely to share common lifeworlds outside of the corporate context. This divide has repercussions when it comes to being able to relate and communicate inside the corporation.

**The effective CEO provides a bridge between two worlds, that of the shareholder and that of the worker.** The former is focused wholly on returns and the other (in the case of pharma) on the success of the medicine. Said one informant, “I don’t care, and it’s one of my shortcomings as a CEO, I’m not as concerned about money…My investors, that’s *all* they’re focused on.”[334] Being effective also means not being coopted by the role or its promised rewards or experienced power: “You have to reach a point where you’re willing not to work where you work anymore. You have to stand for higher principles, and you have to be willing to walk away at any time, and most people don’t want to do that.”[335] The smaller public company provides an especially sensitive environment regarding shareholder concerns since singular actions or communications can have a material financial impact where they would not in a larger company: “it’s really hard [especially] when you're …a small start-up biotech company, you're in the public markets, and your stock price means a lot to yourself, to your senior executives, to your board, to your shareholders.”[336] This effect naturally reduces interest in hearing contrarian or cautionary voices from within or outside.

334. Personal interview with Worker Subject #12, February 5, 2021.

335. Personal interview with Worker Subject #20, February 3, 2021.

336. Personal interview with Worker Subject #21, January 26, 2021.

Shaping expectations for the business with external stakeholders, especially shareholders, is critical as it then artificially drives and constrains the business decisions going forward. In talking about companies that are excessively market-focused, one informant said: “they don't understand what the value of the ethics is as it relates to safety or risk versus benefit and there are companies like that New York guy who was sitting in the jail, who kept raising the price of the drug over and over and over again. And that is partly our fault because we are the ones who told Wall Street [that] a single low-digit growth year over year is not enough. A double-digit, lower double-digit growth is not enough.”[337] The reference here to notorious felon Martin Shkreli is an example of a business leader who has not been a practitioner in the sense of one engaged with the internal goods of the business. The business of medicine is not the same in content and spirit as the business of steel trading or airplane manufacturing or any of a thousand other possibilities. The transformation in understanding the business from the scientist to the business person allows for an essential grounding perhaps in the internal goods that make wise decision making possible, closing the chasm between medicine and business potential.

**Clarity of moral direction and commitment at the top is critical to organizational ethical culture.** More precisely, the perception of that clarity in the rank and file of the organization makes a difference in the moral grounding of the organization. As one senior lawyer expressed:

> “I’ve worked with leaders in particular where you didn’t know which direction their compass was…pointing…I’ve worked with leaders where you didn’t have to ask where their… compass was pointing because you knew intuitively it was

337. Personal interview with Worker Subject #18, January 27, 2021.

> pointing due north. And I think the moral energy that says, “Hey, look, we’re going to do the right thing,” which is… established by saying it, but it’s also established by doing it.”[338]

“Moral energy” was an apt construct that one leader used to talk about the individual perquisites of collective ethical performance: “There have to be examples of situations brought to that leader where the leader says, ‘No, we’re going to do the right thing, and here’s how we’re going to do it.’ And I think that moral energy is reflected both in what they say and what they do and how they react to situations.”[339] Actions may truly speak louder than words in matters of moral conduct inside corporations. As one informant said, “If the company executives don't live it and show it and have the personal example that embodies it, then no other amount of words is going to supplant that.”[340] Helpfully, one respondent talked about a deeper kind of moral grounding that drove an individual’s moral action:

> “The core element, which has to be there is integrity….what I call core integrity, as opposed to country club integrity…Core integrity is doing the right thing under all conditions. Country club integrity is more descriptive. And you'll know [it] when you see it. A guy gets his hair cut twice a month, he's wearing a sport coat to lunch, he could tell you about the best Zinfandel in New Zealand…His word is useless, okay?... And I'm not saying you have to be perfect, that's not the issue, humans are mistake machines, but you have…to have the intent to doing the right thing under all conditions, [unless] all you're trying to do is find ways to bullshit your way all around life.”[341]

A sense of self-differentiated integrity, one that operates independent of insular and immediate organizational pressures is a key. Such a sense of integrity needs to be

338. Personal interview with Worker Subject #2, February 1, 2021.

339. Personal interview with Worker Subject #2, February 1, 2021.

340. Personal interview with Worker Subject #21, January 26, 2021.

341. Personal interview with Worker Subject #4, January 30, 2021.

grounded somewhere outside of the institution. This might be in relevant communities of practice, in families, in churches, or a combination of these ethical wellsprings.

Talking about the distinction between the lawyer as a professional (with a formal guild) and the CEO's role is important because they are resourced differently for the important work they must do. Rising in leadership might mean simultaneously taking on more decision weight and becoming disconnected from networks of professional support that enable and bound those decisions from an ethical standpoint. The lawyer has an enforced professional code, the CEO has only a performance incentive. Lawyers have a profession that has reference points, norms of conduct, and indeed some duties, black letter duties in terms of conduct and accountability, a business person does not necessarily. In part the latter has not been adequately developed as a profession with adequately circumscribed communities of practice. This is an important consideration throughout the corporation: Which jobs have the status of a profession, not just by virtue of level, but by virtue of developed external networks with their own norms? There are practices and black letter codes associated with the practice of law. There are ready locations to consult with fellow practitioners. Even at the level of CEO with all of its attendant privileges, that formality of the guild is absent, and perhaps not replicated despite all of the other kinds of access for consultation and reflection. Somewhere in the lower half of the organization, there appear to be many roles that lack formalized professional features or the privileges of access to ad hoc resources. We should worry about the lack of agency and access to information and consultation necessary to make good choices in these roles, where there are choices to be made. Workers respond in part to the expectations presented to them by those in power. In one case of company's cultural transformation toward being a higher integrity organization, it was about becoming less superficial: "the culture began to change, so that it was less about (according to our soft drink leader) being 'Pepsi pretty,' and it was more about, 'Hey, did you get things done and are you helping the team get things done and building trust?'"[342]

Leadership is also in part about taking care of the economic side of the business for the workers themselves, and this is yet another kind of operational bridging that makes a moral difference in the lives of the workers and the character of the corporate whole. Good leaders focus not only on content but the congruence of the rewards with the value creation of the work teams. One counterintuitive insight was the value of simply overpaying the market rate. A respondent noted:

> "I do have a philosophy on compensation. I think if you want to retain employees, you pay them 10 percent more than their market value…I'm hopefully making $1.50 or $2 …or more [additional profit off their work]. But my philosophy in this is one, that I look at [the situation] and I say, people can be intrigued to leave you for a pay raise [elsewhere]. But if I pay you slightly above the market for your job, that means for you to leave, you need to get 20 percent or you need to get some great promotion or do something, and so what happens is [that if] I'm overpaying them 10 percent, they leave for 12 percent, or they're getting a little marginal increase, [then I know] I couldn't have kept them anyway because [for them] the money is too important of a driver.[343]

Talking about Clorox, an old American heartland manufacturing culture, a respondent noted:

> And of course, because it's a hundred-year-old company there's a lot of these things that are systemic, right? How do you evaluate potential, how do you think of what fair pay and equity looks like, how do you evaluate someone's performance versus the other? There's, I think, a lot of resistance internally to …reflect and acknowledge what really is happening, and whether there is

342. Personal interview with Worker Subject #11, February 4, 2021.

343. Personal interview with Worker Subject #12, February 5, 2021.

> something to be said about what people of color are telling you [, for example,] or whether this is just more broadly, them complaining, if you will. (W#14)

The idea of people being a commodity misses the real character of the labor market. Not that it is not a market because humans can't be bought, but because it is an illiquid, inefficient market with lots of hidden transaction costs, so that even in the most cold-hearted of calculations, you can't treat people like uniform inputs. Many of the leaders in our sample talked about leading teams through times of transition and its effect on the way people are treated. One example came from the post-acquisition integration of a professional services firm. The leader described the starting point:

> "When we first got here, I told my leadership team…I was like, okay, so, so now we're on Mars and the Martians are, the Martians are lovely people, they're really good people. But you can't drink the water and you can't breathe the air, and it's never going to be earth. So, if you're thinking this is going to be earth, it's time for you to start looking for a different job…But we are going to terraform Mars."[344]

The power of this science-fiction-infused metaphor is filled with the audacious optimism that the ambient culture can be transformed through collaborative practices driven by the right intention. It also conveys a belief in the power of culture to make something alien and inhuman (and for humans unlivable) into something human that will make possible flourishing of the sort Aristotle imagined. The leaders declaring it to the subordinate is one form of permission-giving, not to prepare colleagues to comply but to ready personal leadership engagement. This same leader tempers personal expectations with a dose of Zen reality: "many female executives in my experience, less [so] male…have an overdeveloped sense of personal responsibility. And really you don't have control over anything." There is a generative paradox in knowing that you have little

344. Personal interview with Worker Subject #16, January 30, 2021.

control but nonetheless continuously seeking to exercise your power to transform. The joy of terraforming is not in its total success, and notably our respondent didn't claim that. The respondent simply suggested that though attention and effort at a time of organizational transition they were making things noticeably better, more human, and more morally centered. Times of forced disruption and organizational trauma provide windows of unfreezing,[345] which can make space for moral insight, imagination, and reinvention.

