BASEBALL STARS BENEFIT FROM PUBLIC SCRUTINY: CORPORATE OFFICIALS TOO?

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Abstract:
This discussion paper addresses a current ethical issue in US business related to some corporate officers' professional behavior. Reducing action to measurable parameters is interpreted as a predominant attribute of US culture where an activity such as management has been transformed from its stewardship and fiduciary-like character to one where measurement of action becomes its most relevant pattern. This reinforces a superstar culture for corporate officers as well as for other professions and activities: baseball players being an example amongst others, who reap compensations in the seven to eight digits as some CEOs do. This is why we make an analogy between practices of performance evaluation present in that popular sport in the US, where measuring individual and group performance is essential, and those usually employed to asses CEOs' accomplishments. Although it might seem they have very differing responsibilities (one increases wealth the other satisfies fans), in the long run, a very good player too will bring high revenues to its team. Some wayward players and executive officers may advance professionally and at the summit of their careers deceive fans, directors and investors. This shows that success, when reduced only to measurable performance indicators, doesn't endorse present nor future acceptable moral behavior. Business and sports aren't free from greed, conceit and deception. Nevertheless, public scrutiny helps mitigate unacceptable behavior of superstars. Finally, thoughts on performance assessment of students in higher education as influencing future work assessment practices sketches an agenda for future empirical research. Delving on the essence of performance assessment in the world of sport might signal interesting future multicultural research themes in the world of work.

Key-words: Corporate governance, Executive compensation, Measuring integrity, Business ethics, Sport culture.

"Ethics is not merely about private and individual behavior. At its core, ethics is about how people should behave with respect to other people –ethics is a matter of social norms of behavior. This is especially true in the financial marketplace in which strangers interact in a market, making possible deception and dishonesty on a large scale" [i]

Up to the onset of wired communications, market places used to be only well defined physical spaces where interchanges took place amongst individuals, mostly strangers, through face-to-face interactions; nevertheless, deception and dishonesty was possible. What is new today is that technological development allows the existence of 'virtual market places' where face-to-face interactions don't always take place. It isn't only physical goods that are interchanged, but values that are feigned through complex financial instruments related to money, risk and future wealth (financial markets). Such interchanges can happen simultaneously [ii] amongst individuals stationed anywhere in the globe with access to the web. This is a very different scenario from those medieval markets that took place on special holydays established for that sole purpose and to which buyers and sellers walked to during several days, met face to face and interchanged physical and observable goods.

'Virtual financial markets' allow for instant messaging, e-mails, phone calls, and faxes to impersonate the thoughts and decisions of individuals that act, most of the time, in the name of others (firms, corporations, shareholders, investors, etc.) risking wealth they usually don't own. It was always the case that access to privileged information, based on a time lag amongst trading operations, allowed for advantage positions in the market. With the onset of the web and a good portion of that information being universally shared, technical knowledge of very complex financial instrument is excluding. Such knowledge, because it is selective, relies heavily on the ethical behavior of those who posses it, since public scrutiny can not oversee it. This is why and how deception and dishonesty can now have catastrophic consequences: lying about things very few individuals know about, but that can be divulged to the world wide financial community in a matter of seconds. This is why a concern for business ethics is growing.

Ethics is about behavior: two business ethics perspectives that help understand present situations.

Ethics in general is a practical science originated in the West by Greek classical philosophers such as Plato and Aristotle. In their view practices interplay with norms of behavior, it cannot be ascertained which comes first. Both are dimensions of ethics together with the goods that an individual endowed with free will decides on pursuing. When one of these dimensions is given primacy over the others, then a reduced ethic is effectuated: virtuous practice without norms diverts in stolidness (stoicism); norms without good accountable practice (virtue) divert into deception and fraud (legalism); pursuing goods without virtue or regulation diverts into hedonism. It is the harmonious interlinking of these three dimensions of ethics that warrants it being of assistance to behavior[iii]. This is why ethics has to do with expected self and others' behaviors and their mutual effects, as the above cited epigraph brings out.

