

## Machiavelli & Modern Business: Realist Thought in Contemporary Corporate Leadership Manuals\*

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**ABSTRACT.** Niccolo Machiavelli's teachings have never gone out of fashion; no doubt because power remains a central aspect of modern political and corporate life. The writings of this 16th century thinker seem as relevant today as they were a half millennium ago. Given the immutable nature of human beings, this is hardly surprising. What is surprising is the regular stream of monographs published in the last third of the 20th century, and reaching a crescendo in the last decade, that argue for Machiavelli's relevance to modern management and corporate leadership. This essay will examine the structure, assumptions and conclusions of these manuals. After reviewing the manuals, this essay concludes that certain of these assumptions upon which these manuals are based are not transferable from a 16th century principality to a 21st century corporation. Not surprisingly, the teachings of these manuals concerning morality and the corporation are either inconsistent with the actual teachings of Machiavelli, or fail to acknowledge the teachings of Machiavelli most relevant to the modern corporate world.

**KEY WORDS:** Machiavelli, Leadership, Corruption, Ethics, Management

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### Introduction

The recent exposure of a number of spectacular corporate scandals have shaken financial markets, undermined confidence in corporate leadership and prodded the government to rethink its hands-off approach to the economy. The activities of Enron, Tyco, WorldCom, Imclone, Adelphia, Arthur Andersen, Parmalat, a handful of brokerage houses and banks - to name only the major players - lend support to the remarks of corporate raider Gordon Gekko in the film *Wall Street*, played by Michael Douglas: "Greed, for lack of a better word, is good. Greed is right. Greed works."<sup>1</sup> The general public, to its considerable satisfaction, has witnessed during the past two years a continuous and unparalleled wave of trials involving corporate executives from Dennis Kozlowski to John Rigas. These trials come during a period of corporate irresponsibility that began even before the major corporate scandals broke.<sup>2</sup>

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There have always been examples of isolated business enterprises engaging in unethical or illegal activities, but the spectacular and concentrated nature of recent events have refocused our attention on what's wrong with corporate America. Is it Gekkolike greed or the transformation of government watchdogs into lapdogs? Is it a society that operates on the borders of the law without crossing the line? Is it a general laxity in moral values in our society? Heady questions indeed.

An interesting parallel to the previously unchecked behavior of these leaders is the stream of books published in the last third of the 20th century, and reaching a crescendo in the last decade, arguing that the writings of Niccolò Machiavelli, a 16th century Renaissance thinker, could provide the key to effective corporate governance. Given Machiavelli's reputation this development is perplexing, if not troubling. The application of Machiavelli to management and business raises questions and problems that are generic to the migration and transformation of ideas created in one specific historical and social context to other fields and time periods. What are the presuppositions of such a transformation? What is problematic about applying these presuppositions to the modern business world? In addition, attempting to transfer such a complex and ambiguous thinker as Machiavelli raises more specific concerns. How relevant are the precepts on leadership and power formulated for princes in Renaissance Italy as lawmakers to the functioning of 21st century corporate executives as law-followers? To the extent Machiavelli's precepts are applicable to the modern corporate world, do the manuals correctly apply them? This essay will attempt to answer these questions.

*Machiavelli: The web of influence*

Machiavelli, a cashiered Florentine state department official in forced retirement at his villa, put to paper his reflections on the nature and effective exercise of power. That hundred-page work, *The Prince*, was destined to become one of the best known, if not the most influential essay in the history of political philosophy.

Since that time, Machiavelli has never gone out of fashion; no doubt because power has never gone out of fashion. His teachings seem as relevant today as they were a half-millennium ago. John J. Mearsheimer, co-director of the Program for International Security at the University of Chicago, in his recently published *The Tragedy of Great Power Politics*, concludes:

Strength ensures safety, and the greatest strength is the greatest insurance of safety. States facing this incentive are fated to clash as each competes for advantage over the others. This is a tragic situation, but there is no escaping it unless the states that make up the system agree to form a world government hardly a realistic prospect ... so conflict and war are bound to continue as large and enduring features of world politics.<sup>3</sup>

Given the survival and even vigor of Machiavelli's ideas, it is not surprising that his manuals have been used to provide advice for those seeking success in other arenas. Simon Ramo's *Tennis by Machiavelli* applies Machiavellian maxims to competitive sports.<sup>5</sup> An advertisement in the *New York Times* touted the book as follows: "Wily tactics for beating faster and stronger opponents at doubles ... Buy this book ... to get the winning edge."<sup>6</sup> Perhaps no work captures the point more effectively than the unpublished dissertation entitled "Machiavellianism Among Hotel Employees," a work that manages to connect Machiavellian *realpolitik* to chambermaids and concierges.<sup>7</sup>

