TOPICS: FIRST PAPER

What follows is a list of suggested topics, meant to get you started thinking about the reading so far. Starting points are not destinations but your final draft should have some discernable connection with one of the items on the list. In thinking over these suggestions (which, you will find, sometimes overlap one another), you may happen upon a topic which answers only part of what is suggested. Fine. The more local and confined the topic, the tighter will be your argument. Paper should be about five to six pages, double-spaced. As you can see, I have written more in making this assignment than you have been asked to supply in fulfilling it. Your task is nonetheless more difficult. You are asked to advocate a point of view. The paper should be headed by a brief abstract of the position taken within it.

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Discuss any reading encountered so far in connection with an episode in your own business career and draw some conclusions about each. [This is the most important topic I have to offer and possibly the hardest to deal with effectively.]

Comment on the case of the unhappily named Sara Strong. Is there a victim here? If not, why not? How important is it on the job to get earned credit from clients for a job well done, in addition to your salary? Or is praise from an immediate supervisor alone enough to keep you going? Is there anything deeply wrong with mandated gender differences expressed through dress codes? Don't we have these codes anyway? Earlier, we distinguished between authority and power, along the lines laid out by Rosabeth Kantor. Doesn't the case made by her supervisor (Vitam) to her come down to this: that she has all the authority that goes with her job but will have no opportunities to acquire power? Does the locale of the story (Mexico) have anything to do with the way that you answer these questions? One way to deal with case studies is to imagine yourself in roles other than the major one. In this case we might ask how you would advise Sara if you were Fried and Sara had come to you with her problems.

Comment on the case concerning “Italian Tax Mores”. Why is the new branch manager so upset about a business practice which has the collusion of a legal authority and which doesn't seem to harm anyone in particular? (One should note as well that there are penalties to being truthful when the going assumption is that you are not putting an honest or firm offer on the table.) Does the collusion of legal authority make a difference to the ethical character of an action and if so, in what way? How important is the notion of harm to judging the ethical quality of a practice? Are there unethical practices without victims? Sometimes the effects of a practice is evident, the victims visible, the harm severe, but most often the effects are so distributed or parceled out that the harm seems trivial in any particular instance and/or the victims are invisible or far away. (This is the case in matters concerning pollution; everyone does it and the law colludes at much of it, and so you have no immediate ethical pressure to meet standards that will reduce earnings.) In this case, the harm is difficult to track. One might start considering the manager's response by trying to track it; a system of bribery is at work and at it is likely that someone, somewhere, at distance from the crime is paying the cost of this by bearing an unfair burden of taxes as a result. (The bribe, moreover, counts as a deductible business expense.) Then, too, there is the fact that “everyone does it”, a situation which usually carries the implication that if you don't do it, someone else will. Does this relieve you of an ethical responsibility? These questions are not meant rhetorically but as requesting reasoned answers.

In class we altered the context of “Italian Tax Mores” in order to consider how the issues change when we change the way that bribery works: You have performed a competent piece of consulting work (no more than competent) for Joyful Industries and the CEO, O. B. Joyful, invites you to his company's Christmas party, where he hands you an envelope marked “Happy Christmas” and murmurs, “To be opened at Christmas. Just a small token of appreciation”. You get back to your office and open the

envelope: inside are ten crisp, new five hundred dollar bills. Your office mate, an old hand at the game, says: “Keep it. A few companies do it around here. He'll ask you for some information from time to time about other companies that use our services - nothing like industrial espionage, you understand, just a general sense of how things are going with rivals, what's most on their minds, that sort of thing. It's not as if you're going to be asked to reveal patented secrets or the contents of files marked confidential.” Do you keep the money? Or do you risk offending a client valued by your company by returning the money? Does the fact that the bribe is direct-not negotiated by agent to whom you pay a sum of money for the service-make a difference and if so, how?