Several business ethics perspectives contribute today to a better understanding of the ethical nature of decision making, its intended and unintended consequences, in corporations and business enterprises in general. We will mention two of them. One originated from the concern about how corporate government can maximize the profit performance of corporate officers (agents) in face of stockholders expectations (principals). The economic theory behind the principal-agent relation eventually had to rely on ethical considerations in order to broaden the picture and better understand what is in play.

The perspective to which I am referring is better known as the stakeholder model. Goodpaster in a very elucidating article proves that not all stakeholder considerations take into account ethics.[iv] In the decision making process, *perception* of options and *analysis* of their implications on stakeholders is usually morally neutral. If a *synthesis* of the information structured in those two steps, plus making a *choice* of the available options and *action* is carried on, then Goodpaster refers to these five steps as stakeholder synthesis. By taking action no doubt questions of substance are considered, but not always is their substance ethical. The five steps are referred to as the strategic stakeholder approach (SSA).

Such an approach, while keeping in mind concerns of stakeholders, nevertheless subordinates them to those of stockholders, since the role of managers binds them as agents to principals. "Market and legal forces are relied upon to secure the interests of those whom strategic considerations might discount. [Such reliance takes different forms] a more conservative, market-oriented view acknowledges the role of legal compliance as an environmental factor affecting strategic choice, but thinks stakeholder interests are best served by minimal interference from the public sector […] A more liberal view sees the hand of government, through legislation and regulation, as essential for representing stakeholders that might otherwise not achieve 'standing' in the strategic decision process." [v] Both forms[vi] have in common that the basic orientation of management is towards stockholders and so "stakeholders enter the decision-making equation either directly as instrumental economic factors or indirectly as potential legal claimants." [vii]

In this approach we are speaking then of a normative principle that elicits a fiduciary responsibility primarily to stockholders supplemented by legal compliance. One could interpret that some CEOs' recent scandals followed such an approach. Such CEOs, being at the same time managers and owners through stock options, which were thought to be the ideal roles under principle-agency theory, exacerbated their fiduciary role to the extreme of serving themselves only. Their own self-interest was for them what was at stake and they did all they could, overriding their power and including deception, in order to serve it. Neither principle-agency theory nor the stakeholder model foresaw such a noxious imbedding of roles. Most of them took advantage of the loopholes left open by present regulation. This proves that only when moral concerns, which require a broader perspective, are taken into consideration can it be claimed that the SSA has an ethical substance. By moral concerns we mean thought and reflection "that avoids injury or unfairness to those affected by one's actions because it is wrong, regardless of the retaliatory potential of the aggrieved parties." [viii] This usually requires a long-term time horizon and effective legal and regulatory environments, which isn't usually the case in the not so effective contemporary legal environments and short-time pressures on managers. [ix]

After a thorough discussion of the strategic approach, Goodpaster reasons that what is at issue are two different kinds of ethical relationship between management and stockholders, on the one hand, and management and stakeholders on the other. In his view, Milton Friedman is right in making it clear that management is solely responsible towards stockholders, otherwise the private character of corporations is lost. On the other hand, while management's relation to stakeholders cannot be a fiduciary one, otherwise illegitimacy of management and lack of trust can ensue, Goodpaster concludes that "management is nevertheless obliged to take seriously its extra-legal obligations not to injure, lie to or cheat [its] stakeholders quite apart from whether it is in the stockholders' interests."[x]

The second business ethics perspective I am regarding in this article can be tied to Goodpaster's last statement. It claims that there exist a settled ethics without which no organization, private, public or social could exist: lying, stealing, injuring, threatening or physically endangering others, if present in any social group and left unrestrained, would collapse any institution. It is tied to the *thou shall not's* of the Ten Commandments [xi]. Owing to judeo-christian tradition some of these 'thou shall not's' are well known and are relatively customary. Betz claims that "Ethics and morals, the very words come from the ancient Greek and Latin words for custom. The first sense of ethical or moral is customary. Etymology is decisive here. What is customary is settled and basic. Even if not everything that is customary deserves to remain so, and even if everything which is customary and should endure benefits from critical scrutiny, the customary remains at the core of ethics, part of it as an almost indestructible core" [xii]. The problem arises when the customary changes on account of working and dealing practices that happen to be on a world wide scale, which affects others massively, as is the case of a global financial community.