Machiavelli's ideas about power and leadership, though rooted in a specific time and place, have also been reformulated and reinterpreted to apply to the attaining and exercising of power by contemporary business executives.<sup>8</sup> His writings have spawned a veritable cottage industry of books, pamphlets and essays, nearly all published in the last two decades of the 20th century. More than 10 monographs and several articles, most published since 1990, have specifically attempted to provide corporate executives with advice derived, in whole or in part, from Machiavelli.<sup>9</sup>

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The number of works is perplexing, if not troubling, given Machiavelli's reputation. In 1967 when Antony Jay published the earliest of these manuals, *Management and Machiavelli*, he could write: "Machiavelli is not at the moment required reading in business colleges or on management training courses."<sup>10</sup> By 2005, that had all changed. Dozens of manuals had appeared and colleges began adopting these texts as required or supplementary reading. Scores of universities and business schools now offer courses that feature Machiavelli or one or more of the authors discussed below.

**Machiavelli and Machiavellianism**

Machiavelli's thoughts have been subjected to more interpretations than any other political thinker. The many interpretations include teacher of evil, supreme realist, Italian patriot, political pragmatist, civic republican, dispassionate scientist, anguished humanist, pre-incarnation of Lenin and satirist of princes. Isaiah Berlin, in his superb analysis, "The Originality of Machiavelli," claims that there are no fewer than 25 leading theories of how to interpret *The Prince*.<sup>11</sup> Berlin's view of Machiavelli's originality lies in the notion of two world views:

There are two ethical codes, both ultimate; not two 'autonomous' regions, one of 'ethics,' another of 'politics,' but two (for him) exhaustive alternatives between two conflicting systems of value ... Roman or classical morality ... and Christian ethics.. .two sets of virtues ... the Christian and the pagan ... One must learn to choose between them, and having chosen, not look back.<sup>12</sup>

It was not possible to build a Sparta or Periclean Athens or Rome of the Republic and remain consistent with the idea of a commonwealth based on a common European and, especially Christian, ethics. If so, an application of Machiavelli to the corporate world would suggest that one cannot be a decent human being following Judeo-Christian ethics, including the laws derived therefrom, and simultaneously build a successful corporate enterprise. These are un-combinable and incommensurable values, virtues and moralities.

Recognition of the realities and uses of power involving force and fraud in politics was not new with Machiavelli; indeed one can find examples of both in the Old Testament and Thucydides, among others. Machiavelli goes beyond this realism in two ways. First, he does not argue that in normal circumstances one should abide by current morality and only resort to "immoral means" when they are needed to preserve the state. These measures are, politically speaking, quite normal. Though called forth by extreme need, such extreme need is often the condition of political life. Public life has its own morality; for the Prince there is no conflict. Christian principles or other private moralities are obstacles that must be overcome. The second dimension of Machiavelli's originality is his wedding of these requirements of public life with the ambition of superior men to find fulfillment and glory, a wedding that results in "the creation and maintenance by common endeavor of a strong and well governed social whole."<sup>13</sup> Machiavelli's understanding of a good polity — exemplified in the ancient world by Athens, Sparta, the Kingdom of David and Solomon, and above all, the Roman Republic — was one that was secure and stable, possessing a system of justice and senses of power and splendor. These cities were great because, unlike societies governed by Christian rulers and the Christian ethic, they produced men with the faculties Machiavelli collectively identified in the word *virtu* — inner strength, vigor, shrewdness, decisiveness. The ideal Machiavellian ruler exercised this *virtu* in the service of the security, power, glory, and expansion of the polity. The two systems of values are incompatible and, crucially, there is no criterion on which could choose between them: they represent two different views of the ideal social order. One must choose a good (virtuous in the Christian sense) private life, or a good (virtuous in the Machiavellian sense) successful political life.