**Philosophies of leadership and narrow stereotypes of leader behaviors might cause the sublimation of risks and harms in corporate discourse.** One senior executive described the priority of their own leadership training this way: "I think as leaders you're trained to be a positive force, to try to be inspirational, try to put a good foot forward…lead the troops, keep them rallied…not always focus on the negative." Without making space and giving permission to "focus on the negative," it would seem very difficult to identify, let alone wrestle with, moral problems.[346] Negative information is thus cordoned off to more insular settings where a small group can determine the problem without the risk of emotional contagion among workers or, outside the company, with sources of capital. One biotech chief executive shared their rocky story: "At the end of 2019, our Phase 3 failed, and Novartis pulled their program, and the company collapsed. And now I'm one of these penny stocks that everybody hates…I feel a little bit like Shawshank Redemption, where I've come through

345. Kurt Lewin, "Frontiers in Group Dynamics: Concept, Method and Reality in Social Science; Social Equilibria and Social Change," *Human Relations* 1 no. 1 (June 1947): 5–41. https://doi.org/10.1177/001872674700100103.

346. Personal interview with Worker Subject #21, January 26, 2021.

the five hundred yards of sewage."[347] The willingness to tell stories of failure and resilience seems too rare in corporate life and in our conversations. In this case, it was not one that ended easily or happily with a billion-dollar outcome after initial failure. It was instead a story of leading with tempered optimism in the shadow of failure and facing the prospect of corporate mortality. There is something to the truth of the insulation of the entrepreneurial chief executive's personal wealth. However, it still seems a virtuous practice to tell stories not only of heroism that inspires and success that illuminates the path forward but also the truth of life when there is less good fortune to be had. The completeness of corporate storytelling may equip individuals as moral actors in ways that happy-minded redemptive storytelling alone cannot.

This same leader continued to reflect on his learnings from surviving the crash of the company: "It teaches you a lot about people…when you do restructuring…you really get to learn a lot about people…what their values are, how they act, where they fit."[348] The lessons this leader shared included the necessity of maintaining focus on what's of central importance to you and taking stock of the nature of your commitments to the people with whom you are in relationship at work. One of the countercultural examples of this is his very decision to stay to rebuild following the company's crash. Of central importance, ethically, is the sense of commitment to the purpose and the people and how that is resilient in the face of uncontrollable events. Moral action takes a sort of foresight in addition to insight; the benefit of having gone down challenging roads before in a business rests in not having to go all the way down them again. Still, to

347. Personal interview with Worker Subject #12, February 5, 2021.

348. Personal interview with Worker Subject #12, February 5, 2021.

choose differently when you first recognize, this is a dividend of the investment in moral learning and paying the price in trial and error.

Courage and decisiveness are personal virtues that were valued in our interviews, as one respondent among many reported: “I think that is critically important. I think leaders are called upon not to wring their hands over issues, but to be clear in their views.”[349] Decision-making by leaders is less about data and more about practical judgment and the reserve of wisdom experience has afforded them. One executive who was once a scientist talked about the transformation in decision making between the vocations and organizational roles: a scientist makes 1 percent of all decisions with 99 percent of data. You need to start learning how to make 99 percent of decisions with 1 percent of data because now you are a leader.” The leader, he emphasized, is paid to make that call and bear the risks.[350] This idea powerfully explains one possible dynamic in the class divisions within the corporations: the risk-bearing class and the riskless, those who decide and those who must perform without themselves having made the decision. One element of this dynamic is how it works as a tool for rationalization by the elites in the corporation. The other element is how it reduces the agency of the non-elites and furthers the disconnection between the in-depth knowledge and consequential decisions.

349. Personal interview with Worker Subject #2, February 1, 2021.

350. Personal interview with Worker Subject #18, January 27, 2021.

**The leadership vision must be made clear and the leadership voice must be audible to all those in the organization.** The nuanced challenge was highlighted by one executive:

> "I think any good leader needs to find ways to make sure that their voice is magnified in the organization. I learned a long time ago…for a CEO's voice to be heard five layers down the organization, they have to exaggerate it…but when it comes out as [if] the CEO is a tyrant, he was yelling and screaming at the top of the organization to get it down to the, you know, the fifth layer, then that's probably not the right way to do it…That person is communicating unintentionally…that they are a tyrant."[351]

Authoritarian systems can be especially vulnerable systems, so this sets up a practical paradox for the CEO of very large entities looking to exercise connected leadership, moral or otherwise. This paradox partly explains how organizational forms which accept disconnection are an adaptation to the realities of scale. Being clear on the orientation of the company and clearly expressing it in a stable way through time and circumstance was lifted up as a best practice: "I've had more of a positive experience in the overall view, especially because my company has this sort of sense of trying to do social good. Just saying the words over and over and over again brings the right kind of people and the right caliber of decision-making."[352]

**The co-requisite to good business conduct at the top is consistently good personal character and integrity of those leaders in the business and outside of it.** There's a relationship between various sorts of individual moral behavior and larger systems of ethical conduct in the organization. We expect a kind of moral

351. Personal interview with Worker Subject #2, February 1, 2021.

352. Personal interview W#20, February 3, 2021.

profile of leadership, even in ways that don't relate to the company. What's the right level (leaving aside the inappropriate conduct for a moment) of emotional intimacy to make a successful organizational entity that can act together toward purpose and with virtue? Talking about the mindset of one CEO and his leadership at the farthest extreme, this centered on the practice of control and exploitation of others. As a member of his leadership team described:

> "he wanted all of his direct reports to buy property from him so that they would live basically as peons on a plantation. And he had over 228 acres of property, and he felt that he ought to sell it off and that his business associates should buy it, and they should be living in such a way that he, as CEO, would look out over their homes over the evening and be able to determine how happy and successful they were."[353]
>
> …it also became clear that he looked at… the female employees of the corporation as a kind of a functioning harem. And he'd just go around and shop.[354]

Of course, not every leader was so obviously harmful. Another respondent spoke of a bureaucratic leader adept at not taking moral responsibility through artful communication: "his basic management philosophy…was 'no problem,' and then some time passes…and then, 'I'm sorry.' 'No problem, I'll get whatever you want,' and then somehow, it could be a day, weeks, a month, 'I'm sorry I couldn't get you the thing,'" — when he knew from the start he was never going to deliver.[355]

These examples typify two sub-categories of moral disengagement. The first is the individual and collective aversion to dealing with misconduct at the top even when the evidence of the misconduct is unambiguous in its offensiveness and illegality. A culture

353. Personal interview with Worker Subject #7, February 4, 2021.

354. Personal interview with Worker Subject #7, February 4, 2021.

355. Personal interview with Worker Subject #4, January 30, 2021.

of non-accountability for the conduct of others in the organization betrays an absence of a needed community of practice at the senior levels that might more appropriately and diligently police such transgressions. In the latter case disengagement seems a product of a culture without consequences. The benefit and reward of being agreeable outweighs the costs and other repercussions of delivering. In both cases, the lack of connection and accountability to others causes disintegration in the organization and impairs moral reckoning and action. Seriously committed workers engaged in circles of practice that are accountable for their actions and their effects could not sustain these behaviors.

Allowing these immoral, illegal, and simply willfully ineffective practices to continue as a privilege of position undermines the chance to advance a moral agenda on other dimensions, one would assume. By contrast, other companies talk about visible non-tolerance as a tool for transformation: "Recently, one of our senior leaders was just abruptly fired because something came to light and he'd finally crossed the line. And he was one of the leadership council-level members, and there was a separation, and people knew it. So, at some point, you're held accountable for a transgression."[356] The absence of consequences for poor moral choices and conduct was often identified as the reason that talk of better corporate ethics is not taken seriously. Ensuring that there are consequences for poor decisions is an intrinsic part of overcoming the inertia of past practices and of transforming cultures.

