



Journal Homepage: - [www.journalijar.com](http://www.journalijar.com)  
**INTERNATIONAL JOURNAL OF  
 ADVANCED RESEARCH (IJAR)**

Article DOI: 10.21474/IJAR01/1675  
 DOI URL: <http://dx.doi.org/10.21474/IJAR01/1675>



## RESEARCH ARTICLE

### BUSINESS ETHICS: THE NEWEST SPIRIT OF CAPITALISM?

Hoyoon Jung.

Department of Political Science, University of Hawaii at Manoa, Honolulu, HI

#### Manuscript Info

##### Manuscript History

Received: 14 July 2016  
 Final Accepted: September 2016  
 Published: August 2016

##### Key words:-

“the spirit of capitalism,” “Business Ethics,” “Excitement,” “Fairness,” “Security”

#### Abstract

Why has capitalism persistently managed to survive in spite of its inherent critical contradictions? The erudite book *The New Spirit of Capitalism* clearly answers this question, shining light on the dialectical dynamics between the development of capitalism and its critiques. In their book, Boltanski and Chiapello call it “the spirit of capitalism,” which is defined as “the set of beliefs associated with the capitalist order that helps to justify this order and, by legitimating them, to sustain the forms of action and predispositions compatible with it” (Boltanski and Chiapello, 2006, p. 10). In this paper, I navigate so-called “business ethics,” which has shown significant growth since the 1980s (Donaldson and Fafaliou, 2003), is the concept most appropriate for the study of the spirit of capitalism to determine whether or not it contains the characteristics of the newest spirit of capitalism.

In order to address the question, I adhere to Boltanski and Chiapello’s methodology, qualitative content analysis, given that this research follows the same framework as their work. Fifteen randomly but representative managerial texts will be analyzed.

The research outcome confirmed that “business ethics” can be regarded as the potential newest spirit of capitalism. On top of that, I argue this paper contributes to the study of the spirit of capitalism.

Copy Right, IJAR, 2016., All rights reserved.

#### Introduction:-

Why has capitalism persistently managed to survive in spite of its inherent critical contradictions? The erudite book *The New Spirit of Capitalism* (2006) clearly answers this question, shining light on the dialectical dynamics between the development of capitalism and its critiques. In their book, Boltanski and Chiapello call it “the spirit of capitalism,” which is defined as “the set of beliefs associated with the capitalist order that helps to justify this order and, by legitimating them, to sustain the forms of action and predispositions compatible with it” (Boltanski and Chiapello, 2006, p. 10). Boltanski and Chiapello chronologically classified the spirit of capitalism into three respective ages (the end of the 19<sup>th</sup> century through the 1930s, the 1940s through the 1970s, and the 1980s until the present time), scrutinizing respective attributes, characteristics, and justifications to maintain capitalist order.

Inspired by Boltanski and Chiapello’s work, Kazmi et al. (2012) grappled with the concept of corporate social responsibility (CSR) as a potential brand-new spirit of capitalism. However, this brilliant study had small but crucial limitations. That is, the concept of CSR is a highly narrow concept to be analyzed as the spirit of capitalism because CSR indicates corporate-level social obligations in general. Accordingly, it cannot well address three dimensions

Boltanski and Chiapello (2002, 2006) suggested: “excitement,” “security,” and “fairness,” which should be granted to workers for the justification of capitalism; i.e., these three dimensions are meaningfully supplied only to employees and managers of companies’ CSR departments.

Instead of CSR, I argue so-called “business ethics,” which has shown significant growth since the 1980s (Donaldson and Fafaliou, 2003), is the concept most appropriate for the study of the spirit of capitalism to determine whether or not it contains the characteristics of the newest spirit of capitalism. This is because business ethics as a superordinate concept to CSR is concerned with not only the social responsibility of business but also ethics around all internal workers — whoever engages in corporate business in a broad sense. Indeed, business ethics as a potential spirit has proved sufficient capacity to distribute excitement, fairness, and security to people engaged with the capitalist system.

In this regard, this paper seeks to address the following research questions: *First, how have the myths of business ethics shaped the transformation of capitalism and corporate practices? And second, can business ethics be regarded as the new fourth spirit of capitalism?* In order to answer to these questions, I adhere to Boltanski and Chiapello’s methodology, qualitative content analysis of management literature, given that this research follows the same framework as their work. In this regard, fifteen purposively-selected and representative managerial texts will be analyzed.

This article is comprised of seven sections. In the second section, I will present Boltanski and Chiapello’s analytical framework for the study of the spirit of capitalism. In the next two sections, I will devote primarily to stressing the justification of this research. Subsequently, the research methodology will be introduced. In fifth and sixth sections, I will present research findings based on an analysis of managerial literature and address the research questions stated above. Finally, in conclusion, I will review the research and dissent the implication of this research for the study of the spirit of capitalism.

### **Studying the New Spirit of Capitalism: An Analytical Framework of Boltanski and Chiapello:-**

Boltanski and Chiapello call the spirit of capitalism the “ideology that justifies engagement in capitalism.” In detail, the spirit of capitalism is precisely “the set of beliefs associated with the capitalist order that helps to justify this order and, by legitimating them, to sustain the forms of action and predispositions compatible with it” (Boltanski and Chiapello, 2006, pp. 8, 10).

Boltanski and Chiapello, in their book, introduce two representative scholarly interpretations of the spirit of capitalism. On the one hand, Max Weber construed the spirit of capitalism as psychological motivations and a religious vocation. According to him, the spirit of capitalism refers to “the set of ethical motivations which, although their purpose is foreign to capitalist logic, inspire entrepreneurs in activity conducive to capital accumulation” (cited in Boltanski and Chiapello, 2006, p. 9). Hirschman, differing from the Weberian point of view, envisaged it on the basis of a utilitarian perspective, on the other hand. He argued that in the eighteenth century, elites had esteemed profitable activities due to the “sociopolitical benefits” they expected from that. In other words, he maintained that “the secular thinking of the Enlightenment justifies profit-making activities in terms of society’s common good” (Boltanski and Chiapello, 2006, p. 9).