The implications of adopting a Machiavellian ethic to the corporate world are as profound as they are disturbing. It remains to be seen whether or not the writers of these manuals adopt such a position or are simply unaware of these implications. Subsequent to the publication of Berlin's essay, path breaking work on Machiavelli has been undertaken by, among others, J.G.A. Pocock and Quentin Skinner.<sup>14</sup>

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Skinner provides a full and clear explanation of the relationship in Machiavelli's writings between virtue, longevity and liberty on the one hand and their enemies, corruption and secular time or (mis)fortune. He demonstrates the extent to which Machiavelli devoted his attention to the tension between liberty and corruption, glory and misfortune, longevity and decline. Liberty, both public (political) and personal, can be maintained only if the citizens as a whole display the qualities of virtuous citizens, with the virtuous citizen defined as one who is willing "to follow to the utmost whatever course of action, [whether conventionally virtuous or not]," that "will in fact save the life and preserve the liberty of one's native land."<sup>15</sup>

The dilemma for Machiavelli is that humans are not naturally virtuous. We are in fact corrupt, by which Machiavelli means that our basic inclination, if left unchecked, is to place our private interest above the public interest. This "natural" corruption takes two forms: for the ordinary citizen, it is the tendency to be lazy; for the more active, aspiring citizen, it is the tendency to be moved by personal ambition. Machiavelli views the latter as the more dangerous to liberty. The problem for Machiavelli is how a community can maintain its freedom in the face of our selfishness or at best our limited altruism. Like the medieval alchemist, somehow our natural but self destructive tendency to corruption had to be transmuted into a concern for the public good.<sup>16</sup>

Machiavelli sees the successful prince as one who seeks "fame for being great and excellent."<sup>17</sup> He does this by governing well. Governing well means two things: the prosperity of the state and its citizens, and the creation of institutions that transcend the prince's reign, securing the survival and success of the state for generations to come.<sup>18</sup> In the Discourses, Machiavelli differentiates between leaders deserving of praise and scorn:

Of all men who have been eulogized, those -deserve it most who have been authors and founders of religions; next come such as have established republics or kingdoms... On the contrary, those are doomed to infamy and universal execration who have destroyed religions, who have overturned republics and kingdoms, who are enemies of virtue, of letters, and of every art that is useful and honorable to mankind. Such are the impious and violent, the ignorant, the idle, the vile and degraded.<sup>19</sup>

The welfare, then, of a republic or kingdom does not consist in having a prince who governs it wisely during his lifetime, but in having one who will give it such laws that it will maintain itself even after his death.<sup>20</sup>

Besides, although one man alone should organize a government, yet it will not endure long if the administration of it remains on the shoulders of a single individual; it is well, then, to confide this to the charge of many, for thus it will be sustained by the many. ... [H]e is to be reprehended who commits violence for the purpose of destroying, and not he who commits it for beneficent purposes.<sup>21</sup>

### *Machiavelli's relevance to today's corporate leaders*

As seen above, Machiavelli designed his advice for rulers to secure the survival and success of the state for future generations. It would seem to follow logically that Machiavelli's advice for the long-term existence of an autonomous state would be relevant to a corporation with perpetual duration.

In his pursuit of a free, long lasting republic, Machiavelli was led to examine the great enemy of such republics, corruption (corruzione), and the ways such corruption can be prevented, controlled or eliminated. For Machiavelli, one of the most effective ways to mislead and dazzle the people is by the corrupt use of wealth and power. Wealth used to purchase loyalty or, more commonly in republics, bribery, is the great danger to the liberty and the virtue of the republic. Machiavelli is so concerned with the destructive impact of this corruption that he offers some drastic remedies to eliminate or prevent it, such as the removal, by force if necessary, of the individual or individuals responsible for the leadership of the state.<sup>22</sup> The recent wave of corporate scandals has shown the devastating effects of widespread corruption on modern corporations.

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Enron and Worldcom provide examples of companies that were affected by widespread internal corruption so severe that safeguards designed to prevent such corruption were hopelessly inadequate. Enron, for example, used off-balance sheet subsidiaries and partnerships to manipulate its financial statements by hiding certain losses and debts, and by inflating the values of certain troubled businesses.

Machiavelli believed that a free society should renew and reinvigorate itself at least every 10 years, because a decade suffices for leaders and the populace to stray from those principles that originally contributed to the success of the enterprise.<sup>23</sup> Enron was only 16 years old when it filed for bankruptcy, which provided more than ample time for a culture of corruption to form. While traders who encouraged corrupt and possibly illegal practices were spared from punishment, numerous employees who complained about the company's questionable financial practices were fired, reassigned, or removed from consideration for promotional opportunities.<sup>24</sup> Enron's officers have been heavily criticized for not effectively managing the company, and the corporate culture that awarded bonuses based on profits both encouraged traders to inflate profits and promoted creative ways to continue the upward rise of Enron's stock price.<sup>25</sup>