356. Personal interview with Worker Subject #20, February 3, 2021.

**Position in the corporation matters profoundly, and in many respects: For the freedom to make choices, access to resources, and receiving credit and rewards for accomplishments.** Just as in our public non-job-related conversations, class divides are readily perceived inside corporate walls. Where the public sees a stark divide between executives and workers, those inside corporate systems see more gradation. Yet the effects of hierarchy and differential privilege remain predictable. While many of our informants are at a senior level, they recognize the differences in treatment down the ladder. A partner in a management consulting firm, now publicly held, describes from her leadership coaching practice: “some of the decisions that our leadership makes in terms of how we treat especially our mid and junior level people, and there’s no mistreating going on, but it’s not practicing what we preach… so for five years I did what I could…and it got to the point where I couldn’t do it anymore.”[357] Investment in mid-level people will grow the business, says one services industry respondent, but short-termism at the top limits the investment: “the decisions that they make are not because they’re bad men, it’s because of fear, frankly…Because there are quarterly numbers and, you know, if, if they were to do the things that would help the business grow faster and more profitably, they would have to disrupt…more immediate revenue.”[358]

Investments in talent, in people who are in alignment with the moral objective, norms, and practices of the organization can be compelling evidence to workers about what matters to the company. A leader with corporate growth success put it this way:

357. Personal interview with Worker Subject #16, January 30, 2021.

358. Ibid.

> "Once you start talking about it, once you start leading with it, and then also investing, you have to put your money where your mouth is. This stuff doesn't happen for free; you have to staff it, you have to invest in systems, knowing that you've got a team of people focusing on a project…you have to hire really strong people in that space, people who are passionate about it, people who are good at the work, and they can bring the rest of the team along."[359]

One of the great paths to moral leadership is revealed as an investment in the character and quality of those you lead. Failure to see that potential and merely take profits and return them to shareholders may be a significant error. The ethics of participation and inclusion are an essential part of driving organizational change in the corporate environment. If we don't have a good line manager, then even the C-suite has more limited power to make good decisions and to implement any decision effectively. One of the practices of inclusion and humanization identified by a respondent who is a human resources strategy consultant was to "talk with each member of the team individually… to get them engaged and involved in the work as people."[360] Relentless effort to bring more people into the firm's functioning ecology could positively affect the moral quality of business decisions and performance if we listen to what experience has taught our leaders over the long run. In order to grasp fully the moral imperative of Niebuhr's relationship ethic, one has to ask "What's going on?," listen to the responses of different people across the relational field who offer diverse perspectives on the problem, and then engage by understanding the prospective effects of proposed solutions.

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359. Personal interview with Worker Subject #19, January 27, 2021.

360. Personal interview with Worker Subject #16, January 30, 2021.

## Corporation Connections to Customers and Stakeholders

**Customers need to be seen and kept close in order to matter in practice.** A long track record with customers is a competitive advantage. Building such a foundation of trust can set a company apart, says one tech leader who has been with the same company for thirty years: "[C]ustomers buy because they want to trust. They want to believe in you. They want to believe in you and your mission and where you are today and where you're going to be in the future."[361] One respondent, the Chief Innovation Officer for a global multi-hundred-billion-dollar snack and drink company, spoke about the centrality of external knowledge networks in understanding innovation related to the moral challenges of consumer health. Each customer needs to be addressed through the lens of their own needs and understand that they are being seen clearly. One tech executive said one of the most crucial management products for guiding their work was "A crisply articulated value statement of who we are and what we do and why we might help the market as a whole or any given specific customer."[362] Integrity with customers amidst the tension of making a sale is a learning process. One long-time tech services worker said it this way:

> "I had to learn the lines, and where am I willing to bend, and where is it I break? And I can't say that I've never bent further than I'm sometimes comfortable with, but that breaking point of just outright saying something that is untrue…Anyone selling any product on the market has to face that dilemma, and that was the turning point for me not to want to be that kind of person."[363]

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361. Personal interview with Worker Subject #20, February 3, 2021.

362. Personal interview with Worker Subject #20, February 3, 2021.

363. Ibid.

The idea of customer knowledge is newer to some industries where the seemingly mechanical nature of the service and customer interface seemed to relieve them of the moral complexity and the need for intimate customer knowledge. The banking industry is a prime example of that phenomenon and of its necessity, says one mid-level manager working in international banking and payment platforms:

> "There's this concept of banking called KYC, which is know your customer, and KYC is even evolving to something called KYCC, which is know your customer's customer. So increasingly, regulators are looking for key systemic participants in payments and financial ecosystem to take greater and greater responsibility for policing the activity that's moving through those entities."[364]

This same respondent talked about the personal conflict that can occur once you know the customer and what you k now conflicts with personal moral values but not those of the company: **"**I like hold my nose at certain things, but that's like oil and gas…companies that don't have a great environmental track record."[365] Still, the business reward is too attractive to pass up:

> "It sometimes makes me squeamish personally, some of the relationships that we maintain. So JP Morgan, some of its biggest clients, I could tell you its largest client is the Kingdom of Saudi Arabia, the Saudi Arabia sovereign wealth fund, all kinds of moral challenges to think about with having a deep relationship with an entity like that…you just look at the human rights record of the Monarchy in Saudi Arabia and the family who benefits most from the accumulation of the wealth that's under the supervision of a bank like JP Morgan….Similar things, I feel squeamish about doing business with state enterprises in Russia. I just had a call this last week with…the first deputy governor of the Central Bank of Russia, who is interested in using our cross-border payment services."[366]

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364. Personal interview with Worker Subject #19, January 27, 2021.

365. Personal interview with Worker Subject #19, January 27, 2021.

366. Personal interview with Worker Subject #19, January 27, 2021.

And then there are those examples where robust customer knowledge is not possible—what a customer does with the cash they take from an ATM, is out of the line of sight of the company, as a simplistic example. Operating in an environment where there is a just enough information to be troubling, but insufficient information or paths for the discovery of more information, creates anxiety yet few ways for the middle manager to act in order to create decisions that take more than revenue into account. Much of the work is about communicating norms to customers:

> "So how do [we] interact in a more empathetic way? I deal with our media relations organization and help rewrite some of the communications we send to customers. And then, I work with human resources on recognition programs and training. I just ran a program for our emerging leaders, so the folks that are just about to be managing other people, and I brought to them some challenges that we had as an organization that got in the way of our delivering a Premier Customer Experience and worked with them all year to come up with some solutions to those challenges."[367]

Language has a powerful effect and potential moral consequences, both within internal networks and those that extend into the marketplace.

**Empowered workers may naturally become more customer-centric.**

Claiming the moral agency or decision-making power to relate to customers according to your own standards is key to responsible conduct and acquiring needed virtues. As one worker described it: "It is my decision, not someone else's to tell the truth, or not to tell the truth, and I have the full power and authority to either recuse myself or even to take it a step further and to bring that scenario up to a higher plane…I learned [this particular] virtue by doing the wrong thing."[368]

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367. Personal interview with Worker Subject #9, January 29, 2021.

368. Personal interview with Worker Subject #20, February 3, 2021.

Inter-industry variance is significant. Among respondents, it was notable how our manager working in a publicly regulated utility was eager to talk about community programs and connections that seemed to be from a different era of corporate life—that of community integration. In talking about vulnerable populations who are customers of a utility business, she framed the problem this way, "How do you make a profit while you're trying to help people in need? So, a lot of it is directing them towards assistance." The company goes to rather extraordinary lengths to ensure that electrical service isn't shut off to those who have COVID, who have kids doing remote learning or have their paychecks delayed, all of which requires an intimacy with the lives of the customers that they track on a house-by-house basis in their service territory. The company

> "…also donates a lot of money towards so many different causes…and really encourages employees to volunteer in the community and give back to the community…[and is] very, very aware…we have an eco-team…embracing what we can do to offset any of the harm that we do."[369]

The depersonalization of the relationship between customer and corporation is striking at first blush when you compare it to the relationship you have with your local dry cleaner or other small business owners. The distance is partially structural, but this distance can be reduced through both mindset and specific practices. A worker articulates the instinct necessary to attain this goal:

> Once you get to these huge, huge companies, [we have] to personalize the effect of the decisions that we make, right? So, I always try to do that; I always try to think …things through, like: How is this going to either positively or negatively affect a real human being? And ultimately [I always] listen to that as my guide for whether or not we need to take a …stronger stance on something.[370]

369. Personal interview with Worker Subject #9, January 29, 2021.

370. Personal interview with Worker Subject #19, January 27, 2021.

Our corporate workers expressed a desire to be in relation to real human beings with a stake in what they do. The distance from that customer and the likelihood of having any connection with them varied by industry and by position within the corporation. Bridging that distance was more readily achieved in consumer businesses (e.g., snack foods) where practices of customer engagement had happy precedent than in the business-business world (e.g., the international payments transfer business) where customer knowledge was much more abstract.