In sum, the Weberian approach emphasized capitalism’s demand to provide individual reasons, while Hirschman focused on justifications in terms of a utilitarian concept, common good. Boltanski and Chiapello embrace both perspectives in their book, construing the term “justification in a sense that makes it possible to encompass both individual justifications (wherein a person finds grounds for engaging in capitalist enterprise) and general justification (whereby engagement in capitalist enterprise serves the common good)” (Boltanski and Chiapello, 2006, p. 10).

Boltanski and Chiapello (2006) categorize capitalism into two attributes; capitalism by capitalist and by wage earners. The former, according to them, encompasses “the main actors responsible for the accumulation and expansion of capital, who directly pressurize firms to make maximum profit” and who “find themselves chained to a never-ending and insatiable process” (Boltanski and Chiapello, 2002, p. 2), while the latter, wage-earning class surrenders “all property rights over the fruits of its efforts, which are said to accrue in their entirety to the owners of

capital” in the system of wage relation and exchange for its remuneration. Boltanski and Chiapello, therefore, define capitalism as a highly absurd system: “In it, wage-earners have lost ownership of the fruits of their labour and the possibility of pursuing a working life free of subordination” (Boltanski and Chiapello, 2006, pp. 6–7). In this regard, commitment from many social members is required to maintain the capitalist order, even though a significant profit might be served to a few (Kazmi et al., 2012).

Boltanski and Chiapello, in this sense, argue that a substantial self-justification is demanded by the spirit of capitalism in order to cope with anti-capitalist critique. They assert the following:

We have seen how capitalism is obliged, if it is to succeed in engaging the people who are indispensable to the pursuit of accumulation, to incorporate a spirit that can provide attractive, exciting life prospects, while supplying guarantees of security and moral reasons for people to do what they do (Boltanski and Chiapello, 2006, pp. 24–25).

On top of that, Boltanski and Chiapello emphasize the role of critique in the progressive development and transformation of capitalism, arguing the following:

If capitalism cannot do without an orientation towards the common good, whence it derives reasons for committed engagement, its lack of concern for norms means that the spirit of capitalism cannot be generated exclusively out of its own resources. As a result, it needs its enemies, people whom it outrages and who are opposed to it, to find the moral supports it lacks and to incorporate mechanisms of justice whose relevance it would otherwise have no reason to acknowledge. The capitalist system has proved infinitely more robust than its detractors – Marx at their head – thought. But this is also because it has discovered routes to its survival in critiques of it (Boltanski and Chiapello, 2006, p. 27).

In other words, capitalism has persistently managed to remain alive in spite of its absurdity primarily because of its formidable capacity for survival by embracing the critique against itself to disarm an anti-capitalist offensive. Boltanski and Chiapello divided the influence of critique on the spirit of capitalism into three sorts: First, it is able to “delegitimize previous spirits and strip them of their effectiveness.” Second, in being against the capitalist process, it enforces its spokesmen to “justify that process in terms of the common good.” Finally, the critique is absorbed by the new spirit that justifies capitalism (Boltanski and Chiapello, 2006, p. 28–29).

Boltanski and Chiapello (2002) argue that three dimensions that induce the involvement of protagonists of capitalism play a significant role in offering a definite expression for the spirit of capitalism: 1) *excitement*, 2) *fairness*, and 3) *security*.

- 1) **Excitement:** It indicates “what is exciting about an involvement with capitalism.” That is, it convinces people how an engagement with capitalism generates enthusiasm and animates them.
- 2) **Fairness:** “It invokes the notion of fairness, explaining how capitalism is coherent with a sense of justice, and how it contributes to the common good.”
- 3) **Security:** It is provided to those who are engaged with capitalism for themselves and for their families (Boltanski and Chiapello, 2002, p. 3).

Based on a historical approach, Boltanski and Chiapello chronologically analyzed the respective spirits of capitalism and presented its interpretation throughout the late nineteenth and twentieth centuries (Table 1).

**Table 1:- The Spirits of Capitalism.**

	<b>First Spirit</b>	<b>Second Spirit</b>	<b>Third Spirit</b>
<b>Forms of the Capital Accumulation Process</b>	Small family firms Bourgeois capitalism	Managerial firms Big industrial companies Mass production	Network firms Internet and biotech Global finance Varying and differentiated productions
<b>Types of Critiques</b>	Conservative critique	Social critique	Artistic critique
<b>Cause of Indignations</b>	Poverty/insecurity Moral disorder Destruction of solidarity Class struggle	Poverty/inequalities Wage relationships Exploitation Command of capital Class domination	Mediocrity Stupidity Uniformization of bureaucratic structure Massification

			Commodification Alienation
<b>Integration of Critiques</b>	“Bourgeois values”: Frugality, savings charity, and paternalism	“Fordist compromise”: Good salaries Lifelong jobs Social dialogue Managerial capitalism	Project-based corporations Network-based corporations More freedom and opportunities
<b>Excitement</b>	Freedom from local communities Progress	Career opportunities Power positions Effectiveness possible in “freedom countries”	No more authoritarian chiefs Fuzzy organizations Innovation and creativity Permanent change
<b>Fairness</b>	A mix of domestic and market fairness	Meritocracy valuing Effectiveness Management by objectives	New form of meritocracy valuing Mobility, ability to expand a network Each project is an opportunity to develop one’s employability
<b>Security</b>	Personal property Personal relationships Charity Paternalism	Long-term planning Careers Welfare state	For the mobile and the adaptable Companies will provide self- help resources To manage oneself

(Directly cited and compiled based on these sources: Boltanski and Chiapello, 2002; Boltanski and Chiapello, 2006; Chiapello, 2009; Kazmi et al., 2012)

As stated earlier, I will follow an analytical framework of Boltanski and Chiapello in order to demonstrate business ethics as the newest spirit of capitalism. In the next section, I will suggest the justification of this study, especially the reason why the concept of business ethics as a strong candidate for the newest spirit of capitalism became a subject of analysis here in this paper.