In contrast to the complex network of financial transactions used by Enron, WorldCom, a provider of communications services, used a much simpler method of fraud. WorldCom inflated its earnings by improperly releasing certain reserves held against operating expenses and recharacterizing certain expenses as capital assets, thereby reducing its operating expenses. At the same time, WorldCom allowed chief executive officer Bernie Ebbers to borrow more than \$1 billion in personal and business loans, much of which was secured by WorldCom stock.<sup>26</sup>

Similar to Enron, the corruption concerning WorldCom was widespread and multi-layered. The Bankruptcy Court examiner, former Attorney General Dick Thornburgh, concluded that concerns about the company's practices extended to "persons within the Company, the Board of Directors and the independent auditors of WorldCom."<sup>27</sup> Mr. Thornburgh also accused WorldCom personnel of responding to changing business conditions and earnings pressures by "taking extraordinary and illegal steps to mask the discrepancy between the financial reality at the Company and Wall Street's expectations."<sup>28</sup> As Oklahoma attorney general Drew Edmondson explained: "This is not some rogue employee trying to line his own pockets. This was a conscious decision made for the benefit of the company."<sup>29</sup>

The Enron and WorldCom scandals demonstrate the continued vitality of Machiavelli's teachings about corruption. As we will see, however, most Machiavellian manual writers focus less on this aspect of Machiavelli's teachings in favor of a more "popular" understanding of Machiavelli. The crisis in corporate leadership arising out of the spate of world wide scandals involving mismanagement and corruption involving corporate executives suggest that executives are less in need of the kind of advice offered by these manuals and more in need of Machiavelli's teachings on corruption and longevity.

**The analysis of the manuals**

Six manuals have been selected for extended analysis.<sup>30</sup> They are

- Henry Borger, *The Corporate Prince*
- Richard Buskirk, *Modern Management and Machiavelli: The Executive's Guide to the Psychology and Politics of Power*
- Richard Hill, *The Boss: Machiavelli on Managerial Leadership*
- Antony Jay, *Management and Machiavelli*
- Michael Ledeen, *Machiavelli on Modern Leadership: Why Machiavelli's Iron Rules Are as Timely and Important Today as Five Centuries Ago*

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- Alistair McAlpine, *The New Machiavelli: The Art of Politics in Business*

We canvassed the field of studies of executive leadership in the English speaking world, and discovered nine advice manuals. We did not attempt to ascertain the influence of these manuals among corporate executives. We note, however, that the number of such manuals has increased in the past 15 years, and a perusal of university syllabi on the Internet indicates that many college business classes now include these manuals. The increased usage of these manuals provides sufficient reason for examining their advice.

Three works, Stanley Bing, *What Would Machiavelli Do, V.*, The Mafia Manager and L.F. Gunlicks, *The Machiavellian Manager's Handbook for Success*, present a vulgar, simplistic view of Machiavelli so much so that they appear to be parodies rather than serious advice manuals. Although some might argue that Machiavelli's *Prince* was a parody, and the inclusion of such lampoons is appropriate in such an analysis of the works, we have chosen to concentrate on those manuals that make a serious effort to extract the complex advice offered by Machiavelli. As such we have not given them any attention in this article.

Our purpose in this article is not to put forth an alternative and presumably better interpretation of Machiavelli than these manuals. Rather, it is to point out that attempts to apply Machiavelli to 20th century corporate life that ignore his central concerns, especially as they appear to be just as relevant to contemporary corporate leadership as the teachings in *The Prince*, are deficient and even dangerous. In suggesting how the application of such an approach might play out, we hope to point up the irony that Machiavelli's teachings could be seen as providing the basis for advice that, in a variety of situations, would run counter to the advice offered in these manuals.

The self-proclaimed purpose of each of the manuals is as follows:

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**Borger**

*The Corporate Prince*

"[T]o repackaging the wisdom of Machiavelli in a form that would make it relevant and understandable to a modern business leader."<sup>31</sup>

**Buskirk**

*Modern Management and Machiavelli*

To demonstrate that "Machiavelli's basic advice is ... germane to the problems of managing any organization"<sup>32</sup>

**Hill**

*The Boss*

"[L]earn from his most famous book ... the qualities of leadership."<sup>33</sup>

**Jay**

*Management and Machiavelli*

To demonstrate that "Machiavelli ... is bursting with urgent advice and acute observations for top management of the great private and public corporations..."<sup>34</sup> and "management can only be properly studied as a branch of government."<sup>35</sup>