**Stable connection to the corporation is a backdrop to flourishing of the individual and the organization in the interest of customers.** In one business, workers still have career-length employment possibilities and significant attachment and attunement to the community where they are located. The sense of being located in a particular place and community is a crucial factor in people claiming their power and feeling the security to extend themselves for a greater good. Sadly, such a stance appears to be an outlier among most of the corporations we studied. In fact, while many workers talked about the good their companies sought to do beyond financial performance, almost none talked about that good in terms of building community parks and donating to the symphony. For most, as with our public conversations, the emphasis was on the array of goods intrinsically possible within the human mission of the company.

## Engaging Deeper Values

**Explicit creeds and shared narratives can perpetuate and shift cultures.** An executive retired from Johnson and Johnson told the company's heroic moral origin story:

> "So 75 years ago, when Robert Wood Johnson wanted to take the company public, he went to talk to JP Morgan, the man, not the company, and said, "This is what I want to do. And basically, our first responsibility is to our patients and the mothers and fathers who use our drugs, the doctors and the nurses, and then to our suppliers and employees." And then he said, after all that, "And shareholders will get a fair return." And J.P. Morgan (the person) said, "Oh no, you can't do that." So, Robert Wood Johnson went back to New Brunswick, and he wrote it down, and then he literally carved it in stone. It is carved in stone at the headquarters. And he basically said, "This is how I'm going to run the company." So, because he had written it down before he took the company public, JP Morgan had nothing to say."[371]

Engraved in literal stone at J&J is not only the worthy message regarding care for patients and their families, but a license to defy the money people, to put shareholders in their place, and to operate in a more robustly ethical way oriented to the interests of other stakeholder groups.

In her testimony, this corporate leader was clear that the inculcation of the "credo culture" at J&J made space to recognize potential moral problems, give a second look at potential beneficial opportunities, and slow down purely financially driven decisions. She describes credo meetings and credo issues and their effects, in one case in doing a critically (financially) important deal that the team knew was a stinker for substantive reasons:

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371. Personal interview with Worker Subject #15, February 4, 2021.

> "And I said to [my boss], "We can't do this deal, it's against the Credo." And she didn't say to me, "Well, I don't believe you, I don't agree with you" She didn't say that. She said, "What are you going to do?" I told her what we were going to do, and she said, "Go do it." And I thought that that was powerful, that we made the ethical judgment, she didn't question our ethical decision, and it was a very important deal to her…so that was one of my first like, "Wow, this works [moments]."[372]

The powerful ethical grounding of some traditional American companies is still evident, as is the way that employees genuinely cherish and live by those values:

> "Clorox is…like a 100-year-old company. So, they been in existence long enough to be quite clear about what their standard values are, right? So, "do the right thing" is one of those [values] that's encoded…in the value systems…Part of why we're such a conservative company, why we're so scared to take risks, is because we want to make sure that we're minimizing the risks to the consumer. So, bleach, for example, when there was the announcement that bleach should be injected into you as a way to combat COVID, I mean we were on red alert…Just working to make sure that everyone is [safe]."[373]

Knowing who you are in times of crisis can make a significant difference, our respondents tell us. Yet they also say that a strong sense of identity can *limit* seeing who you must become as you adapt and respond to market evolution. Ritual communication of the moral stories of the origin of the company creates and reinforces cultures. One Chief R&D officer offered this insight:

> "So…we use that story in each and every meeting we have with the employees—to say that, "Look, our technology is at the forefront of science and we must maintain the integrity of our science by doing the highest level of science possible because the patient deserves the best."[374]

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372. Personal interview with Worker Subject #15, February 4, 2021.

373. Personal interview with Worker Subject #14, February 1, 2021.

374. Personal interview with Worker Subject #18, January 27, 2021.

This was not a hundred-year-old company, but one for whom its newness was deeply important. Being part of the genetic revolution was as powerful and binding a tale as a company being part of the deep history of America.

The repeated narratives of past glory drove a culture of risk-taking associated with market success, “origin stories that spoke of the nature of the company and its grit and determination and desire to overcome obstacles, and to do things differently than others more conservative might do, people who have to be very aggressive in the pursuit of developing these products.”[375] Yet in another company, the power of narrative to cohere and motivate had potentially harmful effects on the ethicality of decision making. Indeed, grit or persistence in the name of performance, as a collective corporate virtue, can have adverse effects, if, for example, it

> “means protecting the company and its assets at all costs to make sure that we preserve the value and grow it financially, even if it sometimes means going against our word, or doing something we said we wouldn't do or making a moral decision that's like the wrong thing, but it's the best thing for the drug and for the larger financial enterprise.”[376]

The force of narrative as a tool for translating values can be profound (for good or ill) and fits with the MacIntyrean view of the role of coherent collective storytelling as a means of transmission of a tradition of moral values and virtues.

**Ethical cultures are company-specific.** It may be too simplistic to say there are good and bad actors in any given market. Clearly, all larger corporations are a moral

375. Personal interview with Worker Subject #21, January 26, 2021.

376. Personal interview with Worker Subject #21, January 26, 2021.

mix. Still, there seems to be a strategic choice to be made in competitive positioning related to the primacy of ethics in corporate life. Some industry leaders have tried to turn “compliance into a competitive advantage,” becoming the trusted “gold standard” in the industry, while other players at the other end of the market see regulation as limiting and oppositional and therefore seek competitive advantage in pushing those limits: “They actually looked at the fines almost as a cost of doing business… They weren't troubled by the implications of what was actually happening” (W#19). There are different paths for individuals and organizations. There is path dependency at play in both, such that radical changes in direction are difficult and unlikely once a corporation has gone some way down the road with a particular approach.

**Core virtues of the American corporation as an institution are relatively consistent.** In our discussions, the stories we heard were very different in terms of context and content, but pointed toward some common themes in practical virtue ethics. The virtues that emerged from our informants were manifold. Among them, honesty is a simple virtue that was raised repeatedly as being a precious and indispensable virtue in corporate life. Truth-telling and related qualities mean the information a worker provides is valid for use by the corporation. Questioning is a sign of the virtue of curiosity, and brave employees venture the practice. As one respondent noted: “So I feel like corporations who had put this sense of, “Sit down, sit at your desk and type on your computer,” and it’s like, “No, I’m not doing that. I’m going to do my job. I will get it done, but I'm also going to ask questions, and you can't stop me." Maybe I'm a little idealistic."[377]

Another respondent said needed virtues are honesty, mixed with reliability and smarts:

> "I think first and foremost, [it's] being willing to tell the truth—being recognized as a truth-teller is critically important.... Number two, I think being someone that can be counted on. The third virtue, I think, is intelligence. One of the things I learned a long time ago is that you can-you can teach people to be a lot of things, but you can't teach someone to be smart."[378]

Another respondent simply said: "the secret…is having trust and integrity, you know, saying what you believe."[379] Avoiding false speech and inauthentic action are simple virtues that seem like necessary building blocks for the corporation's social virtues.

Energy or passion was a virtue much more rarely mentioned by our respondents. Those who drive change in organizations have and demand a certain intensity: "I think energy is critically important. People need to bring that to the table.[380] Likewise and relatedly, curiosity about people is a virtue: "I would probably suggest that that's been something that's helped me in my life and career, is just that constant questioning and wanting to get to know people just a little bit to understand what they do and why they do it."[381] Having the cognitive capacity to make use of experience and the truths it yields, the "smarts" to render practical judgment, married to the virtue of energy, produces right corporate action.

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377. Personal interview with Worker Subject #20, February 3, 2021.

378. Personal interview with Worker Subject #2, February 1, 2021.

379. Personal interview with Worker Subject #11, February 4, 2021.

380. Personal interview with Worker Subject #2, February 1, 2021.

381. Personal interview with Worker Subject #20, February 3, 2021.

**Deeper values are ready for deployment if a worker with the right kind of organizational power is willing to summon them up and courageously put them in play.** One of our informants' response had religious overtones: "My influence is always, 'Do the right thing. Find the right balance. Let's understand what the best course of action here is. Let's not make rash decisions that lead us down the path of temptation.' And I do sound like a preacher sometimes."[382] There is a message to be preached from corporate life lessons. Assembling the texts is only the first part of the project; giving them form and function is the next. This sermon's charge is to take the time necessary to make sense of the right path forward, confronting both the complexity of inputs and interests at play, and heeding often-competing goals making their claims in terms of contrasting if not contrary moral goods and modes of moral discourse. In order to exercise our moral faculties more fully to attain better moral discernment, this respondents suggests we must institutionalize the time and space needed to do so, and cultivate the moral vision and habits of mind needed to recognize such exercise as part and parcel of the corporation's obligations.