Jack Welch made it a practice even in good times to have his senior executives fire ten percent of their subordinates once every three years, and those at lower levels to do the same: “It’s all about performance. Some think that its cruel or brutal to remove the bottom 10 percent of our people. It isn’t. It’s just the opposite. What I think is brutal and false kindness’ is keeping people around who aren’t going to grow and prosper.” What would Thrasymachus makes of Jack Welch? What would Plato? What would the Grand Inquisitor?

A puzzle related to *Antigone*, whistle-blowing and “Italian Business Mores”: You occupy an upper-level position in middle management at Fairway Electric's newly created nuclear reactor division. Construction has already begun at several sites for the installation of your DC-10 model reactor, and the apparent success of the fledgling division during its second year of operation has important rivals worried. At this point, a flaw in the reactor design is reported to you by the engineering department; you have been assured that it poses no immediate safety hazard, but worries about nuclear safety are rampant among local residents in all communities where sites have been located. Interrupting construction would not only entail cost overruns but also pose a problem in public relations for the purchasing companies and make them decidedly unhappy with Fairway; at this moment, the loss in reputation might be potentially damaging to the fledgling division to the point of catastrophe. To be sure, not letting the purchasing companies know would make for costly repairs at some indeterminate period several years down the line. Your immediate superior, however, assures you that such flaws are commonplace in the industry, and that the cost of repairs, moreover, would be offset by the losses incurred by the purchasing firms in delaying installation. Fearing negative PR, she says, purchasing companies do not want to be informed of difficulties that would call for interrupted construction. They know how the game is played, have factored the cost of initial repairs into the purchase price, and would not dream of complaining in the future; moreover, as utilities, they have the lobbying power to pass the bulk of unanticipated costs along to customers at the local or federal level. She instructs you to say nothing to the purchasers.

A further question of loyalty, discussed in class: You have been delegated to hire for a position directly subordinate to your own, one that might become, with due application by its occupant, the springboard to a position equal to yours, and you have been told to hire "the most competent applicant." The phrase "most competent", however, can be interpreted to be similar to the phrase "most pregnant"; competence may not be said to exist in degrees, or if it may, the actualities of candidacies is such that differences in competence do not lie along a scale of commensurable qualities. One of the candidates is outstanding - far and away beyond competence in aptitude for the position, but somewhat abrasive in manner. Another is competent, socially adept, and also a close friend of many years standing, who has been "downsized" some months ago and is growing desperate for a good position. Your friend is somewhat embarrassed but also delighted that you are the appointing officer and asks you not to recuse yourself on grounds of bias. No one at the firm knows of your long-standing friendship. Discuss your decision in terms of competing loyalties.

We may think of “authorized leadership” as situations in which the leader is the head of an organization with established levels of authority. In Socrates's discussion with Thrasymachus (in the excerpt from The Republic), Thrasymachus offers the view that one's "excellence", especially in cases of authorized leadership, is a form of cleverness, which sees through mealy-mouthed talk about ethics and knows how to pursue one's interests rather than pursuilng the interests of others, as justice demands.

Socrates argues that if leadership is a form of cleverness, it is founded in knowledge, and knowledge is always in service to an ideal of correct functioning - the leader knows something, which is not how to serve his/her own interests but how the exercise of his authority is geared to making some important part of the world work properly. In discussion, we tied excellence in the first of these views to the maxim of Vince Lombardi: "Winning isn't everything; it's the only thing", and we tied excellence in the second to Sammy Snead's "Don't play against the competition; play against par." Discuss the aptness (or inaptness) of these connections and their relevance to any other issues that seem pertinent to your exposition - e.g., the Socratic view that you don't work for yourself (or for money) but for others and for the sake of the task.

Compare the view of authority offered by Thrasymachus and the view of Dostoyevsky's Grand Inquisitor. Thrasymachus extols *arete* (ancient Greek for “excellence” or “virtue”), which he paradoxically identifies with injustice, and does not think that everyone is fit to practice it. The Grand Inquisitor extols the freedom of Jesus, but as a virtue of only the few; at the same time, he argues that the obligation of the leader is to serve the interests of the governed - their "happiness". (In the story, this is not material prosperity, but we may neglect this for the moment.) He knows that leadership imposes burden upon one's conscience that the vast majority of people are not able to bear and he takes their burden upon his shoulders. How applicable is this to the case of business leadership, whose responsibilities often call for him/her to rise above ethical "squeamishness"? (Not, I hasten to add, above legal considerations.)