**Ledeon**

*Machiavelli on Modern Leadership*

"...to present the basic principles of the proper and successful use of power in language that contemporary leaders can understand, the better to advance the common good."<sup>36</sup>

**McAlpine**

*The New Machiavelli*

to "take[] the lessons Machiavelli preached ... and appl[y] them to the activity of conducting business ... [H]elp the reader find a safe pathway through the complicated world of business"<sup>37</sup> [for] "those who are ... prepared to take the risks necessary to succeed."<sup>38</sup>

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*The purposes of the manuals**The structure and organization of the manuals*

The manuals under examination use Machiavelli in a variety of ways. Antony Jay calls his work *Management and Machiavelli* not because it is based on Machiavellian argument, but because it is based on his “method of taking a current problem and then examining it in a practical way” in light of the “experiences of others who have faced a similar problem in the past.”<sup>39</sup> But what is this method? Specifically, it means examining the corporation as “something neither moral nor immoral, but simply a phenomenon.”<sup>40</sup> Not surprisingly, all references to Machiavelli are made in the introductory chapters. No references are found in the rest of the book. Given Jay’s method, there is no need to resort to quotations in support of his advice to corporate executives.

Richard Buskirk takes the chapter headings of *The Prince* and selected chapters of the *Discourses* as his organizational frame. The chapters are studded with quotations from the works of Machiavelli. In a number of the cases the quotations constitute the bulk of the chapters. Buskirk excludes material deemed irrelevant to management, e.g., Machiavelli’s thoughts on ecclesiastical principalities and whether artillery is superior to infantry. He also cautions that Machiavelli by no means offers a total or even systematic treatment of management.<sup>41</sup>

Alistair McAlpine’s *The New Machiavelli*, Richard Hill’s *The Boss* and Henry Borger’s *The Corporate Prince* rely heavily on *The Prince*. McAlpine mimics the 26 chapters of *The Prince* with some change in their order, opening each chapter with a quotation from the work. Hill also uses the chapter headings of *The Prince*, though those headings are rewritten in contemporary English and substitute the language of business organizations for the language of the state and war. Borger leaves out two chapters, combines others and splits still others, but works within the organizational frame of *The Prince*. He quotes liberally from the work but rewrites the passages to make them “relevant and understandable to a modern business leader.”<sup>42</sup> Borger takes this passage from Machiavelli:

Some may wonder how it came about that Agathodes, and others like him, could, after infinite treachery and cruelty, live secure for many years in their country and defend themselves from external enemies without being conspired against by their subjects; although many others have, owing to their cruelty, been unable to maintain their position in times of peace ... I believe this arises from the cruelties being exploited well or badly. Well committed may be called those (if it is permissible to use the word well of evil) which are perpetuated once for the need of securing one’s self, and which afterwards are not persisted in, but are exchanged for measures as useful to the subjects as possible. Cruelties ill committed are those which, although at first few, increase rather than diminish with time. Those who follow the former method may remedy in some measure their condition, both with God and man; as did Agathodes. As to the others, it is impossible for them to maintain themselves.<sup>43</sup>

Borger rewrites it as follows:

It may be asked how some men who have become CEOs after committing acts of treachery or dishonor are able to live long, secure lives, managing their corporations and fending off their competitors without being betrayed by their colleagues, while others of their ilk are unable to maintain their power even if their corporations have no serious competitors. The answer is that it depends on how the evil actions are employed. Harsh measures can be described as well used (if it is permissible to speak of evil actions in that way) when they are ~performed all at once, for reasons of self-preservation, ‘and are not repeated, and when all subsequent actions are, as far as possible, for the benefit of the whole corporation. Harsh measures are badly used

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when they are employed infrequently at first, but increasingly over time. Those who use the first approach may find some forgiveness from God and men for their actions; those who follow the second approach cannot possibly stay in power.<sup>44</sup>

McAlpine, Hill and Borger make no use of the Discourses. Michael Ledeen does not follow the organizational frame of *The Prince*, but he uses a number of passages from *The Prince*, the Discourses and other writings of Machiavelli, and compares those quotes with statements that support Machiavelli's insight on the same topics from academics and politicians. His purpose is to give advice to all areas requiring quality leadership: political, religious, athletic and business. Ledeen relies as much on the Discourses as on the more popular *Prince*. He begins each chapter with a passage from either work and proceeds to analyze its meaning by way of historical and contemporary examples. A common structural feature of all these manuals is to illustrate quotations from Machiavelli with contemporary cases that seem to demonstrate the relevance of the advice. These examples include cases that reveal violations of the advice as well as cases that vindicate it.

