BOOK REVIEW

Bernard Mees. THE RISE OF BUSINESS ETHICS, 2019, The Rise of Business Ethics, Routledge, New York, 200 pp. Hardcover. 120 pounds

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Business ethics has been a term used in various ways, and is deemed applicable to both an individual or institution. It consists of written or unwritten principles, values, or laws that govern employees or a particular organization. The historical development of business ethics depicts different interpretations depending on the historian, events and opinions of various institutions. Even famous philosophers such as Immanuel Kant and Jeremy Bentham view business ethics differently. For the former, the focus of business ethics is on its categorical imperative, where there is respect in humanity and in abiding by one's duties and responsibilities (Smith & Dubbink, 2011). For the latter, the outcome is more important than the means (Brady, 1994).

Bernard Mees, in his book, *The Rise of Business Ethics*, discusses the historical development, various points-of-view, and events that pave the way for the "business ethics" as we know it today. The author holds a Ph.D. in the history of ideas. He has been a senior lecturer at the RMIT University, a research fellow at the Melbourne Law School, and a linguistics and history tutor at the University of Melbourne. Mees is currently an Associate Professor at the University of Tasmania in Hobart, Australia.

Mees takes his readers back to the past, as seen through the lenses of different personalities who have contributed to the evolution of business ethics. The preface starts with a narration of the author's photograph of his grandmother's cousin, who is said to have nursed Pope Pius XII. In his 1949 address to Catholic employers, Pope Pius XII made a significant contribution to business ethics by discussing the Catholic social teaching and promotion of human welfare. The contribution of the Catholic tradition, however, has been largely ignored in the earliest discussions on business ethics. Mees then proceeds to discuss European, French, and American studies of business ethics, and the Catholic, and the Protestant views on business ethics. He points out that business schools neglect the history of business and business ethics. Mees says that it is challenging to reflect on something if one is unaware or lacks perspective (p. 10):

"We cannot know the future, but we can learn about the past…"

Chapters 1 through 4 illustrate activities, practices, and beliefs that helped trace the roots of business ethics and understand factors that have affected its development, such as social, political and economic theories, religion, philanthropy, and social responsibilities. Chapters 5 until 9 narrate different concepts that are important not just because of their contribution to the development of business ethics, but also as business practices that may encourage long-term espousal of business ethics in today's organizations. These are business philosophy, corporate governance, ethical leadership, sustainability, and responsible management.

More than the inclusion of personalities, and events, Mees was able to connect one chapter to the other by preparing the readers for what may come. The concept discussed in one chapter relates to the following chapter too, with a few details on the succeeding chapter to summarize the idea built upon. The introduction lays the groundwork by first discussing the various definitions of business ethics in the 19th century. First, business ethics as a regulation that entails corrective reaction to the perceived misconduct of businesses. Second, business ethics as influenced by intellectual traditions, in particular, applied philosophy, political economy, industrial relations, economics, and other related disciplinary concerns. Third, business ethics as part of business education, which eventually became a study of research. Fourth, business ethics as intellectual traditions rather than aspects of business scholarships. Finally, business ethics as morals of commercial and corporate conduct. During the 20th century, business ethics developed not just as a reflection of criticism based on one's practices, but it also brought about the rise of modern business schools and global business education systems. The author also details the synopsis of each chapter in the last part of Chapter 1, providing a glimpse of what is to be discussed.

In Chapter 2, the author explores various social, political, and economic theories like industrial capitalism, socialism, Marxism, and liberalism that led to the rise of modern corporations focusing on economic liberty rather than managerial efficiency; consequently leading to corporate revolution. Chapter 3 builds upon religion and various philanthropic activities strongly influenced by religious practices. Philanthropy evolved into the so-called "big philanthropic foundations," founded by prominent philanthropists such as Andrew Carnegie and John D. Rockefeller, Sr. Subsequently, various ethical codes and principles of conduct were developed that influenced the establishment of business ethics education. The early social responsibility focused on becoming more outward-looking rather than employee-focused alone. In Chapter 4, Mees presents the ever-conflicting beliefs on corporate social responsibility. One side envisages social responsibility for corporations beyond just maximizing shareholder value. Corporations need to also serve the broader community. The other side believes that businesses should prioritize maximizing shareholder value and that social responsibility programs are costly and reduce profit. Companies should not, therefore, be obligated to venture far from their primary purpose of profit maximization.