For Betz, gray areas are proof that settled issues exist. Euthanasia and abortion are disputed actions because there exists a settled value that killing human beings is bad. Business ethics courses in management schools do not deal with the settled issues, rather with disputed issues. These are so when they refer to "*moral* issues because human action and welfare are at issue […]: the social responsibility of business, affirmative action for minorities, private business use of public lands, advertising, whistle blowing and loyalty, worker health and safety, product liability and consumer safety, worker privacy on the job and off, worker participation in management, job security, and business relations in foreign lands. […] These disputed business issues concern basic settled ethical values, yes, but they concern conflicts among equal values or confusion about which value applies, or the definition of what constitutes a value or a violation of that value. The settled ethical issues tend to be conflict of right versus wrong, good versus evil, honesty versus lying. These unsettled ethical issues are often conflicts of right versus right, good versus good. It is also an ethical issue when the good becomes the enemy of the better. And of two competing values, it can be hard indeed to identify which good in these circumstances is simply good and which is better" [xiii].

Betz's perspective contributes to the understanding of why recourse to regulation in order to tap undesirable ethical behaviour becomes a political issue and should be a heedful exercise. In the first place, he considers the opposing values of political liberals and political conservatives. We think his listing of values clarifies disputes amongst business ethics perspectives. Liberals promote government protection while conservatives, individual responsibility; the former public initiative, the latter private initiative; in that order: distribute wealth vs. create wealth better; big government vs. small government; government regulation vs. laissez-faire; free persons vs. free markets; personal rights vs. property rights; justice vs. freedom; unions vs. the right to work; to succour those who need, the poor vs. to protect those who have, the rich; equal outcomes vs. equal opportunity; material human rights, government helps vs. formal human rights, government does not hinder; care of the other, social responsibility, altruism vs. care for one's self, personal responsibility, self sufficiency; security vs. accountability; provide for others vs. provide for one's self; higher taxes vs. lower taxes [xiv]. As can be seen most of them are competing values and so can be settled only in the political arena.

Betz brings the case of how regulation on a eye-safety issue bent according to the political party in power. Fragments of metal from a particular sort of lathe were proven to be a threat to the eyes of the operators. The Occupational Health and Safety Administration documented two solutions: goggles at $US 10 each or plastic guard panels on the lathes at $US 100 each. Conservatives would promote the first, since personal responsibility would be enhanced (but workers tired of them would put them aside). Liberal would ask for panels, its argument would be in the line of 'the government has protected the worker, has regulated danger out of existence, has exercised a reasonable amount of power for the welfare of the relatively unimportant and powerless citizen'. It turned out that Reagan appointed OSHA administrators that ruled de goggles, but Carter then required permanent glass guards. This is why Betz concludes that as we vote we move our nation toward the ethical solution of a problem according to our political stance [xv].

My reading of Betz's perspective is that we should be careful not to take into the political arena for discussion and regulation, the basic core of agreed principals of business behaviour: to be truthful about the condition of a good or a commodity, treat customers as you would like to be treated, be fair and transparent with investors, be loyal to the organizational ends, honor contracts.[xvi] The overall agreement in society of high standards of personal integrity as *thou shall not's* is more effective than their regulation by a defective judicial system. This brings us back to the opening paragraph of this section: advancing just one dimension of ethical behaviour, be it compliance with norms or the indulgent search of goods, is no warrant of adequate moral behaviour.