### *The assumptions of the manuals*

The manuals make a number of assumptions on which the efficaciousness of their advice rests.

- The nature of humans and the world

The first assumption has to do with the nature and general character of people and their relation to the "prince" or leader. Machiavelli is notorious for his division of humans into elites and masses. The differences between the few and the many in Machiavelli is not so much the differential in power as in knowledge. It may well be that, for Machiavelli, power derives from these differences. This is supported by the fact that Machiavelli's princes are not born to their power or their rule; they achieve them.<sup>45</sup>

This assumption is either implicit or explicit in the manuals. As McAlpine wrote:

It is not for the average employee that Machiavelli wrote *The Prince* or indeed for whom I have penned this volume. This work is a guide for those who would, with courage and energy, rise above their fellow humans ... and for those who ... are-prepared to take the risks necessary to succeed.<sup>46</sup>

Similarly, Borger writes that chief executive officers, today's princes and kings, can gain power in a variety of ways, and, once in power, they have authority within their realms, and receive rich rewards.<sup>47</sup> Also, Ledeen writes in his introduction about the use of Machiavelli in training elite military forces, showing that he believes those who are willing to separate themselves from others, either physically or mentally, can learn from Machiavelli.<sup>48</sup>

The assumption of these manuals is that the corporate world is "nature red in tooth and claw," populated by all sorts of animals: wolves, lions, foxes, jackals, and yes, sheep and doves. Borger reminds readers that chief executives are "tempting targets for usurpers both from without and within their corporations."<sup>49</sup> Hill notes that "today's competitive business environment puts as much pressure on would-be leaders as did the fiercely competitive political environment of Renaissance Italy."<sup>50</sup>

For these reasons, Scott Adams writes that "[r]etribution is your best friend, especially when it's combined with its natural companion: hypocrisy"<sup>51</sup> and "[y]ou can short-circuit the two or three neurons that people use for common sense by appealing to their greed. Nothing defines humans better than their willingness to do irrational things in the pursuit of phenomenally unlikely payoffs"<sup>52</sup> Alistair McAlpine speaks of the "insights into human nature which are needed to survive in the jungle of greed and treachery that is commerce."<sup>53</sup>

- War as a metaphor for business

Machiavelli sees preparing for war or waging war as a central task of the prince,<sup>54</sup> and the notion that preparing for, or waging war, metaphorically speaking, is thus a central task for the CEO. This metaphor is specifically reflected in works that apply the leadership strategies and decisions of military figures such as George Patton or Colin Powell to modern business.<sup>55</sup> Antony Jay writes that “[t]he first transference you have to make when studying political history in management terms is to read ‘economic conflict’ for ‘military conflict.’”<sup>56</sup> Hill recommends a similar translation as he translates Machiavelli’s “art of war” as primary “purpose of an organization.”<sup>57</sup> Keeping the same metaphor, Borger states that a CEO should “have no care or thought but for competition.”<sup>58</sup>

Richard Buskirk also resorts to the war metaphor: “Make sure you have the guns before you go to war ..The new administrator should make certain of his power base before instituting his plans...”<sup>59</sup> Michael Ledeen asserts that “[p]eace is not the normal condition of mankind. War and the preparation for war are the themes of human history... Conflict is not the consequence of the rational pursuit of self-interest...it flows straight from the deepest wellsprings of human nature.”<sup>60</sup>

- The Interchangeability of Political and Economic Realms

Perhaps the most problematic aspect of these manuals is the collapsing of the distinction between law givers (states) and law followers (corporations); that is the assumption of an isomorphic relationship between the realm of politics and government and the world of business and the corporation. Antony Jay, of ‘Yes Minister’ fame, goes so far as to identify the two realms as “[t]he new science of management is in fact only a continuation of the old art of government ... Each illuminates the other...”<sup>61</sup> He continues with “[s]tates and corporations can be defined in almost exactly the same way.”<sup>62</sup> McAlpine writes that “there is a striking similarity between the city states of 15<sup>th</sup> century Italy and the great corporations of the last half of the 20<sup>th</sup> century.”<sup>63</sup>

Borger’s title, *The Corporate Prince*, reveals the equation between the political and business realms. Furthermore, he states that “[l]ike princes of old, CEOs live in a highly competitive and ruthless world.”<sup>64</sup> Hill claims that “Machiavelli’s observations about political leadership apply equally to other kinds of leadership, especially business leadership.”<sup>65</sup>

### **The manuals and morality**

A number of questions are raised by the application of Machiavelli’s advice, in particular his contrast between the world of politics governed by its own values, rules and code of conduct and the world of personal morality governed by the code derived from the Platonic Hebraic-Christian view. These manuals are not very helpful on the central teaching of Machiavelli, that is, the worldview on which the justification for the notorious methods he recommends depends.