The insights of our corporate leaders and workers proved instructive in stressing the importance of varied relationships and circles of practice within the company, and in underscoring the value of intentionally in connecting the diversity of identities, capabilities, experiences, and perspectives among its stakeholders, while aiming to realize moral goods diverse yet integral enough to seek in common. Those executives vested with the formal power of leadership are usually most influential in communicating the official norms, goals, and values of the corporation, and justifying

382. Personal interview with Worker Subject #20, February 3, 2021.

the corporation's conduct in light of those goals and norms. Under the right conditions, however, other individuals, groups, and communities within and around the corporation can exercise significant influence on its moral conduct and character as well as its economic policy and performance. Putting workers in this position provides a critical key to enabling corporations to flourish morally, and it defines the heart of our final chapter.

## CHAPTER V: The Good Worker and High Moral Metabolism Corporations

This chapter proposes ways for corporate workers, leaders, customers and members of the larger society to move toward more ethical corporate conduct and character. I first weigh the opportunity for such change in light of the corporation as market actor and good citizen. I then consider how the public at large can act to reform corporate relationships and norms, how workers can find their voice and moral agency within the corporation, and how corporate leaders and owners can rebuild corporate institutions. Finally, I call on corporate leaders, workers, and customers as good citizens to summon the understanding, imagination, and courage to make this common project possible.

### The Opportunity for Corporate Reformation and Moral Revitalization

Human economic life, thickly conceived, concerns more than maximizing short-term financial results. It concerns human flourishing. economic life is inexorably linked with the whole of social life and its interdependent institutions, decisions, and actions. in its fullest sense the economy embraces the social sphere of human activity and relationship that enables us to sustain our lives at home, at work, in the marketplace, and the public household. Here we work and transact with one another to make and exchange what we want and what we have. As families, neighbors, coworkers, and citizens we share what all of us need and no one of us can provide alone, as we labor, communicate and cooperate to renew human community.

Any approach to good economic decision-making needs to recognize the social complexity it entails in practice. In practice individuals cannot function automatically or egotistically as individual utility maximizers. They must navigate the complexity of interests that their enmeshment in social context demands. Seen through the lens of classical economic theory individual market actors seek to vigorously pursue only their own self-interest. Seen through the lens of more recent theories of group-interest, individuals as members of families, churches, and nations must balance their own interests against the interests of others in these social groups and the group-interests they compose. Moreover and more fundamentally, as members of many moral communities from birth to death we learn in practice what it means to be good children, playmates, students, co-workers, congregants, and citizens by taking part in the interactive moral drama of institutions in manifold roles and plots that begin and end far beyond maximizing and balancing interests.

Business organizations are key institutional "ganglia," centers of connection in which economic decisions are made and social consequences determined. They are, therefore, a phenomenon of clinical interest for all with concern for individual and group prosperity and equity. Economic inequality was the foundational moral crisis with which we opened this work. Recall the rallying cry of protest: "PAIN FOR THE MANY, PROFIT FOR THE FEW." We have a wealth inequality crisis because corporations operating under the American form capitalism have been incredibly effective at delivering profits. The sustained growth in the aggregate market value of publicly traded companies is one key testament to that fact. However, our first concern is that the market, and the public, corporate entities it comprises may not be adept at distributing that value among the stakeholders in that enterprise. We have a wealth inequality crisis because that well-developed capacity has outpaced equally important moral capacities. In ways that align with our ideas about fairness, we are concerned with the possibility of greater distributional justice as an outcome of our economic system. Corporations affect the quality of human life and culture in many ways beyond those represented by the movement of assets and liabilities among personal and sectoral balance sheets. The allocation of utility (and disutility) may be more acutely unjust when we properly account for the units of value not well monetized by the market. These goods of life are neither "priced" nor explicitly traded in the markets, but are nonetheless significantly determined by them. Chief among these are individual health and welfare and the strength of communities, which provide the social context for the prosecution of good lives. Corporations can make or break these measures of human wellbeing.

There are a variety of approaches to shaping the behavior of corporations externally. These include creating boundaries on conduct or wealth through market rules and regulations by the government, legal redress for the transgression of these rules through civil and criminal legal structures, and corporate tax policy, to name but a few. External influence can be created through the active direction of capital (and thus, it is implied, the preferential "pricing" of that capital to good actors) of the so-called "Socially Responsible Investing" (SRI) movement. Its targeted environmental, sustainability, and governance (ESG) measures are a notable and popular initiative. Certification mechanisms offer another path to empower consumers with knowledge (e.g., "Fair Trade," and "Organic" for corporate products on the shelves, and "B Corps" for the corporations themselves. Enlightened investors and consumers are in powerful positions that are presumed to influence and constrain corporate conduct. Yet evidence that this is the case is modest. Abundant capital seems to rain down on the just and the unjust corporation alike. Nevertheless, these exogenous approaches receive the lion's share of attention for those seeking improvement in outcomes from the corporate sector for society's good.

Comparatively little attention is paid to the opportunities to cultivate corporate systems with a more balanced orientation toward collective goods. Seizing these opportunities requires that we look at corporate systems as social systems in themselves. These systems have the potential to transform communal life in ways beyond the narrow transactional exchanges that drive immediate revenue. Perhaps the lack of attention is due to a skepticism that such work would have a chance of adoption against the paramount concern with "so-called" corporate profit motives. Of course, corporations will remain directed to the making of money (an external good) for money is necessary for survival. Still, the farther the system strays from its core ability to deliver on the internal goods around which it was convened, the greater the erosion of its long-term capacity to deliver either the internal or external goods of interest. Good ethics may, in the long run, pay off. The living systems (of people and their relationships, their exchange of ideas, and their collaborative judgments) that constitute the capacity for moral action are necessary to maintain a living organization, as much as the capacity repeatedly and efficiently to catch, kill, and consume food is required for the long-term viability of a living organism. I do not mean to suggest that the role of external regulation is insignificant; indeed I consider it indispensable. But I believe it will be strengthened when complementary forces inside the corporation are stimulated and have a vigor all their own.

**The Collective Duty of Expectation and Imagination**

The underperformance of corporations on moral measures can, in part, be attributed to a collective failure of belief about the future. We must expect that they can and will serve proximal and distal goods at once for these cornerstone institutions. We must continue to nourish the cultural expectation that they can please the customer, extract their best price from the market, and profit society as part of an integrated existence for long-term survival and growth. We need to imagine these institutions doing more to be transformative and drive the common good life as they succeed in their trade.

Of course, this aspiration is easier to say and preach than implement. The declaration of the companies themselves has come to promise a compelling altruistic line, as we saw in the Business Roundtable's sharp turn from Milton Friedman-style free marketeerism. When pressured in the marketplace by unexpected forces, such as a global pandemic, these aspirational and very public declarations of fealty to the commonweal seemed to have provided almost no safety net for workers being laid off and communities being abandoned in the course of operational contraction. Even for those companies playing offense, those taking advantage of unprecedented growth opportunities during the COVID era (think expansive growth in the home e-commerce and home improvement businesses), there were few signs that workers' quality of vocational life or participation in the corporate project changed substantially. We might look to times of expansion as periods of possibility to remake the entity and allow opportunities (for agency, influence, responsibility, or reward) to ripple throughout the organization and lift an individual and close gaps. We have a collective responsibility to ensure that both pain and opportunity are distributed according to some regime other than the privilege of incumbency in times of disruption. For expectations to be communicated and norms to be shared, relationships must be deep, stable, and multiple. Thus, as we talk about the corporation with a high moral metabolism, we envision one with embeddedness in several circles that extend beyond its paper perimeter. One would hope that crises such as the global COVID epidemic would provide corporations with precious windows of opportunity for rebuilding local relationships and networks amidst necessary counter-globalization currents in the markets for the trade of physical goods and services. The necessity of increased localism may give us a chance for an intentional re-embedding of the institution in the societal surround and for a re-weaving into communities of the people who constitute the organizations, making them more aware of critical interdependencies and nudging them to make decisions attuned to the diversity of interests at play.

The repainting of the picture of the American corporation runs from one edge of the canvas to the other. Purpose and duty must be clarified. The interdependence between natural geographically-bound communities and the corporately defined ones that are overlayed upon them must be reinforced. Workers' status must be more egalitarian precisely in terms of dimensions related to the integrity of purpose and competence in decision-making. The accountability and culpability for consequences of corporate decisions and actions must be inescapable. Specific changes in the consensus imaginary that would be conducive to greater ethical capacity in our corporations would begin with the simple declaration that the scope of corporate duty extends beyond shareholder return and legal compliance. The corporate entity's penumbra of moral obligation needs closer attention if we are to recover a more profound relationship among the array of communities, political bodies, and legal entities that must interact to produce desirable outcomes.