The Inquisitor believes that most people want "someone to keep their conscience" - to reassure them that they are not complicit in immorality when they accept the benefits that leadership confers upon them. In Albert Carr's essay on bluffing, we have another attempt to argue that leadership should not be tempted into do-gooding. He does, however, believe it necessary that someone should "keep the manager's conscience". In an article that we did not read, he offers to make plain an implication of the article that we did read--that family ethics and business "rules of play" have to be kept separate from one another; the family must foster larger ideals, a wider sense of *personal* conscience. We might compare this with Andrew Undershaft's "I am not one of those men who keep their morals and their business in watertight compartments." Elucidate the virtues or deficiencies of Carr's view of "ethical separatism", in connection with any business situation (real - for example, one of those cited by Carr - or concocted) or with any other text we've read so far.

[We may here recall that Carr offers a compendium of cases - the lying candidate who doctors his cv, the aging, less-productive executive who might be fired to save on pension (but what would that do to company morale?), the accountant who inadvertently has the company take a false tax deduction and doesn't want to call the matter to the president's attention, the executive who owns stock in a nephew's name and shoves business in that company's way, to designate some of them.]

Consider Carr's argument in relation to Johnny Hake's behavior in "The Housebreaker of Shady Hill". Hake's narration actually carries a motive (if not a justification) for his "ethical separatism". His relations to his mother were always clouded by financial considerations - this may explain the character of his marriage. The difference, of course, between Carr's managers and Hake is that Hake's behavior is criminal, whereas what Carr discusses (like industrial espionage) is not. But like espionage, which Carr regards as a requirement if one is to remain "competitive", Hake's behavior is required if he is to remain economically able to maintain his residence and style of life in Shady Hill. (Of course, he could always get a job with MacDonald's.) At the same time, he picks his victims carefully; they are people who, in one sense or another, are "just asking for it". Extend and elucidate this comparison, in order to comment on the quality of Hake's criminal "episode". Is it mentally aberrant, foolish, a rampant piece of weakness, or a revelation of his situation in life?

In the light of the phrase "To want someone to keep their conscience" as I have just defined it discuss the following: NY times, Monday 3/4/96: "Thomas G. Labrecque, chief executive of Chase Manhattan [merged with Chemical Bank Corporation], has cut 10,000 jobs, with more to come: `I

wouldn't be human if it didn't affect me,' he said. `I've been working these issues for 35 years. I've faced a lot of crises. In the Marines, I was one of two people finishing the amputation of somebody's hand because no one else was there. Does that affect you? Sure it does. But if you're doing what you think is right for everyone involved, then you're fine. So I'm fine.'"

Examine closely the analogy offered by Albert Carr between an adversarial or competitive game (like poker) and the ethics of business. In your view, why did the comparison strike Carr as appropriate? What are its virtues? What are its limitations? Consider Carr's examples: would altering them "to raise the ante" make any difference to your answers. (For example, instead of considering the case in which someone is asked to make a political or a charitable contribution in order to clinch acceptance of a competitive bid, consider the case where what is required is a modest bribe.) If it makes a difference, why is this so?

It has been remarked by many writers on business ethics that those involved in Carr's examples--for example, in misrepresenting the competitive advantages of a product or in practicing industrial espionage - are in a Hobbesian "state of nature" situation, where the cooperation of many in dealing fairly with one another is not supervised by an effective overseer or even ingrained among the relevant population by long-standing habituation. In short, when it is reasonable to suppose that others will not behave in a manner regardful of anyone's interests but their own, one cannot be obliged to behave differently; no one can be obliged to let others take advantage of oneself when it will do no good. Further, Hobbes insists there is nothing wrong with human character in this situation - it is unreasonable to let others take advantage of you for the sake of a principle that has no means of widespread enforcement, and this seems to be Carr's view as well. Comment in any way that seems relevant.