The majority of the authors examined in this essay offer their advice to CEOs not for the personal aggrandizement of these managers, but to enable them to build successful corporations or enterprises. For this reason, the manuals universally condemn executives who misuse their offices for personal gain. Recent examples of such executives would be John Rigas and Dennis Kozlowski. Instead, the writers see Machiavelli’s advice useful because it will equip CEOs with the skills to build successful, growing, sustainable corporations, just as Machiavelli reserved his highest praise for princes who used the techniques of power to build long lasting, successful states and created the conditions for a republican form of government.

Alistair McAlpine is most emphatic on this point:

So it was that the able lieutenant lost, the obliging employee lost and the amiable employer lost — the reason

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for failure lying in the fact that each of them pursued their self-interest, rather than devoting themselves to the improvement of the business where they were employed. The pursuit of your own interests to the detriment of your responsibilities is just another example of greed.<sup>66</sup>

Richard Hill analogizes the CEO to the prince:

[A]t times a ruler acting in the best interests of the state might need to violate commonly accepted canons of behavior for individuals. In the same way, managers must at times act in ways that would not be condoned on the part of employees. [A] successful leader must possess expert knowledge in the area that is most important for the success of his or her organization....<sup>67</sup>

In contrast, Hill makes it clear that the “Boss” does not “condone the reckless behavior of those businessmen who believe that they are above the law.”<sup>68</sup>

In his introduction, Michael Ledeen describes the advancement of the common good as a purpose of his work. Following Machiavelli, Ledeen apparently assumes that the tactics suggested by Machiavelli would lead to broad benefits for the community, and not simply as a means to entrench and aggrandize the power and wealth of the prince and his elite.

Antony Jay recognizes that management is a great preoccupation of the Western world, and connects his manual with the role the corporation plays in the modern world. To that end, Jay writes that “[t]he wealth of nations depends increasingly on the quality of managers,” and that means solving the “ghastly new problem of managing well.”<sup>69</sup>

Richard Buskirk does not address the question, but his examples suggest agreement with Jay and Ledeen: “If all this duplicity offends some people, bear in mind that is to one purpose: to do the best job that he can under the circumstances. Thus, conspiracies may serve good purposes as well as bad.”<sup>70</sup> Buskirk also writes of the “good” man who may have to do some “bad” things to “save his enterprise.”<sup>71</sup>

Borger also seems to identify a successful corporate prince as one who enhances the corporation by his questionable methods. His advice is aimed at the modern business manager whose goal is to create and maintain a successful organization. He addresses the question directly, claiming that successful corporate executives or enterprise builders often must engage in dubious actions, but usually leave those acts behind them once success has been achieved. He uses as examples Pierre Dupont, Joseph Kennedy and Steven Jobs of Apple Computer.<sup>72</sup> On the need to be cruel, he offers the example of Lee Iacocca’ who was ruthless in firing managers and laying off workers when demand was low, commenting that “[h]is actions sometimes were considered harsh and cruel, but they were necessary to save the corporation.”<sup>73</sup>

On the use of deceit, Borger gives a number of examples of chief executives who publicly lied. Some executives, such as Frank Lorenzo of Continental Airlines and Ed Acker of Pan American World Airways, lied about the likelihood of layoffs, while another, Jack Kent Cooke, lied to “protect his investments.”<sup>74</sup> The latter example comes perilously close to justifying Machiavellian methods for personal aggrandizement.<sup>75</sup> Borger’s examples illustrate the problematic but crucial issue of distinguishing use of immoral and illegal methods for the success of the enterprise as opposed to their use for personal gain.

