

Jacob Dahl Rendtorff, *Responsibility, Ethics and Legitimacy of Corporations* (Copenhagen: Copenhagen Business School Press, 2009)

The book has five parts, each building on the previous one and progressively going from general to particular. So, after the introduction, we find a section on globalization, value-driven management and business ethics. Then we find a section on business ethics and corporate social responsibility in different fields of business. Part 4 deals with legal and political developments and the challenges to global business ethics. The book culminates in part 5, describing and prescribing policy proposals for corporate strategy and the basic ethical principles for business ethics and corporate citizenship.

Rendtorff has a dialectic style, presenting an argument and its counterargument basically for all topics covered. This makes the 500-page-book dynamic and a pleasant reading.

The theories of business ethics are multiple, some more sophisticated than others. They range from a theory of profit maximization — where the firm or corporation is not an autonomous entity but the result of contractual obligations among individuals, — to a theory of corporate citizenship — where the firm/corporation is a non-human person with moral capacity and therefore responsibility toward others, including the environment and the community in which it operates, which can extend globally.

The adherence to ethical principles or ethical codes can be instrumental as well as a goal in itself. By engaging in ethical behaviors or socially responsible activities, firms may be more profitable. Employees will be happier and more productive in a morally supportive environment and customers with strong moral/social preferences will prefer dealing with firms that share the same goals and commitments. On the other hand, the meaning of a successful ethical code or responsible citizenship depends on actually believing in it, believing that is a goal in and of itself, rather than a mere marketing ploy.

I believe the questions Rendtorff asks, implicitly and explicitly, are immensely important and difficult, if not impossible, to answer. In my eyes this is the value of his contribution, in addition to extensively cover the current literature.

Rendtorff explicitly presents some potential tensions between profit motives and ethics motives, between stockholders and shareholders and between different stakeholders. Especially toward the end of the volume, when he describes the global corporation and its responsibilities, he hints at potential tensions, if not even clashes, between different ethical standards across different cultures.

Some of the questions that emerge from this book could be, for example: How does a theory of business ethics and corporate responsibility relate to economic theories spring off experimental results where subjects seems to indicate that income maximization may not be

the sole motivational force in their behavior? What if a formal commitment to ethics and/or citizenship crowds out the more natural sense of fairness, as it is shown happening in many economic experiments? How can we distinguish a firm that adopts an ethical code for moral reasons from one that adopts it for instrumental reasons? Under what conditions can a firm be ethical even if it is driven by profit maximization? What if profit maximization generates, unintentionally, more ethical results than an ethical motive? What if, as it is sometimes said, 'hell is paved with good intentions' and an ethical motive generates unethical consequences? What happens when the goals of autonomy, dignity, integrity, and vulnerability that a firm should have generate (unintended) consequences that destroy or undermine the autonomy, dignity, and integrity of some individuals? What if, to protect the natural environment from a disrupting pesticide such as the DDT, we let the mosquitoes carrying malaria live, and spread and cause the death of millions of people? What if, to protect the beautiful elephants, we are forbidden from killing them when they roam on the fields of African farmers, leaving them without crops, that is condemning them to starvation and death for malnutrition? What if, to protect the dignity and the jobs of some manufacturing workers in the West, we close down sweatshops in southeast Asia, preventing children from working in a factory and sending them to the next best source of income—prostitution? What if, to stay within the West, a firm with strong ethical beliefs, grounded in religious beliefs, fires or refuses to hire a gay individual?

The questions Rendtorff asks, explicitly or implicitly, are relevant questions for both the development of this young discipline which has already made so much progress, and for the development of a better understanding of how we can live peacefully and prosper in a world where individuals and businesses can do what they are meant to do and do it in the best possible way.

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