Business Ethics

A Corporate Sea Change?

In his 1967 book, *The New Industrial State*, John Kenneth Galbraith wrote of business executives of that time:

> "Management does not go out ruthlessly to reward itself — a sound management is expected to exercise restraint. ... With the power of decision goes opportunity for making money ... Were everyone to seek to do so ... the corporation would be a chaos of competitive avarice. But these are not the sort of thing that a good company man [sic] does; a remarkably effective code bans such behaviour. Group decision-making ensures, moreover, that almost everyone's actions and even thoughts are known to others. This acts to enforce the code and, more than incidentally, a high standard of personal honesty as well."

Thirty-five years on, a cover article in *Fortune* is titled, "You Bought. They Sold." "All over corporate America," reads the blurb — but we can think of Australian examples, "top executives were cashing in stocks even as their companies were tanking. Who was left holding the bag? You."

    a. Has there been a change in corporate culture over the past generation? How?

    b. What of attitudes and morality?

    c. If so, possible reasons?

    d. Does your answer to a) shed any light on reversing changes, if they have occurred? How?