Business Ethics in the 21st Century, by Norman E. Bowie. Dordrecht: Springer, 2013. 235 pp. ISBN: 978-9400762220

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With *Business Ethics in the 21st Century,* Norm Bowie caps a forty-year-long academic career. He tells us, "It is now time to move on" (ix), but before he goes, he leaves us with this valedictory work.

This book is, in part, a retrospective on his career and the history of academic business ethics. Bowie looks with justified pride on the Society for Business Ethics that he helped create, on his doctoral students who are now active scholars in business ethics, and on the vibrancy of the Kantian approach to business ethics that he championed. But *Business Ethics in the 21st Century* is not merely a reflection on a distinguished career. It also provides a snapshot of "the driving issues in business ethics" in the early part of the twenty-first century (x). Bowie's focus in this respect is spot-on.

The author first observes that corporate governance structures are biased toward the interests of the management class. Consider, for example, that corporate boards are both selected by and from members of this class. In light of this process, Bowie argues in favor of increasing stakeholder representation on corporate boards (174). He asks: "Does anyone doubt that executive compensation would be lower and thus more fair and equitable" with a more diverse set of parties represented in the boardroom (178)? Realizing that some business managers will strongly resist this suggestion, he wryly notes that:

> many of those corporate executives who embrace the philosophy of Milton Friedman that the purpose of business is to create shareholder wealth continue to fight any attempt to give the shareholder greater voice in the management of the corporation. (169)

This inconstant attachment to shareholder interests is revealing. It suggests that these corporate managers embrace Friedman's theory less because of a deep commitment to shareholders than because it is the only plausible doctrine that typically aligns with the interests of the management class.

This does not mean, however, that these corporate managers are simply out to maximize their self-interest; many have a more fundamental ideological commitment that holds that successful businesspeople—as opposed to mere workers—merit high levels of status, wealth, and power. I'll return to this ideological point shortly.

The idea that corporate governance is stacked toward the interests of the management class resonates with another of Bowie's observations. In Chapter 1, he returns to his 1998 *Journal of Business Ethics* article "Fair Markets," in which he notes that business law frequently appeals to fundamental ethical notions like fairness. He argues on this basis that the law often requires adherence to broad standards of morality (3). In revisiting the article, Bowie notes that "the courts are more conservative now," and thus less likely to interpret the law in a way that requires adherence to those aforementioned broad standards (4).

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I agree with Bowie that American courts are now less likely to interpret corporate law in a way that requires adherence to broad standards of morality; instead, they are more likely to establish formal tests of what counts as, say, "fair" behavior, without tracking what is actually fair. There is, however, nothing particularly conservative about interpreting the law in a rule-based rather than principle-based way. U.S. courts—in large part due to political activity by corporations—have become more inclined to interpret the law in a way that is "business friendly," and by that I mean that is more friendly to the interests of the management class (see Silver, 2014). This trend, too, has ideological roots. Members of the judiciary can embrace the idea that the successful businessperson is to be exalted and rewarded, not burdened with "punitive" taxes and regulations. Their commitment to any particular form of jurisprudence can be as steadfast as the commitment of many business executives to Friedmanite theory; the commitment wavers whenever there is a conflict with their underlying view of society.

This raises another governance issue. How can the democratic system be reformed so that political and judicial decisions more equitably represent the interests of all citizens, rather than tilt heavily toward the interests of the management class? How can the political system change so that business managers receive their due consideration, and the people who work for them do, too?

The idea that there is an ideological problem within the management class connects with Bowie's observations about how managers can and should treat workers. He argues that the relentless focus on efficiency in business is ultimately self-defeating, especially as firms look to lower the pay of workers or eliminate their positions altogether: "As we continue to find ways to eliminate people, there will be fewer and fewer people to buy goods and services produced which in turn will lead to the further elimination of jobs (people)" (25). Bowie suggests instead that business managers focus on creating "win-win" situations in which all stakeholders benefit.