With these two business ethics perspectives in mind we turn now to the main contention of this discussion paper, that privacy of some of corporate officers' dealings (compensation arrangements, etc.) together with reduction of their performance to measurable parameters, practices that are advanced by the present US corporate governance model, explain, to some extent, the outcome of intractable corporate officers. If corporate governance is not revised at its core, then a new breed of corporate officers is on the onset: those of the *unmanageable managers*.

There exist in US culture other performance assessment models from which ideas for the restructuring of corporate governance can be emulated. This is the subject of the next section

Openness as a distinguishing attribute of performance assessment in US sports: baseball

In this exploratory discussion paper we sketch ideas that illustrate a sound, although not proven, assumption that sports reveal cultural patterns of a society that are evidenced in other, apparently disparate, activities such as management. It draws on claims by the public in general, investors and authorities, that some corporate executives, financial officers, bankers, accountants and attorneys have concealed and falsified information, misled investors, that caused a collapse of capital markets[xvii]. Some researchers consider this to be a signal of a deeper malaise in US business ethics manifested in: means justifying ends, rules that override ethical principals, financial incentives fostering greed[xviii].

CEO performance evaluation by boards is one amongst many factors having unintended consequences in the above-mentioned crisis[xix]. That is why corporate governance is now on the spotlight. We reckon that these arguments can be complemented if work practices in general and business practices in particular, *that scale down action to measurement*, are better understood as venturous reductions of human action [xx]. Lack of integrity is a personality trait that can be concealed under the robe of economical indexes, complex financial instruments and past success stories. In other words, measurement of performance through sophisticated quantitative parameters is not a foolproof endeavour.

Baseball can be thought of a very revealing activity of US culture. Baseball stars reap compensations in the seven or more digit ranks; it is useful exploring this sport's evaluation practices in order to expose issues that the corporate world could ponder on. Baseball teams might not be the best examples of management or profitability, which is not why they are considered in this paper, but it is a century old activity that has a Hall of Fame for its players. No idol inducted to said Hall has been excluded thereafter. This isn't true of the like 'hall of fame' of corporate America. By the corporate 'hall of fame' we mean common business press coverage plus academic recognition of 'outstanding' executives. Books are written about them, autobiographies become best sellers, and practical recipes are elaborated on how to become like the star. It is very disappointing then, when supporters find out about the lack of integrity of their hero.

We suggest that the baseball ranking and salary system reveal the assessment idiosyncrasy of US sport culture. What is bewildering is that even though many corporate officers are paid compensations similar to those of baseball stars, the former are not accountable in analogous ways to those that the latter are. There exists a degree of openness and accuracy in a player's expected performance to which his pay is tied, that isn't paralleled in the corporate world in spite of an array of indicators about officers' actions and several means of control coming from boards and external regulating institutions. Investors have delegated on board of directors, securities market analysts, brokers, stock exchanges and other regulating institutions, the control of the company of which they own stock. On the contrary, baseball viewers and fans follow each player's actions directly –only occasionally might they resort to commentaries from sports writers- and so have an undistorted and clear idea of what they observe. We can assert that their action is wholly under public examination.

Such public notice is definitely ingrained in the ranking of baseball players where very objective criteria are used to evaluate individual players' performances[xxi]. Markers such as batting average (AVG), home runs (HR) and runs batted in (RBI) related to batting, and earned runs average (ERA) and saved games (SV) for pitching, express a sport culture of assessment that ranks individual performance openly and with measurable parameters. It is not a matter of whims of fans or coach favoritism. In other words, there exists in baseball an evaluation culture open to the public overseeing of individual's actions that, too, are measurable and generate public records.