A shift in the imaginary must also include an essential recognition (and articulation) of a more comprehensive array of relevant stakeholders than financial shareholders alone, meaning the general re-establishment of corporate duty to the political body, the *demos*, as a whole. For a more relational ethic to be possible, the public needs to imagine it could be so. Yet our conversations suggest quite the opposite to be the case, namely that suspicion and mistrust run deep and are accepted as the basic arrangement in force as it has always been, and that people look to enforcement solutions from outside as the most viable solution to the poor conduct people agree persists in a variety of markets. People look to the government to intermediate their relationship to corporations despite a record of being disappointed in the outcomes of that dependency in the past decades.

Beyond mistrust, people need models of what meaningful relationships with corporations look like. Imagination begins with concrete reality, even if those models of reality are small. For this reason, the exemplars of good action in the marketplace seemed especially important for discerning a path forward. Moral leadership by corporations which provide some starter material for different relationships of for-profit organizations to the public good include courageous action on social justice issues (models cited here were Coca Cola and Delta) and response by corporations to collective emergency (successful vaccine development by Pfizer was often in the news while I conducted this research and informants cited that frequently). Significantly, for many people how the corporation treated its workers was typically the most telling insight into the corporation's internal character. Almost everyone has a friend or family member working inside a large corporate entity. Whether that person got overtime pay at Christmas, a health plan that covered their unexpected illness, or sufficient time off when they became pregnant leaves the most profound impressions of the institution's values. The belief that a classist hierarchy within corporations replicates the country's class and wealth divides is prevalent. Corporate entities shot through with classism and casteism are unlikely to become change agents in addressing the pernicious effects of societal inequality. This challenge is a matter of perception, imagination, and of course, the stark current reality.

**Practical Excellence: A Guide for the Good Worker**

To someone standing at the threshold of a lifelong vocation in a corporate context, what counsel could we provide that individual to become a "good" worker? Here we mean "good" not so much in its traditional sense where a junior employee perhaps would be admired for the simple virtues of diligence, honesty, and obedience. Though these Franklinesque qualities are certainly not harmful in becoming a productive worker, they are more oriented toward receiving the conventional seal of approval as instrumentally adequate in relation to the economic aims of the entity. Adequacy in achieving external goods alone may prove insufficient for a worker to achieve excellence in their vocation. It is here that the distinction between internal and external goods first comes into focus. Business must not be purposed primarily to make money, but its unavoidable by-product is wealth transfer for a human purpose of such value. Wealth transfer without value transfer is mere theft. Highly profitable wealth transfer without commensurate value transfer is simply grand theft, not a success. So, for the individual in the job within the corporation the critical question becomes: What enables the practice of a vocation, one with an inner telos that serves a good end?

The practice of a real vocation in this sense and informed by the sensibilities of virtue ethics we discussed would have at least these elements as preconditions, necessarily met by the institution that offers the job (or, more abstractly put, a *platform for vocational* *expression*). Mutual clarity (among the individual, the supervisor, the common knowledge of the organization) about what the job is and isn't—and more precisely about the discrete practices which constitute performance of the role is a basic requirement. Perhaps this is the practice of "Drug Development" (in a pharmaceutical company, for instance) or the practice we might term "Customer Experience Management" (in a consumer goods company like Starbucks). The authentic valuing of the inner goods, the human ends of the practice at play in the vocation, is critical to practices of high moral quality. The freedom to act from the will, making one choice and not another (at least at critical times), and not to be forced to perform tasks mechanistically is also a pre-condition to human moral action. The companion freedom is the ability to decline to commit acts inconsistent with one's internal moral sense or boundaries. The information must be available on an ongoing basis to understand the implications of one's actions as they relate to the actions of others and the objectives sought, and thus for a person to command a full understanding of the decision to be made. The opportunity to be in relationship to a substantial and stable "Community of Practice" relevant to the vocational role must be assured. Such a circle (or circles) should be sustained within and beyond the boundaries of the organization. To be an excellent professor of religion, for example, is to be supported by the institution to be in a sustained relationship with scholars resident to the institution and the circle of specialists at all the other institutions. This sensibility, still alive to an extent in the academy, needs to be resuscitated in industry, where the diminishment of the guilds along with the decline of craft have contributed to isolation among practitioners, and the loss of the affiliative structures which create and sustain standards of excellence upon which the vocations and by extension the institutions rely. This requires the opportunity to engage in the practice in a sustained and repeated fashion with the opportunity to succeed and fail, and to be given a means of feedback to know the difference. It also requires a covenantal understanding of the goods of the work (reflecting the intangible authenticity referenced above), and of the potential of the worker to grow into excellence.

The individual must arrive equipped to take advantage of that opportunity with those blessed conditions. To be equipped is to have or embody a set of dispositional qualities. Such qualities include a seriousness of purpose regarding the work, having a way of seeing its outlines in sharp relief, its values as having a kind of transcendence, and an awareness of all that is connected to that practice, all that constitutes its worthiness and essential dignity. It also requires that the worker be suited to the practice, in that one hungers genuinely for practicing well as a good in itself, and that one be receptive to friendships of like disposition and purpose and the practices of friendship itself such that social connection and collaboration are possible. Such friendships are necessary so that one can enter and competently participate in circles of practice. Beyond that, one also needs established communities of meaning making and moral awareness that are substantial and enduring *outside of* the circle of practitioners related to one's vocation. And one needs the capacity to take a multi-perspectival view and empathetic sense of how the practice and the good that arise from it create benefit and suffering to the participant in different parts of the system and be able to make practical judgments that achieve a balanced and just fitting response, if imperfect, but be able to make the trade-offs of imperfection in a balanced way through time, with constant awareness of the larger purpose and possibility of what one is doing.

A worker's virtue thus hinges on the individual's ongoing formation of character in the context of their vocation. Their daily work relies on leveraging knowledge resources within their durable community of practice. A worker's virtue will be connected to displaying the less likely theological virtues in the workplace (including faith, hope, and love) and having the courage to express moral insight and religious sensibilities as part and particle of the mission of the organization. Having trusting and committed relationships (inside and outside of the institution) and basing decisions on complex accountabilities will be a critical success factor in driving better moral metabolism. Taking responsibility for individual choices and institutional structures and practices that reproduce bad decisions and harmful effects, and making amends where necessary will also be part of this more holistic business ethics.

**Best Practices of Virtue Formation and Ethical Conduct by Corporations**

Workers have the power to shift the framework of their daily labors and the vocational sensibility from which it arises. They can influence the systems in which they are embedded as they create and enliven relationships that can offer the invaluable resources to make better decisions and act more effectively. The individual worker, however, needs the support of the organization and the institution. Those who have power to determine the formal rules and the accepted practices of the institution have a critical role to play here. The institution building must be attuned to practices that are conducive to moral competence and excellence within the system. From this study, I would like to lift up seven core practices conducive to healthy moral metabolism.

We began this dissertation by looking at cases of moral crisis, assuming a constructive metaphor of the corporation as a body with metabolic-like processes upon which ethical outcomes rely. We used our cases to characterize the prototypical classes of moral failures and we explored their etiology. We then marshaled seemingly disparate resources—religious, theological, and philosophical—to suggest remedies to those causes of failure. We listened to the voices of people in the public and most importantly inside the corporations themselves to see if there was resonance between our hypothesized solution and lived experience. From these points of connection, we now draw out the following seven practices which offer promise in reinvigorating the corporate institution from the perspective of moral process.

These seven practices which boost corporate moral metabolism and arise from our explorations are: (1) Shifting and lifting the dominant perspective; (2) Regrounding ourselves in durable and robust overlapping communities of practice and affiliation; (3) Universalizing a degree of individual agency so all workers are active nodes in the corporate brain and heart; (4) Restoring trust within and among organizations within the corporation; (5) Communicating a vision oriented toward internal goods and a spirit of inclusion; (6) Recrafting decision processes and practices on a more organic model; and (7) Cultivating shared practices among the corporate work in strategy, leadership and coaching. We now take each of these in turn to offer a view of the practices and their character.