### The Justifications of this Research:-

#### First Justification: An Emergence of the Newest Critique:-

Chiapello (2009), in his article “Le Capitalisme et ses Critiques,” presents the fourth critique called *ecological* criticism, which can be considered as post-modern. The causes of indignation, according to the author, are mainly related to the destruction of ecosystems, species, and human habitats. In other words, this critique challenges the capacity of capitalism to secure the future of mankind (Chiapello, 2009, p. 17). He specifically states the following:

Ecological critique rejects the aim of unlimited personal fulfilment as a dream, and reemphasises human beings’ absolute interdependence at a given moment and in intergenerational form, and more generally the interdependence of all species. Each human being is part of a greater whole from which he cannot dissociate himself. His freedom must be reexamined in this light, and the list of beings to be taken into account as limits on his own will is infinitely longer than for modern man (Chiapello, 2009, p. 10).

However, I would criticize here that Chiapello’s introduction of fourth ecological critique is more or less a narrow concept. Apart from ecological issues such as environmental problems and negative externalities, there exists a variety of critiques associated with moral emptiness of business. In a broad sense, sustainability and reproducibility ecological critiques are definitely related to corporate moral responsibility as well. That is, corporations violate public trust not only in an ecological sense, but in an overall sense, business usually engages in violations such as those of human rights and child labor. The concept of corporate moral emptiness embraces the former and the latter at the same time. Therefore, corporate moral emptiness is a superordinate concept to ecological critique. Therefore, I substitute Chiapello’s ecological critique with my own criticism; I call it *ethical critique*.

Some may argue that ethical critique is not relatively new; rather, it is a timeworn criticism dating to the very first naissance of capitalism. In this context, the following question should be addressed: *What are the main dissimilarities between the previous ethical critique and this recent one?*

In order to answer to this question, it is required, first and foremost, to examine how the capitalist system has been defined over time. In a very classic definition, it has been characterized, from a Marxist perspective, as unlimited accumulation in exchange for labor exploitation and wages, and in this system, people must enter into relations of production in order to survive. Also, a Marxist interpretation construes that the capitalist economic system can be analyzed with an economic base-superstructure model (Tucker 1978). Althusser, a structural Marxist, introduced the concept of the reproduction of the relations of production, which is secured by the wage system. In addition, he maintained that “ideological state apparatuses” enabled the reproduction of capitalism (Althusser 1970).

Today, however, in an era in which the role of corporations is highly conspicuous in the capitalist system, the operation of enterprises should be the focal point of analysis when it comes to studying capitalism. By the same token, Chiapello presents a brand-new definition of capitalism:

In Boltanski & Chiapello [2005a], we use a very classical definition of capitalism combining an orientation towards unlimited accumulation, competition and wage-earning. Today, I prefer to reunite these descriptive elements and stress that when we speak of capitalism, we are placing business enterprises and their operation (not markets) at the heart of our analysis. The enterprise is an abstract economic entity, separate from the individuals who own it or work in it. It is an entity endowed by law with a legal personality, able to sign contracts and manage funds, and its success is measured by the generation of a surplus (profit). According to this definition, a capitalist system is an economic system where more and more social functions are carried out by enterprises (Chiapello, 2009, p. 5).

This comparative analysis enables the differentiation of the previous ethical critique and this recent one. I argue that the past ethical critique toward capitalism takes a macroscopic view, while the new ethical critique can be characterized as micro-level. In other words, the former raised criticism toward the capitalist system itself and the capitalist class in general, such as commodity fetishism, capitalists’ greed, an alienation of labor, the norm of capitalism (accumulation of capital), and a moral duty for the elite and bourgeois in a macro sense (Ahn, 2013, p. 148). However, a new critique based on Chiapello’s definition of capitalism turns directly toward business enterprises. In sum, it can be said the main target of indignation is different.

### **Second Justification: Business Ethics as a Superordinate Concept to CSR:-**

Kazmi et al. (2012) studied the possibility of the concept of CSR as a potential brand-new spirit of capitalism, inspired by Boltanski and Chiapello’s framework of analysis and methodology. However, this research has a limitation with regard to the conceptual problem. CSR refers to corporate-level social responsibility and obligation in general. James Fisher, Professor at Saint Louis University, maintains that business ethics focuses on not only “the role responsibilities of managers and employees as business agents” but also issues of “corporate conduct and larger issues having to do with the role of capitalism and its regulation.” CSR, on the other hand, focuses more on the corporation and its duty.<sup>1</sup>

Therefore, it is problematic with the concept of CSR to shed light on three dimensions Boltanski and Chiapello (2006) suggested —“excitement,” “security,” and “fairness”— that should be granted to workers and managers around corporations in order to justify capitalism. Providing these three dimensions is confined only to particular workers and managers who are in charge of the task related to CSR, employers of companies’ CSR departments.

In this sense, I argue that business ethics can be a conceptual alternative to CSR as a potential new spirit of capitalism because business ethics as an upper concept embraces the boundaries of CSR, and this new spirit substantially supplies three dimensions to protagonists of capitalism.