Another salient feature of said culture takes into consideration a time-maturing dimension. The sport's heroes aren't proclaimed overnight. In order to be inducted into baseball's Hall of Fame candidates must have retired from professional sports for five years before even being considered. Not only does their professional record have to be outstanding but their personal record too. "Candidates are elected on account of their player's record, playing ability, integrity, sportsmanship, character, and contributions to the team(s) on which the player played" [xxii]. Isn't this demonstrating an assessing system where subjectivity and club-like culture –present in corporate government- are minimized and integrity is honored?

One could then commend that sustained public scrutiny is a healthy activity. That it is better to have broad standards that enhance integrity that the public can observe rather than shifting rules that try to cope with every new emerging market and are guarded only by exclusive gatekeepers like accounting firms, law firms, banks and credit–rating agencies that too, as recent experience has shown, can go wrong. Fortune 500, just to mention one, plus other forms of prizing that rely on measured parameters exclusively can be misleading[xxiii].

The importance of measurement in US management

D. Quinn Mills asserts that the corporate leadership and power structure in US business, differentiated by the 'imperial' and 'dominant' CEO[xxiv], is amongst the explaining factors of the securities market crisis. If his contention is accepted plus the fact that autocratic personalities usually require complacency on part of their overseers in addition to keeping matters 'confidential' -in this context: keeping issues secret - then there might exist, on the one hand, a relationship with the buildup of secrecy instilled by grading systems since formal education that is continued all through working life, and, on the other, a relationship of said CEOs' personalities with assessing like practices of 'confidentiality' usually employed by boards to nominate and evaluate officers' performance[xxv]. There exist in US business culture a "stronger tradition of empirical research among U.S. academics, the relatively easy access to compensation data, the widespread popularity of executive compensation statistics generated by the business press, published ranking of best and worst boards (and corresponding governance practices) in large U.S. public limited companies, and the activism of U.S. institutional investors in monitoring CEO compensation and their linkages to company performance" [xxvi]. This is clear proof of the depth and extension of measurable parameters present in US business assessment culture. But, at the same time, its proof that such assessment activity is insufficient. Measurable parameters don't offset the concealment of wrongdoings. It eventually 'all comes out in the wash'. What is needed is knowledge that anticipates the wrongdoings even before they are published in quarterly statements.

Boards do use indicators of a CEOs' performance, but usually these are indirect measures of their actions. Some are related to the company's financial record and others tied to the value of its equity in the securities market. The former can be related more directly to a CEOs' decisions and actions while the latter escape their total control. A possible interpretation of some CEOs' unruly actions has to do with dominant personalities always incited to control even the uncontrollable to the point of manipulating financial statements that are documents under their control. So it isn't only a problem of greed but also one of presumptuousness.

One of the most recent examples of such presumptuousness, Enron's master mind for its growth and its collapse, is Ken Lay. He was quoted saying "I don't want to be rich, I want to be world-class rich" [xxvii]. Not a common ambition, but acceptable in today's value system. Something understandable if the vision in 1987 was "To become the primer natural gas pipeline company in North America"; just three years later: "To become the world's first natural gas major"; five years afterwards, in 1995: "To become the world's leading energy company"; and, finally, in 2001: "To become the world's leading company" [xxviii]. These are colossal visions to move talented people, albeit quite naïve to think that in 15 years such a goal can be accomplished based just on virtual markets. No doubt that Lay accomplished his personal objective at the high price of deceiving stockholders and leaving thousands of pensioners in the street without their life's savings.