After establishing the various events, beliefs, and practices, Mees interestingly discusses, the need for organizations to develop their business philosophy in Chapter 5. According to Professor Richard Eells, modern corporations lack their own philosophy in business ethics. The typical corporate executive may feel that their pursuit of profit will automatically serve the society and thus, was needed for economic efficiency. There was also the discourse of separating the study of business ethics in business schools. A lot of students felt that business ethics is a not appropriate in business schools since it is too dogmatic. Nonetheless, to quote Raymond Baumhart, a Jesuit priest, "that a man most likely to act ethically follows a well-defined ethical code, and a man following a highly ethical boss will also be consistently upright himself." In the later part of the chapter, the author, quoting Steinmann's code of ethics, sums up that profit is necessary but should not be the ultimate goal of businesses. Management should serve its customers, employees, investors, and society by securing the long-term future of the company, while making sufficient profit.

Building on the premise that management's well-defined personal code or code of ethics significantly affects how an organization and its people value being ethical, the author expounds on this in Chapter 6 through the concept of corporate governance. Mees presents the chapter with one of the most controversial scandals in the history of business, the Enron case. It is said that the biggest problem in Enron lay in its corporate governance. Eells defines corporate governance as the structure and function of the corporate consistent with a democratic society - an extension of business ethics. Around the same time, in 1975, the term stakeholders was coined, pertaining to businesses governing their relationships with its managers, workers, stockholders, suppliers, and vendors – these groups being designated as stakeholders.

Chapter 7 focuses on ethical leadership or the need for moral leaders. Mees talks about the importance of *prudence* or *practical wisdom,* a main ethical virtue required from people in authority serving social institutions. A prudent man is defined to be one with keen foresight on uncertainties. However, business planning does not merely involve foresight but a strategy that will reflect the principal function of business leadership. Leaders were said to be characterized as either transformational/charismatic or transactional. The former pertains to those leaders committed to their followers, providing moral stimulation to the employees, making them more profitable by building on their skills and capabilities, focusing on values, vision, beliefs, and trust. In contrast, the latter pertains to those who just get the job done without really being involved/invested. With emerging moral leadership, a new political concern was also emerging - the management of the environment.

Chapter 8 looks into various ecological legislation because of the growing concern for the environment, such as acid rain, pollution, and global warming. The adoption of environmental principles by corporations is more of a compliance to the government policies than voluntarily choosing to do so. The concept of environmental management propounded by John Elkington – the triple-bottom-line of satisfying more than the traditional bottom-line of profits includes the domain of environmental and social justice. Mees summarizes the development of business ethics and its practices by focusing on responsible management in Chapter 9. Responsible management goes beyond profit as the regulator of life in business - owners should also prioritize human and moral aspects of the organization. In order to lead an organization into its long-term sustainable and better outcomes, companies should improve corporate environmental, social, and governance standards (ESG). Overall, business ethics still involves a wide range of principles, philosophies, and beliefs. The difference now is that business ethics is a discipline on its own with vast available resources for more remarkable development and understanding.

Mees' style of storytelling builds up intrigue. However, at times, particularly in the first two chapters, the author's writing can be a little abrupt and confusing. He condenses the content of the first two chapters, which could have been extended to another chapter on ethical theories for greater readability. Throughout the book, the author remains faithful to historical sources. His quotes actual text instead of engaging in discourse or narrating his assumptions and opinions of what transpired. Mees includes different organizational principles, values, and codes of ethics that add essential information to the development of business ethics. While it is challenging to present stories of organizations that have successfully drawn on business ethics practices such as social responsibility, ethical leadership, good governance, sustainability and responsible management, such narratives would have made an excellent addition to this book.

In terms of readership this book will best fit mature students and professionals. Being an introductory book on the understanding of business ethics, it may also serve as a tool in motivating managers and executives to consider the current business philosophies followed. This book will also help managers and executives understand how they may transition and become more mindful of their ethical practices, and consider that their choice of perspective and code of ethics, affects the behavior and welfare of the employees.

References

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