### **Method:-**

To achieve an objective of the study, this research adheres to Boltanski and Chiapello’s qualitative content analysis, as stated in the introduction, because this paper follows a similar logical and analytical framework to their studies. Boltanski and Chiapello capitalized on prescriptive managerial literature addressed to *cadres* “as a medium offering

<sup>1</sup> Cited in <http://www.quora.com/What-is-the-relationship-between-business-ethics-and-corporate-social-responsibility-CSR>

the most direct access to the representations associated with the spirit of capitalism in a given era” (Boltanski and Chiapello, 2006, p. 57).

Boltanski and Chiapello’s method for the study of the spirit of capitalism is not the first. Actually, they were also consistent with Max Weber and Werner Sombart, who referred to management texts, which are the studies of advice and guidance regarding the conduct of business. Sombart analyzed Leon Battista Alberti’s book, *Family Government*, and Weber used Benjamin Franklin’s writing, *Necessary Hints to Those That Would Be Rich, Advice to a Young Tradesman*, and *Memoirs* in order for them to explore the characteristics of the spirit of capitalism (Boltanski and Chiapello, 2006, p. 59).

Boltanski and Chiapello argue that this type of managerial literature aims to “inform *cadres* of the latest development in running firms and managing human beings,” and this literature “emerges as one of the main sites in which the spirit of capitalism inscribed (Boltanski and Chiapello, 2006, p. 57). They justified the usage of management texts for an analysis of ideology-related transformations of the spirit of capitalism, arguing that analyzing published works is “a much easier option than studying the changes in practices that can be disparate and dispersed, of varying magnitude, and which can affect the organization of companies of all sizes and in all sectors” (Boltanski and Chiapello, 2002, p. 1).

In this regard, influenced by methodological insights from Chiapello, Boltanski, Sombart, and Weber, this paper takes advantage of similar analytical process to them on the basis of fifteen purposively-selected representative managerial texts related to the issue of business ethics or corporate moral responsibility. Most were published in the 2000s (11 books), and four texts were released in the 1990s (listed in Appendix 1). Relatively newly published works will offer effective and fresh descriptions as to the dynamics of the newest fourth spirit of capitalism.

Through this method, the five sets of questions will be answered in the next section:

1. What are the critiques?
2. How are these critiques responded to and integrated?
3. What type of excitement is proposed?
4. What type of security is proposed?
5. What type of fairness is proposed?

### **Business Ethics as the Newest Sprit of Capitalism:-**

#### **What are the critiques?**

Traditionally, the fact that the purpose of any business is to maximize its profit has been taken for granted under the banner of neoliberal logic. Milton Friedman’s argument “The social responsibility of business is to increase its profits”<sup>2</sup> best reflects that perspective. As the maximization of profit became the chief aim *per se*, we have witnessed the increasing negative impacts of corporations on society such as human rights violations, child exploitation, corruption, and environmental pollution. The antisocial activities of corporations have led the call for ethical business practices from a number of stakeholders over the past decades.

At the most general level, all managerial texts specify ethical critique — moral untrustworthiness — composed of several interrelated and interconnected components. Based on my analysis, I classified it into three core attributes: 1) ideology-driven ethical critique, 2) rights-based ethical critique, and 3) ecology-centered ethical critique. Basically, all these types of critiques underlie the critique of the “stockholder or shareholder approach” of corporations in a wide sense.

First of all, ideology-driven ethical critique emphasizes mainly the negative impact of neoliberalism, which is a political realization of neoclassical economics paradigms on human society (Walton 1990, Vallance 1995, Homann et al. 2007, Kaptein 1998, Donaldson and Freeman 1994). Homann et al. (2007) specifically presented a critique of how “development economism” devastated stakeholders’ lives. On top of that, an evil of the basic but essential premise of neoclassical economics, “man as a calculating, self-seeking, pleasure-driven creature and self-interested creature,” which became the foundation of neoliberalism today, was also adduced (Walton, 1990). Donaldson and Freeman (1994) characterize it as “broad failures of social and moral responsibility.”

<sup>2</sup>Milton Friedman, “The Social Responsibility of Business is to Increase its Profits,” *The New York Times Magazine*, September 13, 1970.

Secondly, the human rights-based critique is noteworthy as well (Moon and Bonny 2001, Flynn 2008, Weiss 2009). Flynn (2008) introduces a critical and problematic issue of “high incident of human rights abuses” by corporations of workers. Specifically, Moon and Bonny (2001) suggest one of the most emotive issues in business area, child labor. Weiss (2009) not only emphasizes minority rights such as gay and lesbian rights and women’s rights in the workplace, but also underscores the racial discrimination issue in multinational corporations (MNE) in cross-cultural settings in an era of globalization:

“Racial discrimination is an attack on the very notion of universal human rights which should be enjoyed without distinction as to race, sex, language, ethnic origin, nationality or religion. Under international human rights law, states are obliged to combat discrimination in all its forms,” according to Amnesty International. Globalization, the widening gap between income groups, the “global war on terror,” and the post-9/11 environment have created opportunities and problems with regard to unintended consequences regarding racial discrimination.

