

ONLINE COUNTERPOINT 1.9

It is difficult to find any period in history when `power' did not `corrupt'. However, deregulation over the past decades has tended to make corporate power more potent if not `absolute'.

There are likely to be some people who lack moral courage or are willing to take a calculated `business risk' in the hope of not being discovered. But modern institutions place enormous temptations in the way of executives who lack accountability to a wider set of stakeholders or even to those who depend directly upon the corporation for their employment. Even where temptations are resisted, existing governance arrangements incorporate very limited participation in, and scrutiny of, corporate decision-making by employees and other stakeholders.

ONLINE COUNTERPOINT 1.10

Note also how Mintzberg's dissection of organization into five parts conceives of organizations primarily as technical entities, and not as ones parts are established and maintained through processes that are politically contested.

ONLINE COUNTERPOINT 1.11

The value of the stakeholder approach is that it pays attention to the diverse constituencies that have a stake in organizations. Its limitations are that it tends to assume or imply that each stakeholder has an equal interest or stake. It also tends to suggest that these stakes can be reconciled or integrated by managers if they are sufficiently attentive to their respective priorities. This disregards the extent that executives are legally obliged as well as materially incentivised (e.g by bonus and stock-options) to be more alert to the demands of stock holders. The stakeholder idea can therefore easily become invoked to divert attention from those demands in an effort to convince other stakeholders, such as employees or customers, that the company is responsive to their distinctive `needs'.