**Moral metabolism centers on moving from the personal view to the systems view, from an egocentric to an allocentric perspective.** It entails structures and practices which enable and encourage relational dialogue and an adaptive balanced response. Decision makers in the corporation must be informed by the effects of prospective corporate actions on different stakeholders. These stakeholders include those directly involved in the transaction, and a traditional understanding of what the customer values. It also includes the benefits and harms done to those persons and communities adjacent to the customer who reap or suffer spillover effects from the transaction. This refers first to an awareness of the damage potentially done in the form of negative externalities (for instance, the environmental degradation we considered in the VW case) but also of positive spillover effects. Examples of that later case were evident in our public conversations. Recall the young LGBT customer who talked about the positive influence on community acceptance of one's company's corporate affirmation. Sellers of soda pop, for another example, have an interest in sustaining trade volume among LGBT customers, the transformation of social norms is a positive externality. The degree of positive benefit hinges on how the company chooses to communicate with the community. Effective communications in turn depend on the quality of relationship and understanding of the other parties in the relationship. If Niebuhr cast the human being as *homo dialogicus*, then the corporate being must become *corpus dialogicus* to do its moral work well, while advancing the business successfully. We can imagine different outcomes in the cases of moral crisis we studied in Chapter 1 with a broader corporate view and command of the interactions within the marketplace. For instance, Purdue Pharma could have taken stock of the larger system at work and even without abandoning their opioid pain franchise, bounded its activities for the public good, perhaps even extending that franchise farther in the future for a somewhat smaller group of consumers.

I hope that institutions can become more sophisticated in forming their moral codes by continuously listening to their people and responding more readily to changing market conditions and changing insights about human experience in the markets as they relate to the goods of the company. A corporation with a high moral metabolism gives participants freedom of thought and movement to collaborate, to discern, and to implement the right action. Such a corporation is one that knows the relationships and accountabilities they hold and how they relate to the market exchanges they undertake. It is one that can name its moral problems and moral hazards, both present and on the horizon. It is one that has bounded its activities, knowing where to "do business" and where not because it is cognizant of the adjacent spheres and their purview. It has rules to ensure the right conduct and an active and flexible interaction system to ensure a thinking, feeling, and rapidly responsive organization. The agenda for such an organization in 2021 and beyond must include a set of new goals and practices attuned to the realities of both the surrounding market *and* society. With that set of practices and the larger frameworks for the corporate system in mind, we should consider what difference they might make in resolving real cases and controversy.

**High moral metabolism companies must be grounded in durable overlapping communities and actively nurture their health.** Shared meaning in the market sphere requires a level of proximity and mutual recognition such that a human exchange can take place. This is indeed the task incumbent upon those involved in the exchange and can only be realistically accomplished if individuals are engaged in recurring series of exchanges and anticipate that they will continue into the future. This sense of long-term shared interest and interdependence limits the seeking of one-off or short-term gains at the expense of a trading partner. Sustained relationships (or in the language of game theory, playing in a repeated game) not only shifts incentives, but is at the heart of both a process of shared meaning-making and the co-development of transactional competence. All are features of high moral metabolism. They enable communities of connection that extend beyond the corporation into the communities where customers or suppliers reside or which have a simple physical adjacency.

Companies must cultivate (rather than minimize or annihilate) communities of practice and networks of affiliation**.** Creating settings for workers that are conducive to generative types of colleagueship and friendship is fundamental. For friendship among those with a passion for common goods and a shared commitment for striving to excellence creates a backdrop for information exchange, trust, and coordinated action. Such relationships were presaged by Aristotle with visions of friends of a like sort smoothing the edges of one another's character through repeated interactions. These provide knowledge regarding social values and meaning and offer an oft missing puzzle piece in the resources of moral reckoning. Circles of practice were necessary contexts in which norms of excellence are established and stewarded through time in the MacIntyrean frame. In our field research the quality of practice was linked to such communities and success was reported in companies that allowed and indeed encouraged professionals to have relationships with colleagues outside of the corporate entity. Indeed, in some industries (such as biotechnology) it was clear that such lateral knowledge and practical wisdom transfer way was indispensable cross-pollination. Complementary to this kind of affiliation among like sorts of people engaged in like endeavors are communities of folks who can inform the decision maker and corporate actor of values and goods outside of these elite contexts. We heard variously in our testimonies of the perspective-enriching value of the poker game, the Sunday dinner table, and the Tuesday night Bible study. The corporation has a business stake in the vitality of professional and personal communities that lie outside the reach of the boxology of organizational design (e.g., the mechanistic map of ideal interactions on charts).

**Preserve or create greater agency in individual roles and create space for personal job freedom to grow.** Empowering workers with information and optionality in their work, and redesigning the roles and relationships to make it possible mobilizes more of the system to drive toward the manifold goods of corporate activity. The opportunity for a worker to be virtuous (we recall from our Aristotelian foundations) rests on the *willingness* of a person's actions. The opportunity to be excellent and to do good hinges on agency. Flourishing of workers as human beings in turn depends on this opportunity. More than anything disparities in agency create class systems inside corporate environments. We heard from workers across industries how the power to decide core issues drove their engagement and the deployment of helpful moral resources. While such deployment didn't always change the corporation's course of action, at crucial moments it did. We also heard nearly unanimously that the decision-making class of workers is small and shrinking within the American corporation. Increased numbers of individual agents within the corporation increases the possibility for dissent and decreases the risk of making and carrying out morally fraught decisions and programs. Crimes committed by large groups of conspirators are rarely concealed for long and it takes only one righteous voice (and at times the risk of disclosure) to avert major misconduct.

Workers who lack agency fail to develop decision capacities and essentially become disconnected from the networks that make up the capacity for effective corporate "thinking and feeling." In such disconnection, reservoirs of knowledge and insight are cut off from the corporate flow, and decision quality is degraded as a result. Radical empowerment disintegrates boundaries, even perhaps in the presence of other knotty differentials such as compensation. The high functioning organization must have systems which continuously consider how every single person in an institution can be pursuing a vocation comprising meaningful practices fitting for a human life. At a most basic level, agency has something to do with a value touchstone of human dignity. Worthy persons are worthy of investment and trust to make good decisions and direct their own actions to the good as they understand it.

**Trust must be restored as the ambient backdrop of the corporation, reducing the disintegration, anxiety, and rigidity of the system**. The clarity of contractual relations must be reestablished and broadened into more covenantal understanding. The reshaping of the worker's social contract must be done by means that reflect commutative justice, meaning in partnership between employer and the employee, supervisor and supervisee, with a reasonable symmetry of knowledge and power. The language and creative potential of covenant can only be built upon that secure platform of contractual confidence. The structure of the basic relationship must be fair, fully understood, and freely embraced. Only atop that platform can the more covenantal project of learning how to flourish in concert be undertaken. Without a basic level of trust, there cannot be empathy; without empathy, decision-making will be impaired. We saw how our respondents' most sticky moral problems were plagued by the symptoms of mistrust. Fear of information and learning about problems grew from punitive systems. Fear of accepting short-term business losses in the name of a longer term moral good blossomed in systems where "non-performing" employees are routinely replaced. Disconnection from the inner goods and long-term impacts on the business were evident where top leaders failed to balance with wisdom the interests of the shareholders, the customers, the employees, and the communities in which they are embedded. Thus for example the full costs of Volkswagen's environmental fraud should have included the degradation of trust across all of these relationship lines, with those adequately counted the attractiveness of the increased sales could have been significantly diminished.

For a given person operating in an institutional setting, they reside in multiple intersecting circles of trust. Each circle potentially offers different moral resources and makes other emotional demands of the moral agent. Effective and trusting relationships must be thick and durable to provide information and insight for the collective to make profitable decisions. The establishment and systematic cultivation of trust are going to be acutely necessary for the proper moral functioning of the organization and the prosecution of virtuous work by the individual.

**Communicate relentlessly to the entire workforce that they are bound together in a common moral project**. Building the "good corporation" begins with the individual, their construction of self-identity, and their relationships to the people with whom they constitute a community of purpose. The ground of interdependence (which we explored as a "religious" value to be ported into secular space) must be established among worker with disparate identities, job tasks, and positional power. It starts with the personal understanding of their overlapping communities and how they migrate through time, and how they are furthered, shaped, or hindered by the institution by which they are borne. It then extends to an understanding of the corporate setting as home to a collection of interlocking social networks (cross-functional work-teams, friendship groups, professional guilds, unions, etc.) from which individuals may draw moral resources. In considering this expansive set of affiliative groups, we incorporate the urgings of MacIntyre's circles of practice focused on excellence in relation to very specific internal goods and the preservation of those norms through time as well as of H. Richard Niebuhr's more sweeping charge to take stock of what's happening in the larger system and how it calls us to take responsibility.

