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An Apology for a Much Maligned but “Excellent Man of Business”

Skills and Professional Development



Every Christmas season, we are treated to multiple opportunities to witness the deliberate slander of one of the world's most famous businessmen — Ebenezer Scrooge. With each showing of Charles Dickens' *A Christmas Carol*, Scrooge must endure an onslaught of damaging comments without the benefit of counsel. In response to Dicken's calculated, one-sided attack, we all join in condemning Scrooge and rejoicing in his ultimate "transformation" without giving due consideration to his laudable qualities.

In the interest of justice and fair play, and in keeping with the Christmas spirit, I offer this defense of Scrooge and explore the question of whether such "an excellent man of business," is truly an "ethical" man of business.

Let's begin by reviewing the case against Scrooge. Dickens asserts that he should be looked upon with scorn because:

- He is the "hand at the grindstone" sort that is working all the time;
- He barely heats his office in the winter and has a dark and gloomy house because "darkness is cheap;"
- He refuses to give to charity;
- He supports public funding of prisons and union workhouses that are places so wretched that many "would rather die" than go there; and,
- He is "tight fisted" with his money and pays low wages to his clerk and only grudgingly agrees to allow him paid leave for Christmas day.

In response to these allegations, I stipulate that Scrooge is a miserable, unhappy, and unpleasant person. However, he is far from an unethical businessperson. When looked upon in the most favorable light, these alleged "crimes" strongly support Scrooge's cause. Let's review together a more "fair minded" recitation of the facts in the order presented above.

- He is industrious, conscientious, and hardworking. He shoulders more than his share of the load and even works holidays when other less conscientious workers take time off;
- He exemplifies good environmental stewardship by minimizing waste, conserving natural resources, and having a small carbon footprint. Future generations and the natural environment will profit from his sacrifice;
- He conscientiously exercises a low risk, conservative fiscal policy that will serve his business well when economic slumps demand sufficient cash reserves to survive. Unlike others, you won't see Scrooge asking hard-working taxpayers for a bailout as a consequence of poor fiscal management;
- He is a law abiding taxpayer who does not seek to shirk his civic duty by moving his operations offshore or exploiting loopholes in the tax code; and,
- He diligently satisfies his obligation to his employee by paying him a steady, market wage, and even provides for paid vacation (albeit once a year) even though the law does not require him to do so.

Taking these attributes into account, Scrooge appears to be saintly in comparison to the scoundrels in our modern business world, who engage in self dealing, lie to shareholders, avoid paying their fair share of taxes, loot pension funds, pollute the environment, cheat, steal, and defraud those they work with.

Dickens leads us to believe that Scrooge's transformation, in response to unrelenting harassment by well-meaning spirits, will be better for all concerned. But he never tells us the rest of the story. We never find out what his newfound generosity does to his business over the long term.

What if Scrooge's new, more socially conscious business model leads to bankruptcy and ruin for him, his investors, his customers, and his employees? Would it truly lead to a more ethical business model than the one he and his former partner Marley successfully followed for many years?

The answer to this question has very real implications for every business professional. It illustrates the reason why being an "ethical" business professional is never as simple as just being a "nice person" in a Christmas fable. Instead, being an ethical business professional demands that we strike principled balances between powerful opposing forces.

While working hard may be good for the overall bottom line, it can also put your health and your personal life at risk. While being a steward for the natural environment is essential for future generations, it can also be costly and difficult to maintain in a competitive global marketplace. While being generous to charities is considered a "good deed," it can also result in a lower return for investors if mismanaged.

Paying taxes is your civic duty, but it is also your civic duty to only pay your fair share. Providing generous benefits to employees is good for them and their families, but, if overdone, it can potentially weaken firm competitiveness and economic viability.

Seeking the "right" balance between such conflicting interests is always hard because there is rarely one right way to do it. The best we can do is to strike a balance "consciously." I believe the best model for doing so has been set forth by John Mackey and Raj Sisodia in their book *Conscious Capitalism*.

Like Scrooge, Mackey and Sisodia believe that businesses make their highest and best contribution to society, not by practicing corporate social responsibility, but by creating "value" via the fruits of their labor. According to Mackey and Sisodia, "[a] good business doesn't need to do anything special to be socially responsible. When it creates value for its major stakeholders, it is acting in a socially responsible way. Collectively, ordinary business exchanges are the greatest creator of value in the entire world. This value creation is the most important aspect of business social responsibility."

However, Mackey and Sisodia part ways with Scrooge by observing that business leaders optimize value creation for all stakeholders when they operate their businesses in accordance with the following four tenets:

- **Higher purpose** — A reason for being rather than just maximizing profits;
- **Stakeholder integration** — Partnering with stakeholders for everyone's benefit;
- **Conscious leadership** — An orientation toward servant leadership, high integrity, and greater capacity for love and care; and,
- **Conscious cultures** — Trusting, caring, transparent, integrity, loyal, and egalitarian.

Despite his laudable qualities, it is apparent that, prior to encountering his ghostly apparitions, Scrooge did not operate in accordance with the tenets of *Conscious Capitalism*. However, the next time you sit to watch *A Christmas Carol* or pick up the Dickens classic from the bookshelf, perhaps you'll look more kindly upon Scrooge and contemplate how well you are doing at your company.

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