Consider Creon to be a recently-appointed chief executive to an institution just emerged from nearly destructive internal strife who is challenged by a subordinate directly under his authority by denying the legitimacy of the executive's first major decision. In this context, is Antigone Creon's retribution or just his bad luck?

Make the case for either Creon or Antigone in the teeth of (that is to say, after making the best case possible for) the other. In answering, bear in mind (a) that it is the very next day after an unsuccessful attempt to conquer his city; (b) the usual attempts at conquests always tried to enlist the aid of any group within the city who were disaffected or at odds with the leadership and normally secured this aid before any campaign was launched (modern equivalents are called "fifth columnists" and "traitors within"), so that Creon's fears about traitors within are not entirely unreasonable; (c) the person whose burial he forbids (Polynices) is his own nephew, who has turned against his family, and the duty to bury such a person would normally fall upon him.

Creon and Antigone articulate different views of the authority that they invoke to justify their positions. One of these concerns allegiance, another human nature, a third the nature of the gods. What is Creon's view of these things? What is Antigone's? Does the outcome of the play reinforce one of these views or the other, or does it suggest that both parties to the quarrel are wrong?

Find at least one example within your corporate experience that reflects the kind of quarrel involved in this play. If you were to rewrite the play in the light of your example, would you have to re-imagine the characters, portray them differently, or change the ending of the play? This play is offered for reading at the Aspen Institute, and there the comparison is drawn between Antigone and a contemporary "whistleblower". The parallel is far from exact, but it does raise questions, however, about the extent to which a business (a legal abstraction) or the public interest (an ethical abstraction) can command one's deepest loyalty, which is usually given to individuals and not to abstractions. In a statement to the press some years ago, James Roche, then president of GM, invoked "the system of free enterprise" in order to denounce the disloyalty of whistleblowers. Can a *system* command loyalty? Should it?

Compare the main characters in Antigone with the characters in the case-study, "Into the Mouths of Babes". How is it possible for Lavery and Hoyvald to believe that they were acting heroically? How would you describe Licari's character? Does the fact that the customers here were mothers and the consumers were babies affect the ethics of the case? If the actions of the Beech-Nut executives were not illegal, would Carr approve of their behavior?

Imagine that Socrates, as his character is revealed in the dialogue with Crito, were to write a criticism of Sophocles's Antigone. Whose side would he take and what would he say?

In a book entitled *Credibility*, two distinguished business consultants argue that credibility is the most important characteristic of a senior executive - outweighing, both in their view and in the view of those managers consulted in a survey that they conducted, such traits as intelligence and competence. Reading the book, one discovers that "credibility" is less about being believed than about being trusted: managers don't want to believe *the statements* of the CEO so much as they want to believe *in* the CEO. Comment in the light of any text or texts read so far this term.

Julius Caesar is a study of four distinct styles of leadership, represented by Caesar, Brutus, Cassius and Antony, respectively. The following suggestions are meant to touch upon topics concerned with comparing and contrasting these styles of leadership. By way of a benchmark, I cite some words from a Harvard Business School case-study, "The Parable of the Sadhu". The sentiment about leadership that they embody can be found in virtually every book on business leadership that I have read in the last twelve years.

> Effective managers are action-oriented people who resolve conflict, are tolerant of ambiguity [this means that they are not indecisive even when choices are not clear], stress, and change, and have a strong sense of purpose for themselves and their organizations. . . . People who are in touch with their own core beliefs and the beliefs of others and are sustained by them can be more comfortable living on the cutting edge. At times, taking a tough line or a decisive stand in a muddle of ambiguity is the only ethical thing to do. If a manager is indecisive and spends time trying to figure out the "good" thing to do, the enterprise may be lost.

