Foreword

There is little evidence that reforms in corporate governance have made any difference. The salaries of chief executives continue to soar in the U.S. and elsewhere as well, even though compensation committees must be independent and even though there is more disclosure of what people earn. Companies are still restating financial results at a prodigious rate and balance sheet and income statement surprises continue, even though accounting standards have presumably been tightened, audit fees have gone up, and CEOs must personally attest to the accuracy of the reports their companies release. And in the workplace, distrust of management and disengagement and diminished job satisfaction persist, resulting in ever higher levels of turnover and, as a result, lower levels of productivity and service – just fly on most airlines to see these facts at close range – even though most observers recognize a coming labour shortage and the importance of intellectual capital for business success in the modern economy.

For the most part, we have attacked the symptoms rather than the root cause of the problems. Reforms have been concerned with form instead of substance, with ensuring compliance instead of changing mindsets, with promulgating ‘minimum standards’ rather than with stimulating excellent and thoughtful leadership. The mindset that seems to dominate current discourse all over the world is one that emphasizes ends, achievements and objectives, and plays down the means and processes employed in their attainment. In business and in society more generally, we do not look too hard at the price paid for ‘success’. Robert Reich’s new book on *Supercapitalism* argues that, even as we achieved lower prices through globalization and deregulation, we have diminished citizenship and impoverished community and social life. Dennis Bakke, co-founder of the large independent power producer, AES, has argued that there are things we should do in creating our workplaces not to make them more efficient or effective, but simply because to do otherwise is inconsistent with the values we should hold for locales that can either diminish or uplift the human spirit.

Alejo Sison believes that we ought to elevate the consideration of our ‘philosophy’ of management and governance to centre stage. As part of that elevation, we need to educate people in leadership roles to be as expert in thinking about purpose, values and the philosophical underpinnings of
their choices as they are in the more technical aspects of management such as understanding financial statements and probability. And as part of the role of philosophy, we should subject organizations and their leaders to scrutiny – not just through the lens of compliance and law, but also through the great moral ideas that form the basis of philosophical discourse and analysis.

This is an argument and an analysis that must be true. To move beyond the obsession with results that has resulted in environmental degradation, enormous increases in income inequality and, in many countries, outright corruption in the service of getting deals done, management needs to reconnect with its fundamental moral purposes. Rakesh Khurana’s recent book, *From Higher Aims to Hired Hands*, provides an historical account of how management education has lost its way. This book by Sison provides a way forward to rethink what companies are about, how they are to be governed, and what it means to be a leader in an organizational world where people’s financial, physical and mental well-being are inextricably tied to what happens to them in organizations. *Why* we do what we do is as important as *what* we do. Understanding why entails revisiting questions that have occupied philosophy over the ages. There is no more important task in today’s world.

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