

# Cambridge Elements

Elements in Organization Theory

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## THE SEARCH FOR THE VIRTUOUS CORPORATION

*A Wicked Problem or New Direction  
for Organization Theory?*

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CAMBRIDGE  
UNIVERSITY PRESS

Cambridge University Press  
978-1-108-96922-2 — The Search for the Virtuous Corporation  
Justin O'Brien  
Frontmatter  
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CAMBRIDGE  
UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom  
One Liberty Plaza, 20th Floor, New York, NY 10006, USA  
477 Williamstown Road, Port Melbourne, VIC 3207, Australia  
314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,  
New Delhi – 110025, India  
79 Anson Road, #06–04/06, Singapore 079906

Cambridge University Press is part of the University of Cambridge.

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[www.cambridge.org](http://www.cambridge.org)  
Information on this title: [www.cambridge.org/9781108969222](http://www.cambridge.org/9781108969222)  
DOI: 10.1017/9781108979368

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First published 2021

*A catalogue record for this publication is available from the British Library.*

ISBN 978-1-108-96922-2 Paperback  
ISSN 2397-947x (online)  
ISSN 2514-3859 (print)

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## The Search for the Virtuous Corporation

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Elements in Organization Theory

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First published online: September 2021

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**Abstract:** The corporation is the most complex, adaptive, and resilient model of organizing economic activity in history. In an era of globalization, the transnational corporation holds significant power over society. While its rights are specified through private ordering and choice of jurisdictional home, in the event of conflict of laws, the corporation's duties and responsibilities remain contested. Notwithstanding the argument in institutional economics that all transactions take place within governance and legal frameworks, underpinned by a 'non-calculative social contract', the terms are notoriously difficult to define or enforce. They are made more so if regulatory dynamics preclude litigation to a judicial conclusion. This Element situates the corporation – its culture, governance, responsibility, and accountability – within a broader discourse of duty. In doing so, it addresses the problem of the corporation for society and the corporation's problem in aligning its governance to changing community expectations of obligation.

**Keywords:** corporate governance, business ethics, organization theory, trust, accountability

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ISBNs: 9781108969222 (PB), 9781108979368 (OC)  
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To Stephen and Robert for teaching the true value of professional  
virtue and in memory of my late brother Brian who has embarked  
on the ultimate voyage, sailing Into the Mystic

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