Finally, negative externalities including ecological and environmental degradation and public health problem caused by corporate practices were repeatedly referred to by a majority of texts (Moon and Bonny 2001, Flynn 2008, Weiss 2009, Homann et al. 2007, Bowie 2001, Ferrell et al. 2009). Moon and Bonny (2001) and Ferrell et al. (2009) were concerned about the value chain of Monsanto and Coca-Cola that ultimately led to bad environmental effects. They argued that due to herbicide use in conjunction with the seeds of genetically modified organisms (GMO), Monsanto and Coca-Cola have had an influence on not only biodiversity but also health problems. The authors specified in a concrete way:

Today, 90 percent of the world’s GM seeds are sold by Monsanto or by companies that use Monsanto genes. Monsanto also holds 70–100 percent market share on certain crops. Yet Monsanto has met with its share of criticism from sources as diverse as governments, farmers, activists, and advocacy groups. Monsanto supporters say it is creating solutions to world hunger by generating higher crop yields and hardier plants. Critics accuse the multinational giant of trying to take over the world’s food supply, and destroying biodiversity. Since biotechnology is relatively new, they also express concerns about the possibility of negative health and environmental effects from biotech food. However, such criticisms have not deterred Monsanto from becoming one of the world’s most successful companies. (Ferrell et al, 2009, p. 302)

Flynn (2008) interprets this phenomenon as an orientation of business enterprises toward short-term profitability and asserts that it accelerates the damage of ecology and “global, physical and biological environment credibility.” Homann et al. (2007) support the idea that business activities usually and mostly ignore “nature’s limit.”

These three critiques seem to be distinct, but they share an interconnected and closely related character, ‘moral untrustworthiness of corporations’ in a broad sense. As argued in the previous section, this sort of new and latest ethical critique can be distinguished from the old one in terms of the different targets of critique. For any sake, corporate activities, originating from good intention or not, definitely harm human and social integrity.

### **How are these critiques responded to and integrated?**

Vallance (1995), in her book *Business Ethics at Work*, introduces the way people who are engaged in capitalist order justify their business activities and the capitalist system itself:

Some people who become rich in a market system may be unpleasant, even immoral, people. But this does not make the system immoral, simply limited and partial: it does only what it is intended to do, which is to distribute according to contribution as seen by the market. This, as I shall say later, is the basis of distributive justice. Marx was, of course, not concerned with distributive justice, but with distribution according to need. It may often be a vague nostalgia for this idea that lies at the back of many criticisms of capitalism and induces some business people to respond by claiming for capitalism what they see as the moral high ground. Business is not immoral, they say; look how much good we do in society (valance, 1995, p. 302).

In this section, I present how the aforementioned relatively new ethical critique of capitalism and business corporations has been incorporated and integrated. This dialectic, as Boltanski and Chiapello (2006) argue, is the key element in elucidating the reason why capitalism has managed to successfully survive in spite of an anti-capitalist offensive. On the basis of an analysis of management texts, I call this process of integration of brand-new

ethical critique the *active institutional prescriptive approach*, which demonstrates a clear-cut distinction compared to the past process of integration of critique in such a way that the latter is regarded as a *conciliatory approach*.

First of all, all texts suggest the establishment of an ethics education and training system for employees and managers. Bowie (2001) points out the fact that innumerable corporations have already established a business ethics program that tries to furnish employees and managers with training in business ethics. In addition, in all business schools' core requirements for their students is a business ethics class. According to Michael Hoffman, ethics training enhances "people's ethical awareness by making them aware of their organization's values and the moral dilemmas that they may be confronted with as result of their commitment to these values." Furthermore, he asserts that exposure to the philosophical approaches which can be applied to ethical reasoning assists employees and managers to think through ethical dilemmas (cited in Painter–Morland, 2008, p. 26). Recent scholarly research suggests that ethics and legal compliance training programs have a positive impact (Trevino and Brown, 2004).

Apart from business ethics education and training, the most notable feature in the process of integration of critique is, according to all of the management texts I analyzed, to institutionalize a code of ethics in business enterprises which reflects the primary values, ethical rules, norms, and a list of do's and don'ts of an organization. Such a latest tendency, the codification of business ethics in conjunction with the regularization of training, effectively mirrors the way in which the protagonists of capitalism actively cope with the critique of a prescriptive or even regulatory basis.

Actually, most classic defenders of the capitalist system have relied heavily on Adam Smith's theories. Even though his buzzword, *invisible hand*, became the target of harsh criticism, the proponents of capitalism bring up *The Theory of Moral Sentiment* (1759) as an alternative. They might argue, "Look! We are so sympathetic!" In connection with it, Sethi (1994) stresses altruism as a desirable institutional and personal goal in the business area. These sorts of defenses, however, are no longer compelling and persuasive given that they are highly dependent upon individual sympathy and altruism as a human nature. Accordingly, it can be stressed that they overlooked the fact that individual selfless natures are being discolored when they gather together in a collective form, i.e., companies, especially in an extremely capitalistic competitive era. This is exactly what the modern type of ethical critique points out. From my point of view, it seems that the aforementioned business ethics education system and codification of business ethics in corporations is effective at responding to the ethical critique of capitalism.

Finally, all literature significantly emphasized the stakeholder approach to strategic management for managers that emerged in the mid-1980s as a countermeasure against the ethical critique with regard to the stockholder or shareholder approach. According to Mcvea and Freeman (2002, p. 2), "stakeholders" refers to "any group or individual who is affected by or can affect the achievement of an organization's objective." Moon and Bonny (2001, p. 17) maintain that in the new economy, the capacity to form a successful relationship with a wide range of stakeholders, including employees, customers, and pressure groups and opinion leaders is decisive because "how they perceive a business and what they say about it has a direct impact on its reputation, success and, ultimately, its share price."

Interestingly, it can be pointed out that these three integrations of critique dealt with in this section reveal a high level of prescription. This characteristic of dialectic dynamics is distinguishable from the past one. It might imply that the new spirit of capitalism finds a way to make a breakthrough, taking a much more aggressive and active stance against the critiques. In other words, the newest spirit of capitalism, more and more, plays a role as a whistle blower.

### **What type of excitement is proposed?**

Boltanski and Chiapello argue that capitalism is an absurd system given that "wage-earners have lost ownership of the fruits of their labor and the possibility of pursuing a working life free of subordination." In such an inconsistent condition, the spirit of capitalism requires providing people who are willing to engage in the capitalist system with an appropriate extent of excitement because "capitalist accumulation demands the mobilization of a very large number of people whose prospects of profit are low" (Boltanski and Chiapello, 2006, p. 7).