US corporate leadership structure assumes single point accountability and decisiveness at the top as one of its salient characteristics[xxix]. Improvements in financial statements are what most boards associate with adequate leadership. But the direct association of indicators, obtained from the financial statements, with the actions of the executive officers is a complex matter. The results are obviously slanted by the leadership style and teamwork accomplishments, something to be expected. In baseball there exist precise indicators of individual's contributions to the outcome of the team, this is lacking in most of business life, where the 'organization' vanishes most individuals' responsibilities. Records are kept in baseball of win-loss results for a team in connection to participation of a key player in the lineup[xxx]. US corporate leadership structure reveals marked differences from that of baseball teams; a corporate officer's contribution to teamwork is very difficult to measure, but other factors such as risk, business complexity and experience can be taken into consideration. The US corporate leadership structure shouldn't be considered essential to business; Germany has a more collegial form of corporate governance, while consensus management is prevalent in Japan[xxxi]. What is paradoxical is that the US contributed to winning World War II with the opposite of its present leadership structure. While Eisenhower was the careful leader of a coalition, Patton was the aggressive commander of an army group[xxxii].

Boards have a conflicting task: to evaluate the performance of CEOs and its executive team and, at the same time to support it. According again to D. Quinn Milles it's role is similar to that of faculty with respect to students[xxxiii]. When to be supportive or when actions obnoxious to censure need to be recalled requires character and good judgment on the part of an instructor and more so on the part of board members. "A great problem is that in the current situation, with a majority of the directors of large companies themselves CEOs or former CEOs, a club–like atmosphere exists in which proposed reforms are not likely to lead to the psychological independence necessary to effective governance. Only change in the attitude of directors toward the behavior which has been going on at investors' expense can make the change. We must ask that business leaders become intolerant of the crooks in their midst"[xxxiv].

Not an easy task if one thinks that Enron in some researchers' vision was a profitable, well-run, and law-abiding firm, as the most recent research has shown[xxxv]. It wasn't a model corporation but it wasn't worse than the others that collapsed in its aftermath. "Enron's dealings were not illegal; they were *alegal*; and Enron was a big story, not in itself, but as a symbol of how fifteen years of changes in law and culture converted reprehensible actions into behavior that was outside the law and, therefore, seemed perfectly appropriate, given the circumstances"[xxxvi]. Such an argument is saying, on the one part, that the settled ethics proposed in Betz's perspective seems to be shifting, on another, that moral behavior is assimilated to the written law and regulations.

A recent panel of consultants, CEOs and investors discussing the subject of CEO's compensation related to performance agreed it is a daunting and complex subject that has to be approached with humility (!). Salient issues were: During the 90's 80% of the gain in CEO compensation is attributable to stock options and today 60% of CEO's compensation is in options. It was thought out as a good mechanism to tie executives' interests with those of shareholders and their advocates recognize today it had very unfortunate unintended consequences. But too, CEO's are paid a lot because boards of directors consider them very important persons and want their CEOs to be on the top half of their CEO peer group. This is a pernicious practice that drives up numbers without reference to behavior and performance. Self-restraint is difficult to recommend amongst a very competitive group whose mission is to assume risk and show results. It is unfortunate that SEC regulations, institutional investors and corporate governance activists have identified a company's performance simply as stock performance disregarding vision and values.[xxxvii]

The subject of CEO performance-related compensation has been seriously studied by management researchers. A recent article examines CEO compensation in the US banking industry for a four-year period drawing on an extensive database of US banks and US thrifts[xxxviii]. The authors employ traditional measures of performance in the industry: earnings per share (EPS), return on assets (ROA), return to equity (ROE) and stock performance plus non-traditional measures such as revenue growth, employee-related measures, asset use/investment strategy, compensation cost reduction/ productivity improvement. They confirm previous findings of related studies and clear the field for future studies. Their exploratory factor analysis reveals that many of these measures of performance are highly correlated and so are redundant. Furthermore by not using the value of stock options granted (an important component of CEO remuneration and signaled as a cause for CEO misbehavior) or the long term incentive plan as independent variables the authors were able to be more informative on the role played by such components of CEO compensation. They conclude that stock options can be an incentive for dubious accounting practices but rightly designed could be effective for small start-up companies that cannot meet high salaries of talented officers.

