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Corporate Governance and Business Ethics

Edited by

Jeremy Moon, Marc Orlitzky and Glen Whelan

Series Editors

Kevin Keasey and Mike Wright

Corporate Governance in the New Global Economy 10

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Corporate Governance and Business Ethics

Corporate Governance in the New Global Economy

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Introduction

Jeremy Moon, Marc Orlitzky and Glen Whelan

Corporate governance is inherently about ethics in business. However, at times the relationship gets overlooked as analysis focuses on the efficacy of instruments for corporate governance whose ethical underpinnings are judged implicit or given. It could also be argued that some analysis is so preoccupied with evaluating corporate governance with reference to economic performance criteria that the relationship is entirely overlooked. Our intention in selecting papers for this collection of essays is to make explicit questions of ethics in corporate governance.

To that extent, our approach is predicated on the assumptions of concentrations of power that corporations represent and moreover, as Coase (1937) observes, the assumption that corporations are 'islands of *conscious* power' in a sea of market transactions. Corporations are associated with concessionary status to do things for which individuals and other organizations do not have the opportunity. As a result, they are exempt from certain legal constraints that impose on individuals and other organizations. Basically they are expected to exercise stewardship of the resources of others, most obviously those of shareholders, but also those affected by the business operations, often known as stakeholders, and/or those societies on whose behalf governments give licence to corporations.

It is as well to recall the ethical import of the emergence of corporations. First, the English word corporation derives from the Latin word *corpus*, or body, which not only evokes its essentially human character but also the inherent tension captured in the use of the metaphor between the parts and the whole (Crane et al., 2008, chapter 1). The original legal distinction of the term was that whilst being a 'body of persons' it was 'a body corporate authorized to act as a single individual' (*The Shorter Oxford English Dictionary on Historical Principles*, 1973). In this context the term 'artificial person' emerges bringing with it ethical controversies about responsibility and liability that go with corporate status.

Second, the first usages of the word in the sixteenth century were for collective purposes, whether of guilds or of public bodies, respectively, to dig mines or to build roads and bridges. For many the corporations retain their justification only in as much as they can demonstrate their social purposes and thus refer to corporations as social enterprises (Dahl 1972, 1985; Parkinson 1993). Here also lie the seeds of further sources of ethical consideration beyond that of the relations between the whole and the parts to the relationships between corporations and public interest.

It was two centuries later that the term corporation was associated with the, often scurrilous, opportunists using other people's money for glamorous enterprises in the South American colonies or most famously in Britain, the 'South Sea'. Indeed, when the Bubble burst in 1720 there was a public moral outpouring. This culminated in a new Act of Parliament which outlawed corporate bodies created for the purpose of issuing stocks without legal authority (Carswell, 1960; Hadden, 1972). This and later examples of regulation in the UK and the USA underline the significance of wider governance systems and norms for corporate governance.

Filatotchev and Wright (2005) point to a 'life cycle of corporate governance' in the previous decade consisting of corporate failures and regulatory initiatives. They also point to the increasing recognition of the need to expand perspectives on corporate governance from 'conformance and performance governance' to embrace 'learning and knowledge dimensions as well as contextual issues' (Filatotchev and Wright, 2005: 1).

This selection of essays, whose coverage stretches over a century and around the world, reflects a number of recurrent themes. The first concerns to whom managers and corporations are responsible, be it their owners, others with a stake in the business and/or society at large. The second concerns for what managers and corporations are responsible. The third concerns the identity, processes and institutions which are responsible for ensuring corporate governance and, as in the other two recurring themes, why.

However, the selection also captures the dynamics of these relationships and innovation and change, reflecting different and changing ethical and business contexts. The collection also identifies developments in the techniques, processes and institutions deployed in corporate governance.

Our collection of readings starts in the early twentieth century, admittedly rather late in the history of corporations. However, this starting point reflects the recognition of a most crucial development and its implications: the significance of the size of new giant corporations and the problems of their control. Second, there was the greater awareness of the tension created by corporations having responsibilities both to their shareholders and to society at large. Whilst both these issues had been recognized in the late nineteenth century, not least by Karl Marx, what distinguishes the literature we point to is its interest in the design of corporations and their processes, in order to reflect various ethical considerations. Part I therefore deals with the emergence of corporate governance and business ethics.

