

Review Essay

Reimagining Business: Virtue, Spirituality, Wisdom

Deeply Responsible Business: A Global History of Values-Driven Leadership. *By Geoffrey Jones*. Cambridge, MA: Harvard University Press, 2023. 448 pp. Hardcover, \$37.95. ISBN: 978-0-674-91653-1.

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How might business leadership be reimagined to meet the challenges of the twenty-first century? Historians often parry questions of this kind. Geoffrey Jones, to his great credit, has not. To ensure an ethically just and environmentally sustainable future, Jones believes, it is imperative that business leaders change course. In *Deeply Responsible*, Jones's most ambitious book to date, a master historian draws on his vast knowledge of the history of business leadership in Europe, Asia, and the United States to chart a way forward. Neither a textbook nor a monograph, it deftly combines collective biography, social critique, and intellectual history in a clear and compelling analytical narrative that spans three continents and four centuries.

At the core of Jones's book is a single big idea. While business leaders vary in myriad ways, one leadership style—"deep responsibility"—has been particularly effective in promoting praiseworthy outcomes. *Deeply Responsible* takes us on a tour of the careers of business leaders who exemplify this trait. Jones does not believe that *every* business leader can or should be deeply responsible. And he is sensitive to the ways even exemplary leaders fall short. Yet he plainly admires his *dramatis personae*, and devotes much of his book to showcasing their achievements.

For a business leader to be deeply responsible, three criteria must be met. The first is industry specific. Deeply responsible leadership is possible only in businesses that *themselves* have "social value," a litmus test that, at a minimum, excludes gambling, tobacco, and junk food (pp.

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6, 344). The second criteria is structural. Deeply responsible leadership is possible only in businesses that promote the interests of constituents other than their shareholders. For Jones, as for a large and increasingly number of historians and social scientists, shareholder sovereignty is a god that failed. The third criteria might best be called civic minded, though Jones does not use this phrase. Deeply responsible leaders promote the well-being of communities by investing in educational and cultural activities that are not directly related to the bottom line.

“[D]oing good,” Jones takes pains to underscore, is not necessarily “good business” (p. 14). Even so, he regarded deep responsibility as “not an idealistic fantasy” but an “essential path for the future” (p. 14).

Deeply Responsible artfully weaves together multiple themes that, in the hands of a less gifted historian, might have rendered it confusing. The first of these themes is the nature of deeply responsible leadership; the second is the challenge to deeply responsible leadership that has been posed since the 1980s by the principle of shareholder sovereignty; and the third is the forgotten role in the history of business education of one-time Harvard Business School dean Wallace B. Donham.

Jones’s title proclaims that he has written a “global” history. By this he means that he has identified business leaders from a large number of countries—as distinct from, say, business leaders whose operations spanned national borders. The United Kingdom, Germany, the United States, India, and Japan are well represented; France, Italy, and Scandinavia not so much. The history of deeply responsible business leadership in the Middle East, South America, Australasia, and sub-Saharan Africa awaits its historian.

Deeply responsible leaders were not all cut from the same cloth. Some were highly spiritual in the sense that they recognized the “interconnectedness” of all life (p. 6). Among them were Quakers, Zoroastrians, Jains, Mormons, Episcopalians, Muslims, Hindus, and Catholics. Others, while civic minded, had, at best, a *pro forma* relationship to a religious tradition. Yet all displayed practical wisdom, a character trait that Jones traces back to Aristotle.

Among the business leaders Jones profiles are British cocoa retailer George Cadbury (1839–1922); US department-store magnate Edward Filene (1860–1937); German industrialist Robert Bosch (1861–1942); Indian textile manufacturer J. N. Tata (1839–1904); Japanese financier Shibusawa Eiichi (1840–1931); British cosmetics guru Anita Roddick (1942–2007); US automaker George Romney (1907–1995); and Egyptian biodynamic farming pioneer Ibrahim Abouleish (1937–2017). Jones is impressed by Cadbury’s decision to shift the sourcing of cocoa away from the island of São Tomé when it became known that the local producers practiced slave labor. Equally commendable was the

model town of Bournville that Cadbury helped design, a community that a recent survey identified as “one of the nicest places to live in Britain” (p. 45). Filene is praised for stocking his department stores with high-quality, low-priced clothing, for setting up credit unions at which workers could borrow money at reasonable rates, and for helping to establish a foundation to combat the scourge of what we today might call “fake news.”

Deeply responsible business leaders were often innovative, yet only rarely did they embark on campaigns of creative destruction. For eighteenth-century Scottish political economist Adam Smith, Jones notes approvingly, financial speculators—or what Smith called “projectors”—were objects of scorn (p. 8). Jones’s index contains no entry for Joseph Schumpeter—or, for that matter, for Friedrich Hayek, Margaret Thatcher, or Ronald Reagan.

The best US examples of deeply responsible business leaders—Filene and Romney—predated the internet. Readers in search of a primer on the worldview of the Silicon Valley digerati—or on the recent vogue for “ethical altruism”—will not find it here. And if any deeply responsible business leaders benefitted from insights gleaned in business school, they go unremarked. Andrew Carnegie is praised for his celebrated philanthropy, yet big-donor philanthropy itself is not. Like so many business-leaders-turned-philanthropists, Jones moralizes, might not Carnegie himself be vulnerable to the heresy of “world-making”—an elaborate “charade” that enables “rich elites to extend their control from economic matters to shaping social and political arenas” (p. 163)?