Still another very learned and recent article on the subject[xxxix] concludes that by longitudinal time frame and a more holistic treatment of variables (governance, ownership, firm level, diversity) a better model of contemporary compensation practices is obtained. Such a model allows for a more informed discussion on the possibility of CEO overcompensation. The authors accept that their findings are only valid for US business practices and that studies conducted in international contexts will contribute to the formulation of a middle range theory of the determinants of executive compensation.

Discussion

One of the great contributions of North American management has been to endow it with a measuring attitude towards all work activities. Management was, up to the 20th century, a steward and fiduciary activity, where keeping of records and accounts related to inventories, working capital and production required measurement. During the first half of that century rank and file roles where time and manual operations were predominant underwent measurement. This gave origin to the scientific discipline of operations research. The second half of the century witnessed the measuring of professional and management activities. This trend is presently expressed in the measurement of compensation related to executive officers' performance activities.

This shows a very significant advance in the measuring of human work that has brought important improvements in productivity. It evidences a very important cultural trait that is present in almost all contexts of human endeavor in the North, but more so in the United States. There the world of sports is no exception to this cultural trait. Baseball shows very exact performance assessment.

Future research could illustrate if this is in sharp contrast with a more emotional and qualitative assessment towards sports in Latin America where individual performance records are not kept in the scale they are kept in the US. Too, it could illustrate if there exist a contrast with a general steward management style in the latter region where measurement of performance in all levels of the organization is not yet predominant. Measurement of the results of labor at the rank and file level has been present there since the second half of the 20th century, but performance assessments of professional work and executive officers, has a long way to go.

What the security market crisis signals is that measurement helps to increase productivity, fairness, responsibility, but is unable to foresee a lack of integrity. As Infielder Toby Harrah claims: "They both -statistics & bikinis- show a lot, but not everything."

Today few would claim that markets are perfect. What is new is the acceptance of one amongst many reasons for its imperfection: lying and deception at a global scale by heads of very large corporations and their gatekeepers in an environment of instant communication. Such communication makes markets ever more virtual, that is vulnerable, where sophisticated financial instruments can thrive. Nevertheless, some principles of settled business ethics are still settled; otherwise whistle blowers wouldn't have distinguished the wrong doings, they wouldn't have found anything to whistle about. The challenge and hard battle towards the future is not to allow those principles of settled ethics to move into the political arena where the whims of liberal and conservative politicians prevail.

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[i] QUINN MILLS, D. **Wheel, Deal, and Steal.** New Jersey: Prentice Hall. 2003. p.213

[ii] Computer mediated communication (CMC) is a growing activity, and although faxes, e-mails, voice-mails are predominant, since 1996 instant communication (IM) is now being explored for working environments and is being used by stockbrokers to communicate with their clients. DISABATINO, J. Wall Street firms team up on shared messaging system. **Computerworld.** v. 36; 2003. HUANG, Albert H. and YEN, David C. Usefulness of instant messaging among young users: social vs. work perspective. **Human Systems Management.** v.22, n.2, p. 63-72, 2003

[iii] POLO, Leonardo. **Ética: hacia una versión moderna de los temas clásicos.** Madrid: Unión Editorial AEDOS. 1996. págs.113ss

[iv] Cfr. GOODPASTER, Keneth. "Business Ethics and Stakeholder Analysis". **Business Ethics Quarterly,** v.1 n.1 Pp: 53-73, 1991

[v] Ibid., p.58

[vi] Will be discussed later on when Joseph Betz´s perspective is presented

[vii] Ibidem.

[viii] Ibid., p.60

[ix] Cfr. Ibidem.