In the post-war era, a new set of corporate governance concerns emerged in response to what became known as the managerial revolution, the subject of Part II. The core issues here are those arising from the increasing separation of ownership and control of corporations. This brought with it debates about the relative merits of managerialism and the orientation of managers' responsibilities, particularly concerning the nature and extent of their discretion.

Part III focuses on a wider debate over the question of the responsibilities owed by corporations to a wider set of stakeholders than shareholders alone. The focus here is on those others who have a 'stake' in the company such as employees, suppliers, customers and consumers, and even communities. Whilst Freeman (1984) originally presented the stakeholder view as strategic, he and other exponents of the view have subsequently offered normative underpinnings for it as well. Debate has thus addressed both the ethical and practical implications of the stakeholder manifesto.

Thus far our readings have reflected preoccupations about corporations in the Anglo-American type business systems in which corporations have usually been owned by dispersed shareholders and the shares publicly traded. These corporations have had worldwide significance and have informed corporate governance developments in other places. However, there is also a variety of capitalisms which yield different sorts of corporations with different governance agendas, both reflecting different ethical norms and introducing attendant ethical issues (Albert, 1991). Notwithstanding evidence of different systems of corporate governance and business ethics, the question now arises about convergence of global governance as a corollary of wider economic globalization. Thus, Part IV brings comparative and global perspectives.

Finally, corporate governance, business ethics and their intersections continue to be very dynamic, reflecting increasingly rapid changes in corporations and corporate behaviour as well as evolving ethical orientations and applications. Thus Part V focuses on alternative and new perspectives. This selection includes papers which expand the context and scope of corporate governance and which offer an immanent critique of the ethical status of corporate governance.

Having briefly identified the overall flow of the present volume, we now turn to a slightly more detailed discussion of each of the five parts it contains.

Part I The Emergence of Ethical Corporate Governance Concerns

This first part of *Corporate Governance and Business Ethics* does a number of important things. First, it highlights that, as the size, power and/or prevalence of an institution increases, so too does the critical attention devoted to it. Second, and more specifically, it highlights that many issues of current interest to business ethicists are anything but novel. Indeed, a number of issues of continuing and fundamental importance to business ethicists, and scholars of 'business and society' more generally, were discussed by scholars writing close to 100 years ago.

Chapter 1, J. Maurice Clark's work 'The Changing Basis of Economic Responsibility', originally published in *The Journal of Political Economy* in 1916, is a prime example of a work that pre-empted a number of contemporary concerns. Amongst other things, Clark notes that with the emergence of an 'industrial' society, the dangers faced by 'common man' are often 'man-made'; that with the emergence of science, the 'common man' can no longer 'know' much, if anything, of various important issues that are likely to impact upon them; and that, with the emergence of the division of labour within large organizations, the assigning of responsibility to any specific individual, or group of individuals, becomes problematic.

In short, Clark identifies concerns regarding: (1) the capacity of collective and individual human actions to drastically impact upon the lives (and/or livelihoods) of a great many others (e.g. Beck, 1992); (2) the knowledge deficit that exists for any one person within a society characterized by 'intense' divisions of labour and/or functional differences (e.g. Loasby, 1999); and (3) the difficulties associated with delineating responsibilities within complex organizations (e.g. Bovens, 1998). In recognizing these three points, Clark further argues that public policy and legislation are inherently 'blunt' instruments that will commonly fail to solve the problems they are designed to, and indeed will commonly prevent actions that would otherwise benefit society. Clark's work, then, lies within that lineage of ethical and political thought emphasizing the importance of voluntary and non-coerced actions for the social and political good.

Chapter 2 is Dodd's 'For Whom are Corporate Managers Trustees?'. The paper, which was first published in the *Harvard Law Review* in 1932, is both similar and dissimilar to Clark's. It is similar in that, like Clark, Dodd argues that corporate managers should not conceive of their responsibilities as simply being to shareholders; but rather, as being to 'society' more generally. On the other hand, Dodd's paper differs from Clark's because of its specific interest in the distance separating the owners and managers of a corporation.