Deep responsibility is distinct not only from philanthropy, but also from public service, as least as it is conventionally understood. Shortly after the Second World War, Columbia University historian Allan Nevins praised as “industrial statesmen” the men (and they were almost all men) who manufactured armaments to help the US government and its allies defeat Nazi Germany and Imperial Japan (Nevins, *Study in Power: John D. Rockefeller, Industrialist and Philanthropist* [New York, 1953], viii–ix; and see the debate between Nevins and Matthew Josephson, “Shall American History be Rewritten,” *Saturday Review*, 6 Feb. 1954, 7–10; 44–49.). Whether or not any of these business leaders deserve praise for their deep responsibility Jones does not say.

For the deeply responsible business leader, there is no single criteria for success. One criteria was self-imposed. Filene, in Jones’s view, was in many ways a failure, since the project to which he devoted the final years of his life—the Institute for Propaganda Analysis—failed to stem the torrent of misinformation that engulfed the United States on the eve of the Second World War.

While deep responsibility could take many forms, one thing it was not. No deeply responsible business leader could thrive in a business whose shares were widely traded: “Whatever the exact status of fiduciary duty in different legal systems, as a broad generalization most shareholders, whether individual or institutional, buy equity to secure income rather than to save the world. Being quoted on the public capital markets became the kiss of death for deep responsibility” (p. 353). Economist Milton Friedman famously proclaimed in the 1960s that the “social responsibility” of the corporation was to generate profits. Jones demurs: “A belief in the primacy of shareholders is not socially responsible” (p. 344). While the shareholder-sovereignty paradigm is sometimes claimed to be venerable, in fact, it originated not in Adam Smith’s Scotland, but in the post-Second World War United States: “It was an argument developed in the context of the perceived threat from Soviet-style socialism, which has long since passed, to be replaced by other threats ranging from environmental catastrophe to posttruth societies and new forms of geopolitical rivalries. The shareholder value maximization paradigm *limit freedoms* rather than protecting them” (p. 346) (italics added).

Among the public figures who would have found shareholder sovereignty morally reprehensible was Wallace B. Donham. From his perch as dean of the Harvard Business School in the 1930s, Donham exerted an outsized role in business education. Intent on inculcating in future business leaders the “higher degree of responsibility” necessary for the cultivation of an expansive “social consciousness,” Donham embarked on an ambitious program of curricular reform (p. 1).

For a book that aspires to “global” reach, it might seem a tad odd that the *only* reformist pedagogical project that is explored in any detail originated not only in a single professional school, but also in the very professional school at which its author is employed. If a comparable project had been undertaken at the Wharton School, the London School of Economics, or some comparable institution in Germany, France, China, or Japan, it will be up to some other historian to bring it to light.

Even so, Donham’s tenure at Harvard Business School is highly instructive. Among Donham’s achievements was the popularization of the famous Harvard Business School “case method” and the institutionalization of the fledgling field of business history. For readers of this journal, it may come as a surprise—as did it to me—that Donham met weekly with the philosopher Alfred North Whitehead to discuss their common intellectual interests. N. S. B. Gras, the economic historian who Donham recruited to become the first professor of business history in the United States—and whose 1939 business history textbook *Business and Capitalism* (the world’s first) Gras dedicated to Donham (it was

Donham, or so Gras declared in his dedication, who had “called business history into academic reality”—is remembered today mostly as a principled opponent of the New Deal. Gras, as it happens, was also a full-throated champion of finance capitalism as the final, highest, and most morally laudable stage of economic development. Donham, in contrast, envisioned business history both as a counterweight to mere money-making, and also a laboratory for the empirical investigation of government-business collaboration.

Donham’s project was beset with challenges. No one, Jones concedes, enrolls in business school to become a “virtuous or spiritual person.” Furthermore, by the time many young people reach their mid-twenties—the typical age of matriculation for a first-school business school student—their “core” value systems have been “well formed” (p. 155). Even so, miracles are possible, and, had the Second World War not intervened, it is not inconceivable that Donham’s reformist agenda might have proved more influential.

Jones’s historical narrative is driven by his dislike for *any* business model, past or present, that elevated shareholders above stakeholders, or profit over purpose. Yet unlike Gras, who divided business history into a succession of stages, Jones offers up no stage model of economic development. Jones’s reluctance to fit his case studies into a single, overarching theoretical framework distinguishes him not only from Gras, but also from Alfred D. Chandler Jr., Jones’s predecessor as the Isidor Straus Professor of Business History (the chair that Gras was the first to hold, and that Donham helped to establish). How we got to shareholder capitalism, Jones does not say. Yet Jones leaves no doubt that the status quo is unsustainable—holding out, as alternatives, the socially responsible investing (SRI) movement and B Corps, a global nonprofit network that steers investors toward socially valuable investment opportunities.

At heart a methodological individualist, Jones is convinced not only that good leadership matters, but also that business history is, at its core, a chronicle of people, places, and events. Yet if business historians are to follow Jones’s lead and reimagine business for the twenty-first century, Jones’s own narrative might well lead one to conclude, echoing Jones’s colleague Rebecca Henderson, in her 2020 book *Reimagining Capitalism in a World On Fire*, that we should shift our angle of vision from *business* to *capitalism*. Similar arguments have been advanced of late by, among others, Martin Wolf, in *The Crisis of Democratic Capitalism* (2023), and Kyle Edward Williams, in *Taming the Octopus* (2024). By decentering business leadership, it can become possible to turn our attention to the causal agency of political economy and the

state. After all, as Jones himself concedes, it is not business leaders, but policymakers, who devise the all-important “rules of the game” (p. 357).

Jones is a master story teller and many of the yarns he spins are uplifting. Few business histories are more clearly written, more wide ranging, or more thoughtful. *Deeply Responsible* is the kind of book that might just empower the business leaders of tomorrow. It also just might inspire business historians to return to the ambitious intellectual agenda that Wallace B. Donham advanced the 1930s and that Jones has so perceptively reclaimed.

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