In this section, I will deal with what sort of excitement related to business ethics is suggested to workers and managers. Firstly, at the employees' level, all texts reveal that business ethics ultimately leads to a comfortable workplace environment and a better condition. Collins (2009) specifies that "respect," "equity," and "credibility" will be achieved through ethical business practices. This great place to work, according to Collins (2009), will make



employees feel some sense of pride in their personal jobs as well as in the organization's standing in the community. Kaptein (1998) maintains that such an improvement of working environment has a positive impact on employees' job satisfaction and that it eventually leads to enhancing working efficiency. On top of that, individual workers can feel that they are contributing to society through participation in this campaign (Bowie, 2002).

At managers' level, a wide range of excitements are proposed. Management literature highlighted the possibility of attracting high quality employees (Collins 2009, Homann 2007, Moon and Bonny 2001, Vallance 1995, Walton 1990, Weiss 2009). Specifically, Collins (2009) maintains that attracting high quality employees will heighten the satisfaction and loyalty of employees:

In the long term, ethical organizations financially outperform unethical organizations. If you were a job applicant, would you rather work for an ethical or an unethical organization? An ethical organization attracts high-quality employees and leads to higher levels of employee satisfaction and loyalty. If the pay is similar, job candidates consistently choose the ethical organization rather than the unethical organization (Denis Collins, 2009, p. 7).

The other promise of excitement is that an organization will earn good will with community members so that it can attract and retain diverse customers (Bowie 2001, Collins 2009, Donaldson and Freeman 1994, Weiss 2009, Vallance 1995). Vallance (1995) calls it "good corporate identity." Weiss (2009, p. 118) names it "reputation" and explains it: "Reputation is much more than an abstract concept; it's a corporate asset that is a magnet to attract customers, employees, and investors."

In sum, the excitement dimension refers to what is exciting about the engagement of people in capitalist system. Accordingly, it facilitates the mobilization of a mass of people, which is indispensable for capitalist accumulation. The cases I analyzed highlight "the great place to work," "job satisfaction," "sense of contribution to society," "attraction of high quality employees and customers," and "higher reputation" as excitements. These are promised not only for individual workers but also managers and those at the corporate level as well. Actually, these types of excitements can be evaluated as a high level of inducement for people who are willing to be involved with the capitalist system.

### **What type of fairness is proposed?**

Boltanski and Chiapello (2002) stress that granting fairness to participants in capitalism is also crucial point given that this dimension significantly contributes to consolidate the justification of capitalism as well. The notion of fairness, according to them, usually implies a reward for those who are involving in capitalist system. For example, Boltanski and Chiapello (2006) assert that mobility and ability to expand a network have been given to wage earners in the form of fairness in the current era of the third spirit of capitalism.

Research findings with regard to fairness focused on the reward aspect can be abstracted into "incentives." In other words, guaranteeing incentives for employees and managers who conform to ethical behavior and code of conduct is proposed as fairness. Managerial texts suggest that praising and offering extra rewards and incentives at the corporate level can be a representative fairness so that employees and managers might think ethical behavior can be rewarded (Bowie 2001, Collins 2009, Donaldson and Freeman 1994, Flynn 2008, Kaptein 1998, Moon and Bonny 2001, Painter-Morland 2008, Vallance 1995, Walton 1990, Weiss 2009). The other candidate for fairness suggested by the authors is "autonomy." According to the literature, workers and managers will have a sense of autonomy when an organization establishes a set, ethical business environment (Collins 2009, Vallance 1995, Weiss 2009). This autonomy is closely related to a sense of freedom that is a strong inducement for people who are willing to participate in the capitalist system as a form of fairness.

Interestingly, the most conspicuous feature here compared to the fairness dimension suggested by the past spirit of capitalism is the incorporation of "punishment" into the realm of fairness (Collins 2009, Kaptein 1998, Moon and Bonny 2001, Paliwal 2006). That is, punishment is to be imposed when employees and managers violate ethical conduct in business practices. If so, can punishment truly be regarded as a component of fairness? It is a somewhat controversial issue, considering that some authors warn of the side effects of punishment. For instance, Flynn (2008, p. 212) maintains, "Fear of punishment is a very inadequate incentive for truly moral behavior. It leads one to seek opportunistically for ways of avoiding penalties. To remedy this situation, it seems best at first to focus mainly, not on negative emotions such as fear and guilt, but on more positive feelings." Nevertheless, I argue in this section that punishment should be considered as an element of the fairness dimension that the new spirit of capitalism is able to

provide, given the way in which the newest spirit of capitalism integrates a new type of ethical critique in an active and prescriptive way, as seen earlier.

It seems appropriate to conclude that “an organization can induce ethical behavior among its employees by institutionalizing rewards and punishments for ethics” (Painter–Morland, 2008, p. 36). As this environment is harmoniously established in an organization, a significant amount of autonomy and freedom will be provided to employees and managers. In the next section, security, which is the last dimension and is regarded as one of the key elements of the spirit of capitalism, will be scrutinized.

#### **What type of security is proposed?**

Boltanski and Chiapello (2006) assert that security is a significant component that should be offered to participants in capitalism for themselves and for their families. For the most part, the managerial texts I analyzed suggested “long-term corporate sustainability” as a key for security. Actually, this type of security has been persistently encouraged by business ethics promoters.