In writing the paper, Dodd responds to Berle's 1931 *Harvard Law Review* piece, 'Corporate Powers as Powers in Trust'. In this paper, Berle argues that 'all powers granted ... to the management of a corporation ... are ... exercisable only for the rateable benefit of all the shareholders' (1931: 1049). Dodd disagrees with this thesis given his belief that corporations should be run in the name of the 'public interest'. Importantly, in making this point, Dodd does not suggest that corporate managers should be entirely unconcerned with shareholder profits. Nevertheless, in reading Dodd's work, it is clear that he feels: (1) it is right and correct that the corporation be directed by 'public' as opposed to 'private' concerns; (2) that this belief is also held by various members of the business community, and society more generally; and (3) that this belief is increasingly being supported by the law. On these grounds then, Dodd hopes that the business corporation would increasingly come to be recognized as a less private, and more public, institution.

Somewhat surprisingly, given the tenor of his 1931 article, Berle seems to largely agree with Dodd. Indeed, in his 'For Whom Corporate Managers Are Trustees', which is the third chapter in Part I, Berle explicitly acknowledges that the emergence of large-scale industry – and the concomitant concentrations of managerial power or industrial control it entails – means that managers should make decisions with an eye on social welfare. Nevertheless, Berle's agreement was conditional upon the existence and actualization of a mechanism by which to ensure that managerial powers would be utilized in the name of the 'social good'. Accordingly – and given the perceived absence of such a mechanism at the time of the article being written – Berle clearly states that he can only agree with Dodd in theory, not in practice.

The reason for this conclusion was Berle's belief that, without the existence of a mechanism by which to ensure that corporate managers would not utilize their powers to enrich themselves, it was necessary to continue to support the notion that corporations should be managed in the interests of shareholders. That Berle finds no real joy in this supposition is evident from the conclusion of the work he famously co-authored with Gardiner C. Means, and which was also published in 1932, *The Modern Corporation & Private Property*. Whilst not included in the present selection, it must be mentioned that what Berle and Means suggest there is that it is not only conceivable, but perhaps essential, that the corporation comes to be managed along the lines of a purely neutral technocracy that would commonly determine to divert profits away from shareholders so as to benefit society more generally. A system that would realize such a technocracy, and which would ensure that the managers in control of it could be held to account, was, as of 1932, non-existent. Arguably, the same could be said today.

These three papers are commonly acknowledged as seminal contributions within the business ethics and business and society literatures. Chapter 4, 'The Berle–Dodd Dialogue on the Concept of the Corporation', on the other hand, is not so recognized. Nor should it be. Nevertheless, Weiner's 1964 piece entitled 'The Berle–Dodd Dialogue on the Concept of the Corporation' has been chosen given its concise yet comprehensive summary of the Berle–Dodd debate; and due to it highlighting that Berle and Dodd almost came to swap positions in some of their later writings. The first chapter in Part II, by Adolf Berle, revisits and reiterates some of these adjustments over the course of more than three decades.

Part II The Managerial Revolution

The second part of this collection engages with the consequences of what is commonly called the 'managerial revolution', the separation of corporate control from ownership. In his seminal book *The Visible Hand*, Alfred Chandler (1977) described and summarized the wide-ranging changes in growing American business enterprises, which increasingly substituted the visible hand of management for what Adam Smith had called the 'invisible hand' of market forces. Because of the increasing complexity of organizational structures and decision making (Lawrence and Lorsch, 1967), organizations adapted to these changes via increasing bureaucratization (Donaldson, 2001; Jaques, 1976, 1990) and a separation of organizational control from ownership. These structural adaptations, captured by the term 'the managerial revolution', allowed large organizations to coordinate activities efficiently and, thus, reap economies of scale and scope by lowering expenditures associated with production and administration. The changes also resulted in a redefinition of organizational duties.

Peter Drucker, for example, in his influential book on General Motors' inner workings, *The Concept of the Corporation* (1946/1993), presciently anticipated many of the contemporary concerns about large corporations' responsibilities in and to society, which, according to Drucker, were largely rooted in these structural innovations and adaptations. Moreover, authors describing the 'managerial revolution' pointed out that organizations' financial success would increasingly depend on the effectiveness with which organizations adopted a professional methodology of organizing. What was new, and in fact revolutionary, was that the success of this new form of organization structure and governance did not depend on charismatic leadership or any imitation of military organizing. Indeed, the latter forms of corporate governance and structure were now largely seen as obsolete in the context of the 'managerial revolution'.