Here are the suggestions:

1. Elucidate the characters of Brutus and Cassius in the light of this statement. Which of the two is more dangerous to established authority? Like Antigone, Brutus represents, in some sense, "family values" and is moved to resist an autocratic, centralized power vested in a single leader. Compare and contrast the two figures, Brutus and Antigone, in any way that seems profitable. In doing so, consider their drawbacks. Brutus will not connive or bribe, deals peremptorily with the advice (sound advice, as it turns out) of Cassius, will not demean himself by seizing the supplies needed by his army but expects his allies to supply it; he assassinates his best friend, yet boasts at the end that no one was ever false to him. How admirable is this figure?

2. Consider Brutus's reasons for joining the conspiracy to kill Caesar. The man of principle, who receives tribute of commendation from Antony at the end of the play, is (as the audience well knew) responsible for plunging Rome back into the civil war from which Caesar had nearly rescued it. Consider as well the character of Caesar. The play deliberately contrasts his genial favoritism in private life - his courtesy towards his friends - with his unshakable resolve as public authority (his speech about the North star.) If Caesar is on an ego-trip, it is not a mean-spirited ego that he is serving. "What touches Caesar most shall be considered last", a resolve that is far from Thrasymachus's tyrant, whose justice serves only his own interests. How necessary is it for one in authority to cultivate and try to live up to an extreme image of him/herself?

3. In this connection, Julius Caesar is very much concerned with the ways in which people's sense of self-regard makes them liable to manipulation by others. How important is living up to an image of yourself? How important is it for a corporation to live up to the image of itself that it fosters or

promulgates about itself - the stuff of "vision statements", in other words? Anthony is the man without an image of himself. He is faithful to the image of Caesar; otherwise he is a player, a manipulator of images. How good a leader is he? How important is the image that other people have of you? In the first exchange with Cassius, Brutus seems to reject the notion of living by the estimation that others have of you. Does this make him peculiarly independent of baser motives like ambition or peculiarly insensitive to their place in the minds of others?

4. Does Caesar embody "credibility"? Was he right or wrong in refusing to recall the banished Cimber? And why does he speak of himself as if he is an apt object of credibility? Doesn't he realize that the supplicants are his friends and that they have just seen him, so to speak, in his pajamas?

5. What are the sources of authority appealed to by the characters in Julius Caesar? Was Caesar ambitious? Is Cassius? Is Antony? Is ambition a possible virtue in the world as the play presents it (so that Brutus is wrong in advancing ambition as a good reason for killing Caesar)? Antony says of Brutus at the end that he alone acted for "the general good". (Perhaps another object of abstract loyalty?) Is this judgement right? Does the play endorse Brutus on these grounds?

The reading by Machiavelli concerns the distinction between the motives of an executive and the image that he or she must sustain. How could Brutus or Caesar have profited from this lesson? At one point in his text, Machiavelli says that unlike other writers addressing themselves to princes and talking of government, he will speak about the real world, not an imaginary or ideal one. Yet what he speaks of is largely the need to maintain illusions. Indeed, you might sum up Machiavelli's teaching as follows: "Never mind reality, the image is everything".

Machiavelli says that people will trust someone who breaks his or her word because (a) one can always give good reasons for breaking one's word; (b) people are "so ready to obey present necessities" that they allow themselves to be deceived. What is meant by "present necessities"? Is the notion of "*allowing* yourself to be deceived" a coherent notion? "Il Principe" (Numero Uno) is presumably clear-eyed about deception and does not allow himself to be deceived, not even by himself. Does anyone in Julius Caesar fulfill this characteristic of leadership?

"The leader," says Machiavelli, "must learn how not to be good." Does this imply that one doesn't know how to be bad or rather that one doesn't know how to be bad in the right way? He advises the ruler to be sometimes a beast, sometimes a man. Is it possible to avail yourself freely of this transition? Why do people need the illusion of the five qualities--that is, what is implied about those who have not learned the lesson of The Prince? Are those who have learned the lesson in some sense superior beings? Do they not need illusions of their own?