For example, Collins (2009) highlights that ethical business practices are vital to high performance and long-term corporate sustainability. Ferrell et al. (2009, p. 295) also stress that “ethics in the twenty-first century has taken on a new importance and is seen as critical to the sustainability of corporations.” On top of that, Painter–Morland (2008) emphasizes the fact that long-term sustainability of an organization is closely related to its capacity to maintain a wide array of stakeholder relationships through financial and non-financial means. Long-term corporate sustainability here, indeed, indicates a different expression of economic sustainability of a corporation.

Actually, management literature analyzed in this study does not specify any effective and tangible promises for workers and managers as a form of security, compared to the fact that the third spirit of capitalism guarantees mobile and adaptable employability, providing self-help resources and managing oneself in line with project- and network-based corporations. Nonetheless, securing long-term corporate sustainability can be also regarded as security of the potential fourth spirit of capitalism, primarily because it guarantees substantive job security of workers and managers. If an organization suffers from severe financial hardship in the capitalist system, we have witnessed that a vulnerable labor group, the labor class, has been facing redundancy. In sum, ethical business practices generate long-term economic sustainability of corporations, and the latter, as a form of security, is distributed to the protagonists of capitalism as a form of job security.

### **Discussion:-**

#### **Can Business Ethics be the Newest Spirit of Capitalism?**

In the prior sections, we have grappled with how business ethics shaped business practices in the contemporary era and examined the attributes of business ethics in order to clarify whether it can be acknowledged as the potential fourth spirit of capitalism. In this section, we will deal with the issue of the possibility of business ethics and whether it can be the newest spirit of capitalism.

Intriguing features in the fourth spirit of capitalism are the process of integration of critiques and the changing characteristics in the dimension of fairness. Actually, compared to the past spirit, the way in which the newest spirit absorbs the critique on it can be characterized as a highly active and prescriptive approach, institutionalizing education and training programs and a code of ethics for people engaged in the capitalist system. This more or less contrasts with the past integration process, which is marked as a conciliatory measure. The other striking feature in the fourth spirit is an incorporation of punishment into the dimension of fairness. As Boltanski and Chiapello (2002, p. 3) insist, fairness is closely associated with explaining “how capitalism is coherent with a sense of justice.” The third spirit grants a “new form of meritocracy valuing,” “mobility,” “ability to expand a network,” and “employability” as a form of fairness in line with project- and network-based corporations. In the fourth spirit, both punishment and incentive are given to people as fairness in line with an active institutional prescriptive way of integrating critiques. It may safely be said that the spirit of capitalism has been making a rapid evolution, seeking an alteration of the way of absorbing criticism and granting three dimensions in order to justify capitalism and stably retain people in the capitalist system.

In this paper, I argue that business ethics definitely qualify for the newest fourth spirit of capitalism given that it has successfully defended ethical critiques on it and demonstrated huge potential and capacity to properly grant excitement, fairness, and security to the protagonists of the capitalist system. Table 2 clearly shows its details.

**Table 2:-** Business Ethics as The Newest Fourth Spirit of Capitalism.**Rethinking Business Ethics: The Business Ethics Myths:-**

We confirm that business ethics can be the potential newest spirit of capitalism on the basis of research findings.

	<b>The Fourth Spirit of Capitalism</b>
<b>Types of Critiques</b>	Ethical Critique
<b>Cause of Indignations</b>	Neoliberal moral failures, Untrustworthiness, High incidence of human rights abuses, Environmental and ecological degradation, Public health problems
<b>Integration of Critiques</b>	<i>Active Institutional Prescriptive Approach:</i> Establishment of ethics education and training program, Institutionalization of code of business ethics, Stakeholder management
<b>Excitement</b>	Great place to work, Job satisfaction, Sense of contribution to society, Attract high quality of employees, Earn good will with community members and higher reputation
<b>Fairness</b>	Incentives, Institutionalization of rewards and punishment for ethics
<b>Security</b>	Long-term corporate sustainability, Job security

Before getting into stride to conclude, it might be essential to discuss highly controversial issues: Is there a universal business ethics? Is ethical business possible? Stepping further, is ethical capitalism feasible?

The word *ethics* originates from the Greek word *ethos*, which signifies “character or custom” (Shaw and Barry, 1995, p. 3). The way ethics are defined, indeed, is very diverse. At the most general level, ethics refer to “inquiry into the nature and grounds of morality where the term morality is taken to mean moral judgments, standards, and rules of conduct” (Ferrell et al., 2009, p. 6). Based on this definition, business ethics is defined as “a system of moral principles applied in the commercial world” (Velentzas and Broni, 2010). Then, who decides moral principles and with whose criteria? Who teaches business ethics? Who learns from it? Whose ethics matter? Who makes it? Is general application of business ethics possible regardless of differences of individual, cultural, and social context?

These issues were raised here, first of all, not to address all the questions, but to point out the business ethics myths which are thoughtlessly accepted as an evolutionary form of capitalism. Definitely, these myths have shaped corporations to a new type of ideological state apparatus (ISA), as Althusser (1970) put it, given that it performs as a promoter of the spirit of capitalism, justifying and legitimating the ideology of the capitalist order. What is more, an arrogant assumption that business ethics is universal and can be or should be applied to omnipresent business practices has produced a new sort of ontological and epistemological violence against “the others.” Indeed, the concept of business ethics is absolutely a product of Western-centric understanding of the world. Lastly, I would like to finalize this section by introducing an argument of Souza Santos: “We are widely diverse human beings united by the idea that the understanding of the world is much larger than the Western understanding of the world” (Souza Santos, 2014, p. 4).

**Conclusion:-**

So-called business ethics has become a buzzword in our time. A vast majority of corporations have widely started to embrace this concept as a normative standard of business practices. In this sense, I have attempted to clarify whether it can be a future candidate for the possible fourth, newest spirit of capitalism, following Boltanski and Chiapello’s (2002, 2006) analytical framework as well as qualitative content analysis of prescriptive managerial texts. The research presented in this paper demonstrates that business ethics can be regarded as a potential newest spirit. Not only have business ethics effectively absorbed the critiques, but they also have succeeded in coherently providing excitement, fairness, and security to wage earners and managers (shown in table 2).