Berle's summary of the shift of control from owners and entrepreneurs to a new managerial class is the first chapter in Part II (Chapter 5). He reviews not only the empirical evidence in support of the aforementioned changes, but also the implications for the conceptualization of managerial decision-making criteria (of effectiveness) – away from profit maximization toward a broader set of socio-political factors. Berle's essay is one of the clearest formulations of a general theory of the changes that Chandler and Drucker had described in their influential books via concrete cases and illustrative examples. In addition, Berle defends his thesis against the proposition that broader economic forces have not been affected by these organizational changes. As pointed out in the introduction to Part I, by 1965 Berle's views had clearly evolved to a more 'communitarian' or 'collectivist' position.

Building on agency theory (Coase, 1937; Jensen and Meckling, 1976), Fama and Jensen, in Chapter 6, 'Separation of Ownership and Control', show how the separation of ownership and control led to a prescriptive division of labour in the organizational decision process, namely the separation of (a) initiation and implementation of decisions from (b) ratification and monitoring of decisions. Fama and Jensen's theory implies that organizational decision-making will be suboptimal if such separation is lacking or incomplete in large bureaucratic organizations. It implicitly disagrees with Berle's (1965) theorizing in that managers are urged to serve the best interest of the capital providers (investors or owners) rather than society at large (see also Jensen, 2002). It preserves the profit maximization maxim of neoclassical economics even within the context of large bureaucratic for-profit organizations. Berle (1965), however, warns that profit maximization, while a valid goal, can only be effective in large, bureaucratic organizations if it focuses on long-term effectiveness and includes broader, social criteria of effectiveness and reputation. In addition, Fama and Jensen expand the applicability of Chandler's and Berle's thesis to a larger set of organizations. Although our focus in this volume is largely on limited-liability and publicly traded corporations, it must be noted that Fama and Jensen demonstrate the applicability of their theory of the firm to professional partnerships, financial mutuals, and nonprofits. In a comprehensive review of agency theory, Shleifer and Vishny (1997) point out there is no consensus on the effectiveness of US corporate governance mechanisms in the twenty-first century.

Finally, Chapter 7, 'Toward a Stewardship Theory of Management' by Davis, Schoorman and Donaldson, presents an alternative perspective, diametrically opposed to the assumptions and governance mechanisms proposed by agency theory. By drawing on a set of human motives broader than self-interest, Davis and his colleagues present a theory of management that does not consider the separation of ownership and control to be an inevitable problem (see also Donaldson, 1995). Instead, it delineates the psychological and situational contingency factors under which each theory would be expected to be valid. Stewardship theory acknowledges a fundamental choice between agency and stewardship arrangements given a particular set of contingencies. Unlike Ayn Rand (1964) and other authors who regard egoism and individualism as the essential normative underpinnings of all effective forms of capitalism (see also Orlitzky, 2008a), Davis et al. hold up collectivism as a way to better management following a stewardship principle. Finally, the collectivism praised by Davis et al. as one of several cultural preconditions of managerial stewardship may be considered suspect, if not outright dangerous, from various other ethical perspectives (Boaz 1997, 2007; Hayek 1948, 2001; Ibison 2008; Knickerbocker 1941; Locke 2006; Locke and Becker 1998).

Part III Shareholders, Stakeholders and Managerial Duties

The first thing to note regarding this third part is that something is missing, namely, Milton Friedman's (in)famous and provocatively titled article, 'The Social Responsibility of Business is to Increase its Profits'. The article was originally published in the *New York Times Magazine* on 13 September 1970, and has subsequently gone on to be republished in a great many business ethics and business and society readers. Accordingly, we see no need to republish it once again here.

Nevertheless, there is a need to briefly discuss the article, for it is scarcely possible to discuss the 'shareholder–stakeholder' debate without reference to it. In particular, what must be noted is that, according to Friedman, the fundamental duty of a corporate executive in a free-enterprise, private property system is to manage that enterprise in accord with the desires of their employers: that is, the corporations' shareholders. Importantly, whilst Friedman thought that shareholders would commonly establish corporations in an effort to make as much money as possible (whilst complying with the law and customary ethics), he also recognized that corporations would sometimes be established to provide such things as health care and education. Whatever the case, Friedman considered it morally illegitimate for corporate executives to pursue ends that are inconsistent with those that they have been employed to achieve.