The author notes that the drive for efficiency is not only self-defeating but also selective. The gains from efficiency "in many instances have gone to executives whose compensation has risen markedly vis-à-vis all the other stakeholders." (26) This is another clue that business ethics in the twenty-first century, as it is actually practiced, is not really about efficiency or shareholder value; rather, it is an effort that rationalizes a transfer of wealth to those who, in the minds of decision makers, truly deserve it.

In the second part of his book, Bowie examines Kantian and pragmatist approaches to business ethics. He offers a measured defense of a Kantian approach on the grounds that its emphasis on the dignity of persons "usually gives sound advice in ethically tricky situations" (48). He later expands: "I personally find the Kantian narrative a useful one but it is not the only one and certainly not the one and true one" (87). While admirable, this ecumenical approach to theory is, I believe, misguided. We should certainly be open to moral insights from any source; however, I reserve a higher hope for ethical theory that it can collect and systematize our insights so that we can better understand morality and more clearly navigate situations in which we have conflicting moral insights.

There is still much to learn from Bowie's Kantian approach. Consider his view that international business norms are constructed rather than discovered. He argues that the only way to legitimately determine the correct international standards is for different countries to enter into actual agreements (113). The Kantian argument is that in order for international business norms to be legitimate, the various countries involved must have an "adequate voice" in their construction (125). This requirement provides an important check against cultural imperialism.

Bowie's analysis here, however, is incomplete. If "adequate voice" is a condition for legitimacy, it raises the question of whose voices count. Does "adequate voice" exist if a country with a patriarchal culture rejects the equal treatment of women? Or is "adequate voice" only present if the women in that country get to help construct the international business norms? The author's position seemingly gives too little weight to the voice of women in patriarchal societies, as well as other marginalized people in other societies. Bowie's Kantian approach, which bids us to make sure that all persons have "adequate voice," would do well to provide a further opportunity to address this shortcoming.

The importance of giving stakeholders "adequate voice" reappears in the chapter titled "Organizational Integrity and Moral Climates," in which Bowie maintains that "in certain situations, giving stakeholders voices in the rule-making and decision-making may be all that is required to respect them as persons" (192). This is a substantial qualification to his statement that business managers should strive to make win-win business decisions, and it merits further exploration. What level of voice, then, should stakeholders have in order to assure that business decisions are legitimate?

Bowie ends this chapter on a somber note: after observing the great difficulties in creating and sustaining a business with a good moral climate, he wonders whether "firms with organizational integrity [are] an endangered species" (204). He continues this tone in the final chapter of the book, which discusses the teaching of business ethics. The chapter contains hard-won knowledge such as how to deal with student cynicism toward business ethics. It is here that I most strongly endorse the pragmatic and ecumenical spirit of Bowie's work; when it comes to teaching business students ethics, I am open to whatever works, from whatever theoretical approach, to guide students to good sets of values.

One piece of advice from the author concerns how ethics should fit into the business school curriculum. Bowie notes that "most people believe that the best approach to the teaching of business ethics is to integrate the teaching of ethics throughout the business school curriculum." Unfortunately, he is "not aware of any major business school that has tried to do that" (210). This raises the question of why business school culture has not been receptive to this integrated approach, and how that might be changed.

This may be due, in part, to another of Bowie's observations. He remarks upon how out of step normative business ethics is with respect to the dominant social science disciplines in business schools. In a related point, he notes how business ethicists are expected to follow social science research practices. Bowie concludes the book darkly:

> Unless the situation changes, the future for the teaching of business ethics and for normative research in business ethics does not look bright. At the end of a long career in the field, this state of affairs is depressing. (223)

Although laced with sadness, I find this wise book to be a source of comfort. I know all too well the challenges of being an advocate for ethics in a business school. It is good to have Bowie's company when the challenges seem overwhelming, and to have a model of a virtuous career that knowingly takes these challenges on.

REFERENCE

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