Compare Machiavelli's view of the Prince with the Grand Inquisitor in any way that seems useful in illustrating some aspect of the ethical difficulties that beset leadership.

Machiavelli's name became synonymous in the Renaissance with evil advice and practice, largely on the basis of *The Prince*. To be "Machiavellian" came to mean to be a sly schemer, one who hides his evil intentions behind the mask of executive necessity. Did Machiavelli deserve this reputation? Again, Machiavelli was frequently chastised (after his death, of course) for articulating the maxim that "the ends justify the means". What else can justify them? Is the maxim "the ends justify the means" only a cover for the notion that the real end and aim of the means is simply the means themselves - that is to say, the exercise of power? Or we might put the criticism the other way about. Machiavelli's adage, "The ends justify the means," is justly famous, yet Machiavelli does not say simply that the means that are instrumental to a good end are just - on the contrary, he says that they are often unjust, that a wise administrator "must learn how not to be good" Is this a coherent notion? If something is justified by the good that it produces, why not speak of it as good?

Undershaft: "I had rather be a thief than a pauper, a murderer than a slave. I don't want to be either but, by heaven, if you force the alternative, I'll choose the braver one". Is this the excuse of the weapons-maker or a credo? One might paraphrase: "A very unjust world has forced me to choose

between being as powerful as I can or be powerless and I have chosen power. Others have done so, too, but in order to gain power, they distribute weakness; in contrast, I gain power by distributing power to anyone with the will and courage to earn it". Does the notion that he will sell weapons to anyone, regardless of the buyer's cause, adequately represent the credo as I have phrased it?

The paraphrase of Undershaft's credo that I have given might explain why Shaw's purposes demand that Undershaft must be a maker of munitions, as opposed, let's say, to a maker of dental floss and toothpaste--still more, that he couldn't be, like Bodger, a maker of distilled liquors. There is another way to justify Undershaft and also Bodger into the bargain, and this is by the time-honored doctrine of *caveat emptor*--the notion that free choice in disposal of opportunities, energies or income is a more important principle than safeguarding people against themselves and their own foolishness in making choices. Which of the two principles would you invoke to justify (or excuse) your managerial role in the sale of firearms, weapons of mass destruction, tobacco products, falsely labeled baby food? Or would you draw the line at such employment?

Hobbes wrote: "I put for the general inclination of mankind a perpetual and restless desire of power after power, that ceases only in death. And the cause of this is not always that a man hopes for more intensive delight than he has already attained to; or that he be not content with moderate power: but that he cannot assure the power and the means to live well which he hath at present without the acquisition of more." This was written more than three hundred years ago. Does it capture the character of individuals? Of corporations? Comment in the light of what I have called Undershaft's credo in the last two paragraphs or with reference to any other text read so far this term.

You might try answering one of the following questions in connection with *Major Barbara*:

Consider most of the professors at Sloan. Do they think that they are selling power? Should they sell it only to the right sort of people?

Is poverty something to be proud of? Is it a crime? If it is, who commits it? Do the poor deserve their poverty?

What does Barbara want from Bill Walker? What is the bribe of bread?

From the Sermon on the Mount: "Lead us not into temptation . . ." which may also be translated as "Please do not test us . . . " Is it a good thing to pray not to be tested? To practice forgiveness? Here it is done in the hope of being forgiven. Is that a good thing? Is there any other motive for doing it?

Why is money like religion? What is the religion of a millionaire? Is money ever dirty money? Do you have a fulfillment? Would you take a job that stood in the way of your fulfillment? What (exactly) is wrong with working for an arms manufacturer? A distiller? A narcotics dealer? A manufacturer of toothpaste? Does the product really matter? If not, why not? If so, why does it make a difference?

Lady Britomart advises Stephen to accept his inheritance and then hire a manager to run it. How would you go about hiring such a manager? What is the issue about succession in the play? How do you hire a CEO?