It was thus that, with specific regard to those corporations established to maximize profits (and given the assumption that the honest pursuit of social responsibility is inconsistent therewith), Friedman considered corporate social responsibility immoral: for he thought it subversive of the right of individuals to create corporations with specific agendas. Furthermore, Friedman considered the idea of corporate social responsibility problematic due to corporate executives being politically unaccountable to society. In short, Friedman argued that social responsibilities are the concern of democratically elected politicians and their appointed officials; not of corporate executives.

This 'division of labour' – which Friedman wished to maintain between the political sphere and the market – is brought into question by Evan and Freeman in the first chapter of Part III, 'A Stakeholder Theory of the Modern Corporation: Kantian Capitalism' (Chapter 8). Indeed, in this chapter, Evan and Freeman put forward a doctrine that Friedman would have considered both subversive and 'socialist': for in arguing that corporate executives bear a fiduciary duty to all stakeholders, and that all stakeholders should have a more or less direct say in the governance of corporations, they argue that political mechanisms, rather than market mechanisms, should determine the allocation of a corporation's resources.[1]

As John Hendry notes in Chapter 9, 'Missing the Target: Normative Stakeholder Theory and the Corporate Governance Debate', the type of stakeholder corporation advocated by Evan and Freeman differs considerably from the type of shareholder corporation currently institutionalized throughout the Anglophonic world. In making this point, Hendry notes that Evan and Freeman's thesis – which states that all stakeholders should play a part in the governance of the corporation – is sometimes considered impractical, and even ridiculous. On this basis, Hendry further suggests that it is unsurprising that the type of changes advocated by demanding normative stakeholder theorists such as Evan and Freeman, Bowie (1998) and Phillips (1997), for example, have never been seriously entertained by public policy advocates in the West.

In a slightly different fashion, Hendry also criticizes undemanding stakeholder theorists (for example Donaldson and Preston 1995) for advancing theses that require no change to the status quo. Thus, and whilst acknowledging that undemanding stakeholder theories can help in the education of managers, Hendry seems concerned that such theories lack a critical edge. In short, Hendry concludes that, despite the immense amount of intellectual energy spent on stakeholder theory, it has had very little impact on corporate governance institutions in the Anglophonic world.

Whereas Hendry criticizes stakeholder theorists for having had little impact upon the rules of corporate governance, Ian Maitland argues, in Chapter 10, 'Distributive Justice in Firms', that the type of changes commonly advocated by stakeholder theorists, and 'progressive' critics of shareholder capitalism more generally, are often somewhat beside the point. In arguing thus, Maitland highlights that American rules of corporate governance are essentially voluntary in that they act as a default that the constituents of a corporation are free to modify or waive by agreement (in many, but not all, instances). By doing so, Maitland, like Friedman, emphasizes the moral importance of individuals being free to establish corporations in an effort to achieve specific ends (so long as they comply with the law, and various, widely held, ethical principles).

More pointedly, and whilst referring to the contractarian perspective of Easterbrook and Fischel (1991), Maitland suggests that American corporate governance laws tend to be a reflection of what corporate stakeholders would, in general (and given the existence of minimal transaction/negotiation costs), voluntarily agree to. Amongst other things then, Maitland suggests that, if corporate governance laws were changed so as to require managers to balance the interests of all stakeholders, any benefits that non-shareholding stakeholders might initially realize would be short-lived because profit-motivated investors would be less inclined to purchase corporate shares, less inclined to provide new capital, and/or, would demand a premium to reflect the added risk and lower return. On this basis, and further to various other points made, Maitland suggests that any change in corporate governance law that would extend management's fiduciary duties would be unlikely to bring about the results desired by critics of shareholder capitalism.

This idea – that the fiduciary duty of corporate managers should extend to other stakeholders – is once again subject to critique in Alexei Marcoux's, 'A Fiduciary Argument Against Stakeholder Theory' (Chapter 11). In contrast to Maitland, however, Marcoux does not critique this idea on the grounds that any legislative effort to give rise to it would be largely ineffectual. Rather, he simply suggests that it is conceptually impossible to owe a fiduciary duty to more than one party on the basis that the very idea of a fiduciary duty implies that those who possess this fiduciary duty place the interests of those they owe the duty to ahead of other interested parties. Accordingly, and given that managers cannot place the interests of shareholders ahead of employees at the same time that they can place the interests of employees ahead of shareholders, for example, Marcoux argues that a multi-fiduciary stakeholder thesis is illogical.