This research contributes to the study of the spirit of capitalism in two ways. First of all, this article dealt with the new type of ethical critique (shown in section III) unaddressed by the contemporary spirit of capitalism and suggested the possibility of dealing with it by presenting the fourth spirit of capitalism, business ethics. Second, this study captured the distinct pattern of the critique-integrating process and distinguishable features in the dimension of fairness compared to the past spirits. This spirit has reacted against the critique in a highly active, prescriptive way, establishing an education and training system and institutionalizing a code of ethics based on a stakeholder

management strategy. In line with it, the incorporation of punishment in the fairness dimension is striking. Punishment is as important as incentives mainly because it is able to generate and diffuse a sense of justice throughout an organization.

### Bibliography:-

1. Ahn, Chi-Yong. (2013): Is CSR and Sustainable Management Same? *Creativity and Innovation*, 6 (3), pp. 139-165.
2. Althusser, L. (1970): "Ideology and Ideological State Apparatuses." Available at: <http://www.marxists.org/reference/archive/althusser/1970/ideology.htm>
3. Boltanski, L. and E. Chiapello. (2006): *The New Spirit of Capitalism*. London, UK: Verso.
4. Boltanski, L. and E. Chiapello. (2002): The New Spirit of Capitalism, 'Paper Presented in the Conference of Europeanistas, March 14-16, Chicago. Available at: <http://www.sociologiadip.unimib.it/mastersqs/rivi/boltan.pdf>
5. Chiapello. (2009): Le Capitalisme et ses Critiques. Available at: [http://clerse.univ-lille1.fr/IMG/pdf/axe\\_4\\_chiapello.pdf](http://clerse.univ-lille1.fr/IMG/pdf/axe_4_chiapello.pdf)
6. Donaldson John and Fafaliou Irene. (2003): Business Ethics, Corporate Social Responsibility and Corporate Governance: A Review and Summary Critique, *European Research Studies*, 6 (1-2).
7. Sombart, W. (2001): *The Bourgeois*, in W. Sombart (ed.), *Economic Life in the Modern Age*, New Brunswick, NJ, and London: Transaction Publishers.
8. Elliott J. E. (1986): On the Possibility of Marx's Moral Critique of Capitalism, *Review of Social Economy*, 44 (2), pp. 130-145.
9. Robert C. Tucker. (1978): *The Marx-Engels Reader*. 2<sup>nd</sup> ed. W.W. Norton.
10. Hirschman A.O. (1977): *The Passions and the Interests*, Princeton: Princeton University Press.
11. Kazmi et al. (2012): Corporate Social Responsibility: A Brand New Spirit of Capitalism? *International Center for Corporate Social Responsibility Research Paper Series*.
12. Weber, M. (1992): *The Protestant Ethic and the Spirit of Capitalism*, London: Routledge.
13. Smith, A. (1759): *The Theory of Moral Sentiment*. Available at:
14. <http://www.earlymoderntexts.com/pdfs/smith1759.pdf>
15. Sethi, S. P. (1994): Imperfect Markets: Business Ethics as an Easy Virtue, *Journal of Business Ethics*, 13 (10).
16. Freeman R. E. and McVea J. (2002): A Stakeholder Approach to Strategic Management, *University of Virginia, Working Paper No. 01-02*. Available at: [http://papers.ssrn.com/paper.taf?abstract\\_id=263511](http://papers.ssrn.com/paper.taf?abstract_id=263511) Annex 1
17. Bowie, Norman E. (2001): *The Blackwell Guide to Business Ethics*. Blackwell Publishing.
18. Chris Moon and Clive Bonny. (2001): *Business Ethics*. London, UK: Profile Books Ltd.
19. Collins, Denis. (2009): *Essentials of Business Ethics: Creating and Organization of High Integrity and Superior Performance*. Hoboken, NJ: John Wiley & Sons, Inc.
20. Donaldson, Thomas J. and Freeman R. E. (1994): *Business as a Humanity*. New York: Oxford University Press
21. Ferrell, O.C. et al. (2009): *Business Ethics: Ethical Decision Making and Cases*. Hoboken, NJ: John Wiley & Sons, Inc.
22. Flynn, Gabriel. (2008): *Leadership and Business Ethics*. Dordrecht, Netherland: Springer.
23. Garber, Peter R. (2005): *15 Reproducing Activities for Reinforcing Business Ethics and Values*. Amherst, MA: HRD Press, Inc.
24. Homann, Karl et al. (2007): *Globalization and Business Ethics*. Burlington, VT: Ashgate.
25. Kaptein, Muel. (1998): *Ethics Management: Auditing and Developing the Ethical Content of Organization*. Springer.
26. Painter-Morland, Mollie. (2008): *Business Ethics as Practice*. Cambridge, UK: Cambridge University Press.
27. Paliwal, Manisha. (2006): *Business Ethics*. New Delhi, India: New Age International.
28. Trevino, Linda Klebe and Nelson, Katherine A. (2010): *Managing Business Ethics*, 5<sup>th</sup> Edition, Hoboken, NJ: John Wiley & Sons, Inc.
29. Vallance, Elizabeth. (1995): *Business Ethics at Work*. Cambridge, UK: Cambridge University Press.
30. Walton, Clarence C. (1990): *Enriching Business Ethics*. New York: Springer.
31. Weiss, Joseph W. (2009): *Business Ethics*, 5<sup>th</sup> Edition. Mason, OH: Cengage Learning.