Cusins says: "Forgiveness is a beggar's refuge. We must pay our debts." The idea is that one may talk about forgiving others, but one's real motive is generally the wish to be forgiven oneself, without the need for reparation - Bodger's reason for giving some of his superfluous cash to the Salvation Army. Cusins here seems to endorse this view, and to side with Undershaft against Barbara and her Salvation Army conversions: begging for forgiveness is easy, paying for the harm one has done is hard. Nonetheless, Barbara gives Bill Walker a hard time, refusing to let him pay off his offense against Jenny Hill by getting his own face bashed in. What does she want of him? Explain. Is the power to forgive, forget, and start anew always "a beggar's refuge"?

Cusins nicknames Undershaft "Mac", for Machiavelli. Has he been rightly nicknamed? Undershaft insists that religion is the only topic that intelligent people care to talk about and he has a religion: he is a millionaire. Does this mean that he cares only about making money? Would he object if

he were described this way? There are two things necessary for salvation, he says - money and gunpowder. Is this a religious view? How does it compare or contrast with that of the Grand Inquisitor? In the preface to the play (which we did not read), Shaw complains that the poor among the working classes have got the wrong idea about money; they think it shameful that the Salvation Army can be bought when they ought to admire the Army because it sells itself only for very large sums of money.

We sell our souls everyday for trifles, says Cusins; why not for reality and power? What might Shaw have in mind when he has Cusins say this? Is he right?

Jesus says that all money is of Mammon, all dirty. Barbara raises her "mites" of charitable contribution from the poor themselves, as if their money was clean while that of Bodger and Undershaft was dirty. This is not an idea to be sneezed at; it goes with the idea that true brother- and sisterhood is confirmed by sharing when what is shared is at its scarcest in a world of spiritual or material poverty (or both); it rightly contrasts with Bodger trying to buy salvation for himself with his superfluous thousands (not a large sum for a millionaire). But it does raise problems about what counts as clean money. Would she accept a contribution from a laborer in a munitions factory? How about the salary of anyone above the median world income? Elaborate or compare the views of Barbara (before she quits the army) with those of Shaw, who writes in his preface: "The universal regard for money is the one hopeful fact in our civilization, the one sound spot in our social conscience, Money is the most important thing in the world."

Hobbes founds his ethic on the notion that every individual is obliged to sustain his life and the means to it, and that no other obligation counts except those that support this primary obligation *and have been freely and knowingly contracted*. Apart from the primary obligation, and in pursuit of it, only an individual's acts can create an obligation. Obviously, not all obligations can be straightforwardly accounted for in this way; Hobbes is aware of this but insists nonetheless that his formulation gets at the root of all obligation, even in cases where it might appear otherwise.

In contrast, we might consider Plato. So well has Hobbes done his work that when we read Socrates's arguments about the Laws at the end of the Crito, we tend to think "Aha! implicit contract!",but it is probable that this gets Plato's idea back-to-front and that Plato was thinking of no such thing. What the passage about the Laws appeals to was the notion that you incur the deepest obligations without knowing it at the time--just by being somewhere, occupying a certain role, engaging in some way with others. The paradigm is that of the child, born of and reared by its parents, not the freely contracting agent.

Examine any view of managerial responsibility (to shareholders or stakeholders) in the light of this contrast.

The following four questions refer to Milton Friedman's essay, on "The Social Responsibility of Business":

1. Like Undershaft, Friedman believes that the businessman must put his mouth where his money is; he might take as his motto Undershaft's "unashamed". Shaw deals in paradoxes, and in this connection, Friedman, too, offers a paradox: it is more than hypocritical, it is positively unethical to give ethical reasons for business activities that earn a profit. Comment in any way on this subsuming of ethical responsibilities under the rubric of the profit-motive. What is the difference between saying "It's profitable to be ethical" and "It is ethical to be profitable"? Explicate as generously as possible Friedman's position, then attack or defend it.

2. Would Undershaft approve of Friedman's essay? How does Friedman's position compare with Albert Carr's view in the essay on "bluffing"?