[x] Ibid. p.70

[xi] BETZ, Joseph. "Business ethics and Politics" **Business Ethics Quarterly** v.8, n.4, pp 693-703, 1998

[xii] Ibid., p.694

[xiii] Ibid., p.697
[xiv] Ibid., p.699
[xv] Ibid.,p. 701
[xvi] SCHRAMM, Carl J. **The <high Price of Low Ethics.** Document. University of Rochester, Meliora Weekend. p.11, oct 12, 2002
[xvii] Cfr. MIZELL, Louis R. **Masters of Deception**. New York: John Wiley and Sons. 1997; QUINN MILLS, D. **Buy, Lie, and Sell High.** New Jersey: Prentice Hall. 2002; MILLS, D. **Wheel, Deal, and Steal.** New Jersey: Prentice Hall. 2003; PARTNOY, Frank. **Infectious Greed.** New York: Times Books Henry Holt and Company. 2003
[xviii] QUINN MILLS, D. **op.cit.** 2003. p.147
[xix] ELSON, Charles. What wrong with executive compensation?. **Harvard Business Review,** Boston, v.81, n.1, p. 68, jan. 2003
[xx] Such model of assessing action is instilled initially by the educational system, especially in higher education through its grading system; it is then reinforced by the world of work. This intuition, if accepted as sound, can guide future research on the role that management and business schools might play in the teaching of ethics in face of the vulnerability of contemporary markets including the securities market. We will not elaborate on this idea in this paper, outside of calling the reader's attention to the fact that ways and models of assessment of human action are present in all activities.

[xxi] Records for all of baseball events have been kept for more than 100 years. A very complete description of the world of baseball for the uninformed reader can be found at http://mlb.mlb.com/NASApp/mlb/mlb/official_info/baseball_basics/on_the_field.jsp accessed 09/27/03
[xxii] http://www.baseballhalloffame.org/hofers_and_honorees/rules.htm. Accessed 09/24/03
[xxiii] PARTNOY, Frank. **Infectious Greed.** …pp.400
[xxiv] QUINN MILLS, D. **op.cit.** 2003. p. 183
[xxv] The fact that overall conduct and demeanor aren't always appraised by directors but only measurable working performance is, might explain the neglect of moral qualities (integrity) needed for positions of higher responsibility.
[xxvi] CORDEIRO, James and VELIYATH, Rajaram, Beyond pay for performance: A panel study of the determinants of CEO compensation. **American Bussiness Review,** v.21, n.1, p.56-66, jan 2003
[xxvii] CRUVER, Bryan. **Anatomy of Greed: the unshredded truth from an Enron insider.** Carrol and Graff, New York. 2002. p. 23
[xxviii] Ibid., pp.21-22
[xxix] Cfr. Ibid., p.194
[xxx] Lineup in base-ball is the order in which players step up to the home-plate. It is a known practice of this line-up that batting positions 3-4-5 is for power batters to increase the chances of scoring more runs. Statistics are even calculated for the teamwork performance in terms of batting production.
[xxxi] Cfr. Ibidem.
[xxxii] Cfr. Ibid. p.195; Cfr. PARTNOY, Frank. **Op.cit.,** 2003. It is then unfortunate that the present imperial leadership structure of corporate America has permeated its government, its foreign relations philosophy and its way of waging an international war on terrorism. If this structure explains, in some respects, the infectious greed and presumptuousness that has swept some CEO's of US corporations, then, unless such leadership style is transformed, the odds for advancing a successful war on terrorism are low.

[xxxiii] QUINN MILLS, D. **op.cit.** 2003. p. 191
[xxxiv] QUINN MILLS, D. **op.cit.** 2003. p. 197
[xxxv] PARTNOY, Frank **op.cit.** 2003. p.298
[xxxvi] Ibidem.
[xxxvii] ELSON, Charles. What wrong with executive compensation? **Harvard Business Review,** Boston v.81, n1, p.68, Jan. 2003
[xxxviii] GREGORJOU, Greg N., ROUAH, Fabrice. An Examination of CEO compensation of US banks and thrifts using non-traditional performance measures: 1997-2001. **Journal of Financial Services Marketing,** London; v.7, n.3, p.248, mar 2003.
[xxxix] CORDEIRO, James and VELIYATH, **op. cit.**