The values of the institution must be transmitted through effective articulation in short and long forms. Credos and heroic moral tales are tools of practice for the institution builder. We recall the healthcare company at which invoking the founder's creed was enough to signal a halt to urgent business processes, that the moral dimension of the activity could be carefully weighed in addition to the economic dimension. Verbal heuristics and guiding narratives create collectives in which joint discernment can occur about each transaction the corporation enters within the external marketplace. They are relationships that validate and reinforce good moral choices and offer the chance for disapproval when the corporate action misses the ethical mark according to broader measures of the communities who are stakeholders on the action.

**Systematize processes (and meta-processes) for making good decisions organically.** The communities of practice must be free to progress in orientation to the internal goods of primary importance. Different communities of practice must be linked in ways that create Bellah's "learning community" of excellence. As the corporation re-systematizes decision governance, expand tolerance for diversity of inputs. Making space for multi-modal decision-making styles is as important as other forms of diversity. The excessive predominance of the regular and consequentialist decision-making styles often crowds out the expressive style, forcing it to other spheres of life. The expressive style encompasses intuitive action which is the territory of masterful practitioners embodying ethical virtue in which non-deliberative decisions are often natural and optimal. Listen to voices which say there is a problem or an opportunity. Teams must be able to dwell on significant problems long enough to gain insight and prepare to take meaningful action. Relationship resources are underutilized in creating awareness of moral problems with significant economic impact. A well-functioning system should focus attention on why and how they are a problem by different measures, how they can be prevented in the future, and how harms and relationships can be healed.

On the more positive side, in case after case we see that companies (read: its leaders) had latent or potential opportunities to know what they did not "know" but their people did. Best practices attested to by our study respondents emphasized ad hoc means to learn what people in the company already know about the market, its needs, and the hazards the company faces. Whether it's the nutritionist who thought no one would want to hear bad news or the customer service worker that is unaccustomed to consultation of any kind, our respondents talked again and again about the power of simply reaching out. It was also clear that these occasions were remarkable because they were so often ad hoc, meaning dependent upon the individual inclination of leaders and not systematized within corporate culture. Transformation depends on new networks of communication and their reliable replication across the institution.

**Cultivate the professional practices of strategy making, community leadership, and people coaching.** Naming them as practices and creating practitioner circles can support the formation of excellence in practice. Practices traditionally allocated to leadership should spread to become the common skill base of workers in order to have broad base for the development of the capacity for moral reasoning, imagination, and adjudication within the corporation. The illusion of efficiency is created in companies with little visible dispute, difference ,or divisive discourse. Opening spaces for difference of views and dissent, and granting permission to argue will increase metabolic efficacy. Giving "permission" to argue, allowing different moral resources to come to bear without policing appropriateness or imposing counterproductive boundaries enables the integration of distributed knowledge and decision-making resources. We heard how individual voices can bring resources to bear. Whether they were the "corporate conscience" or the C-whisperer," when given liberty and the tools too often reserved for the privileged, "lower level" employees can redirect the ship. Our private education company zeroed in on the interests of Chicago public school children, our electric utility attended to those suffering job loss dues to COVID because individuals provided windows on the lifeworlds of those vulnerable populations. Mobility also matters in moral judgment because when different moral reasoners come into contact with each other, convention and patterns of domination are disrupted. Allowing and enabling the movement of individuals within the system and exposure of workers to one another in unstructured interactions can increase the metabolic functioning of the systems, as the system is forced to reform and adapt continuously, not relying on idiosyncratic personalities but on group practices.

**The Call for Understanding and Imagination**

Simple re-attunement to ethics as the north star of corporate life is only part of the solution. Making corporations good from the inside out is likewise only part of the solution, but it is an indispensable part. Right intention made a difference in the character of the companies we studied and those who were able to effect positive change. Beyond that, we also need to have higher expectations of corporations, and the places in which we work. We need to declare our capacity as moral agents and claim our agency, even as the bureaucracy works to reduce it. We need to have practices of expressing expectation to one another within our communities and organizations. These are religious practices as the need arises from the most fundamentally human of places. We need to cultivate more effectively the virtue of humility right alongside that of courage. We need to accept human finitude and corporate boundaries and be continuously using practical wisdom to assess those against the right ambitions to do more and to do better. We need to build relationships of trust, grounded in authentic sensibilities of friendship and love of colleagues as if they were our neighbor. These are necessarily secularly situated projects. Insofar as they relate to ultimate values, life purposes, and transcendent effects, they have a decidedly “religious” quality. They should be accorded due gravity.

One of the primary problems which erodes relational justice in our current society includes increased disconnection between the two sides in many types of transactions. The efficient economic prescription is often for increasingly regulated and increasingly anonymous exchanges. The growth of computer and internet technology in particular means that many exchanges can occur at a great distance among a mix of sophisticated and unsophisticated parties. The opportunities for shared meaning may be decreasing just as the likelihood of significant power disparities is increasing. In navigating this perfect storm, the market may solve things differently (and do so in ways at times superior to government intervention). Still, people must be in direct personal relationships that cannot be fulfilled at a distance.

The corporate leader needs to ask whether there are real contexts in which the “contract” (explicit and implicit) between the parties is continuously renegotiated, and whether the parties have a meaningful balance of power and freedom of conduct to believe that a just outcome could be possible. Potentially relevant groups include labor, customers (and potential customers), and physically-proximal communities (to production, management, and distribution activities). The corporate institution can be liberatory with regard to the individual’s sense of empowerment to draw and act upon the disparate moral resources they bring into the relationships of the corporation. Identifying and reinforcing relationships, creating space for prophetic voice and problematic dissent, and more diverse means of adjudicating moral conflict can create corporations that are more than a necessary evil, but a closer reflection of the beloved community and a locus for its constant re-creation. The theological commitment to essential human dignity and a vision of the profound value of the work achieved through human creative exchange demands that we pay close attention to the way that the actions of our institutions affect individuals’ welfare, as well as the possibilities for individuals to be in the right relationship to one another in enduring ways. Complex networks of right relationships constitute communities of integrity that, through shared understanding and collaborative action, can contribute to greater societal prosperity, as well as corporate performance.

Relationships count in the constitution of a healthy body. A classic stakeholder-oriented theory says that "managers should make decisions so as to take account of the interests of all the stakeholders in a firm. And stakeholders include all individuals or groups who can substantially affect the welfare of the firm—not only the financial claimants, but also employees, customers, communities, and governmental officials, and under some interpretations, the environment, terrorists, blackmailers, and thieves."[383] This assumes it will be machines making the decisions rather than humans or, even more preferably, groups of humans. Moral action is contagious if the circulatory flow of the corporation is clear. Given agency, freedom, and emerging relationships, workers will strive, I believe, to become virtuous on behalf of the ends of their profession and not the false ends of the bureaucracy. Individuals make heroic choices when given the opportunity and the cues to do so.

The high moral metabolism corporation must be able to think and feel through justice in several modes, distributive (who gets what), commutative (who's at the table and in what ways more or less equally), and restorative (who has been harmed and how can that be healed?). The ethical corporation needs to be more human, multi-vocal, multi-perspectival, and ultimately more multi-dimensional across all these modes. How to do that? A greater number of actors should be invited to bring their virtues to bear, collaborating in thick and enduring relationships to create more just outcomes. These

383. Michael C. Jensen, "Value Maximization, Stakeholder Theory, and the Corporate Objective Function." *Business Ethics Quarterly* 12 no. 2 (2002): 236.

collaborations need to attend to and take account of external social costs as well as the accrual of different forms of capital. The varied communal circles that intersect at the corporate center can create a better possibility for successfully executing financially-beneficial exchanges while also grasping social value creation. Moral ambidexterity is the capacity at the trigger point of the chain of value creation and distribution, one that is in the common interest of all of society's institutions, public and private.

The opportunity for moral renewal for individual workers, businesses, and society rests in the recognition of the deeper resources resident within the worker and worker communities, and the reinvigoration of meaningful relationships among the workers, managers, owners, and stakeholders of the corporation. We have the chance to renew corporations for a new age. We can learn to leverage latent knowledge to identify moral crises before they are moral crises and use resources outside doctrine and outside the organizational boundaries to ignite the moral imagination of possible paths forward and the partnerships to make them a reality. We must take advantage of the opportunity to do so because there is life sustaining value delivered by the output of economic organizations and we leave much if it on the table when we fail to liberate individuals, communities, and our imagination and aspirations. We must take advantage of the opportunity to do so because, long before the tangible product of corporate activity reaches a store shelf, the doing of the work itself has the capacity to deliver the collective goods upon which we rely for our common survival and flourishing.

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