3. An earlier question above contrasted the views of Carr with those of Andrew Undershaft. With which of the two would Friedman side?

4. Friedman clearly does not care for “do-gooders” in positions of business leadership. What opinion would he have of Brutus or Caesar? Would you agree with him, and why?

The following questions refer to Isaac Dinesen's story, "Sorrow-Acre", which you will have read before this paper is due:

1. Machiavelli implied a kind of hard-and-fast opposition between a chief executive and those manipulated by gullibility and greed. The old lord's discourse in "Sorrow-Acre" also implies a hard-and-fast opposition, but of a somewhat different kind. Elucidate. The old lord's maxim may bear upon this context: power is the only virtue. What does he mean by this? This remark is connected to a discussion of the Greek gods, who have no one to blame for "the woe of the universe" except themselves; the uncle prefers them to the Danish gods who are good and have evil adversaries. What is the point of this connection? Does the manner in which the story is told uphold or deny his judgment?

2. The bailiff in Dinesen's "Sorrow-Acre" observes that if everyone worked as hard as Anne-Marie, the estate might actually show a profit. (The implication is that it doesn't.) The old lord replies in such a way as to suggest that profit is not the justification of the estate's existence. How about corporations? In an earlier period of takeovers (leading to downsizing and bust-ups of managerial structures), James Bere (CEO, Borge-Warner) said, "It's wrong to play financial games with long-established companies, but when the Street talks, we must listen." Commenting on Bere's opinion, Robert Mercer (CEO, Goodyear Tire) argued that there was more to a company than shareholder price, capital assets and the pension fund; there was also the company's values. Try explaining what Mercer might have meant in the light of the old lord's views. Does the fact that the story takes place in a world whose values were shortly to be extinguished forever (Adam represents the modern world that displaced it) make a difference in judging the old lord's position?

3. The old lord has a problem in executive management. How would you describe it? What prompts him not to take a decision but to empower a subordinate to make one? Why is he unwilling to act upon his beliefs or his sympathies? How good a manager is the Old Lord in respect of dealing with a crisis of decision? Where Adam (the innocent) sees cruelty, the old lord implies respect. Compare the old lord's sense of his responsibilities with Milton Friedman's sense of fiduciary mananagement. Compare the old lord's view of his responsibilites with that of EPA Chairman William Ruckleshaus in the article "Tacoma". What would Friedman say of Ruckleshaus?

Here are some materials drawn from newspaper accounts that may provide further examples for discussion:

From the New York Times series on downsizing (3 Mar 1996):

Top managers at the Stanley Works have shucked their suits and ties and adopted sweaters and slacks, one reason being that they don't want to advertise their roles in these days of downsizing. Layoffs have reached 2,000 people. . . . R. Alan Hunter, the husky president of Stanley, sat in the company cafeteria recently, in a dark sweater and turtleneck. "Is it better to have 100 people in a world-class plant or 120 in a plant that is not world class and might not survive?" he said. "You have to consider what is best for the shareholders and the organization."

Mr. Hunter of the Stanley Works has it hardest when he returns home. He said he never tells his two children about laying off workers. His wife asks, however, and that is when phrases catch in his throat. "She'll say, `Why are you doing it?' he said. "I can answer that more easily to a Stanley employee than to my wife." He tells her of the need to be competitive, and she nods. Yes, when she goes shopping, she says, she certainly likes bargains.

Richard A. Baumbusch was a manager at CBS [in New York City] in 1985, heading a department that he knew was slated for virtual dismantling. A manager immediately subordinate to him in the department came to him for advice: He had been biding his time but he knew that his performance had been superior during the last three years and felt that his situation in the organization was secure. The market in housing was now particularly favorable? Should he take the plunge and buy a house? Mr. Baumbusch knew the man's job was doomed, yet felt bound by

his corporate duty to remain silent. The man bought the house, then lost his job. Ten years have passed, but Mr. Baumbusch cannot forget.