Given such criticism, it is not altogether surprising that attempts have been made by supporters of the basic ideal informing stakeholder theory to re-evaluate the importance of fiduciary duties more generally. Marens and Wicks, in 'Getting Real: Stakeholder Theory, Managerial Practice, and the General Irrelevance of Fiduciary Duties Owed to Stakeholders' (Chapter 12), employ just this strategy by arguing that the fiduciary duty of managers to shareholders is not so much concerned with ensuring that managers maximize shareholder returns, as it is ensuring that managers refrain from self-dealing. They thus suggest that this fiduciary duty is rather modest (in that it only requires honesty and candour in the relationship that managers have with shareholders) and that it does not really act to prevent managers managing their corporation along lines broadly consistent with instrumental stakeholder theory. In this light, and given that managers have successfully defended acts of generosity and consideration toward non-shareholding constituents in courts of law, Marens and Wicks suggest that American corporate law neither compels nor prohibits the actualization of 'stakeholder principles'.

This fact, that American corporate law tends to recognize the right of corporate managers to take account of stakeholder concerns in their decision making, is also noted by David Lea in Chapter 13, 'The Imperfect Nature of Corporate Responsibilities to Stakeholders'. Unlike Marens and Wicks, however – who suggest that managers are (and should be) free to weigh the interests of other stakeholders with the same gravity as they do concerns of shareholder value – Lea emphasizes that such freedom does not mean that corporate executives somehow owe the same duty to all their different stakeholders.

Rather, Lea emphasizes that – given the voluntary nature of the modern corporate form, and given that shareholders commonly invest in corporations in an effort to generate a return on invested capital – it would be a mistake to understate the extent to which the duties that managers owe to shareholders differ from those owed to stakeholders more generally. In making this argument, Lea draws on the Kantian distinction between perfect duties (that is, those which are unambiguous) and imperfect duties (that is, those which are open-ended), and the recent work of Onora O'Neill (1996), who has argued that such duties can hold both universally and specifically.

In contributing to this Kantian tradition, Lea argues that corporate executives owe different duties (both perfect and imperfect) to shareholders than they do to other stakeholders. For example, corporate executives are contractually obliged to hold a general meeting annually at which shareholders vote. In contrast, corporate executives are contractually obliged to meet the terms of the various contracts they sign with employees, suppliers and customers. All these duties are unambiguous, perfect and different.

With regard to the imperfect duties that corporate executives owe to their different stakeholders, Lea is once again clear that these duties differ. Thus, corporate executives owe shareholders the specific imperfect duty of conducting the business, and entering into contracts, with an eye to making profits. In contrast, corporate executives might, with regard to their employees, be understood as having the imperfect specific duty of providing worthwhile jobs and meaningful opportunities for career advancement.

In making these sorts of distinctions, Lea does a number of things. First, he acknowledges that stakeholders have morally important interests in the modern corporation that result in corporate executives having more pronounced and specific duties towards them than they do towards society more generally. Nevertheless, he also recognizes that, within a free-market society, it is morally (and practically) important to recognize that shareholders commonly invest in corporations in an effort to generate a return on their investment. Should this fact be disregarded (by legislators formalizing imperfect stakeholder duties and foisting these upon corporate executives for instance), then Lea argues, drawing specifically on the work of Maitland (see above), that shareholders may no longer wish to voluntarily participate in the corporate form.

Taken together, the six chapters in Part III provide a sophisticated analysis of the basic presuppositions informing the shareholder–stakeholder debate. Importantly, all of the selections are explicitly concerned with engaging with the political and economic realities that inform the modern world identified by Clark (Chapter 1, Part I), and explored further in Part V. In making these selections then, the editors hope to remind readers of the practical import of ethical considerations, and vice versa.

Part IV Comparative and Global Perspectives

The purpose of this part is to consider two related phenomena which are critical for understanding the relationship between corporate governance and business ethics: comparative distinctiveness and international translations of corporate governance.

Notwithstanding the significance of the USA and the UK for developments in corporate governance detailed in the earlier parts, manifestly, corporations have been governed by very different systems around the world. This not only reflects comparative institutions of capitalism and of government but also different cultures of ethics and of business ethics in particular. Thus, this section provides insights into the simple variety of relationships between corporate governance and business ethics, historically and contemporaneously. But this focus on