Two authors go further than justifying questionable action on the grounds of corporate welfare. They take issue as to whether tactics Machiavelli recommends are as efficacious as he believes. The leading proponent of this reading is McAlpine. He reads Machiavelli’s precept that “a prudent ruler cannot keep his word, nor should he, when such fidelity would damage him, and when the reasons that made him promise are no longer relevant”<sup>76</sup> to mean that “if you are lied to, you should lie back,” and “[i]f you are tricked into an agreement, then it is as if you have not made that agreement.”<sup>77</sup> He continues:

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Out of deceit and fraud comes only emptiness, especially in success. ...With cunning and craft, however, there is no need for dishonesty..<sup>78</sup> [L]iars only invite the lies of others, and there is no honor in their success and their failure is held in contempt by all.<sup>79</sup> Technology has changed...and it is no longer possible to guarantee apparent success through lies and deceit.... The cunning truth is now more efficacious than the lie or deceit.<sup>80</sup>

McAlpine also rejects Machiavelli's advice that the prince "foster animosity against himself; so that having crushed it, his renown may rise higher."<sup>81</sup> McAlpine distills Machiavelli's teaching into the final piece of advice he gives his readers: "Courage, honor, energy, ability, perseverance and, above all, total dedication are the ingredients of success."<sup>82</sup> One wonders what is Machiavellian about such advice. Yet, McAlpine seems to embrace one of the most cynical pieces of advice found in *The Prince*, namely "it is necessary for a Prince wishing to hold his own to know how to do wrong and to make use of it or not according to necessity."<sup>83</sup> McAlpine comments, "[i]n fact, so perverse is life, that far more acrimony is likely to come your way from doing right rather than wrong."<sup>84</sup> Perhaps this is not inconsistent with the rejection of lying, as that rejection was based on McAlpine's belief that it is likely to fail; and perhaps being a chameleon is not inconsistent with the qualities McAlpine sees as the ingredients for success.

Commenting on the same passage, Buskirk gives an example of why swindlers and liars succeed, but makes no judgment on the lying and deceit. Rather, he concludes by paraphrasing Machiavelli: "Do good whenever you can, but don't be afraid to do evil if the need arises."<sup>85</sup> But he seems to back pedal: "Don't take this as a license to do whatever one wishes. There are always limits."<sup>86</sup>

Borger also is at pains to downplay or reject the view that Machiavelli was a teacher of the techniques of evil:

[P]eople have erred in concluding that Machiavelli was basically at war with traditional morality and that his central message to leaders was that they should adopt a cynical and amoral view of the world, look out for themselves first, and let the ends justify the means. Although *The Prince* unquestionably includes many recommendations in line with this message, I do not believe these recommendations represent the core of Machiavelli's message.<sup>87</sup>

If that is not the central message, what is? Borger continues:

I am convinced that ... the essence of Machiavelli's message and the cornerstone of his philosophy of leadership is revealed by his many expressions of admiration for leaders who boldly seize the day, and his expressions of contempt for leaders who timidly drift along, allowing events to control them rather than the other way around... [T]he provocative parts of *The Prince* ... have caused many readers to miss Machiavelli's most important principle, namely, the need for leaders to be proactive.... [S]eize the initiative.<sup>88</sup>

In order to make Machiavelli's advice on war relevant to the corporation, Hill replaces the phrase "art of war" with "primary purpose of an organization."<sup>89</sup> This may make Machiavelli more palatable and also more relevant to a business organization, but the message that remains can no longer be identified with Machiavelli.

### Problems with the manuals

The manuals surveyed have numerous problems, beginning with the assumptions on which they are based. As indicated above, the various authors assume that Machiavelli's advice can be appropriated by a modern business leader. These assumptions are problematic because Machiavelli's ideas presuppose conditions not meant for the modern business world, Machiavelli's advice was designed for "law-givers~" The princely ruler possessed sovereign power, claiming a monopoly on the exercise of force in pursuit of the objectives of the polity; the modern corporate leader, as a "law follower" in an agency dependent on the state for its existence, possesses no such power and is required to comply with the rules of the polity already in existence. Beyond the failure to note the importance of the qualitative difference in the status of political and corporate entities, these

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manuals fail to devote any attention to the teachings of Machiavelli that seem most relevant in today's corporate world. For Machiavelli, the failure of a polity or organization to address immediately and forcefully the problem of corruption would lead to its ultimate demise. The recent corporate scandals suggest that this advice applies to modern corporations at as least as well as the advice cobbled from Machiavelli by the manual writers.

Regardless of the relevance of and importance of this advice, it is not found in these manuals. Four of the manuals reviewed, Antony Jay, *Machiavelli and Management*, Henry Borger, *The Corporate Prince*, Richard Hill, *The Boss* and Alistair McAlpine, *The New Machiavelli*, provide a serious but nonetheless incomplete picture of Machiavelli's teachings by ignoring the Discourses — not to mention Machiavelli's other works that speak of corruption. The other two works surveyed, Michael Ledeen, *Machiavelli on Modern Management* and Richard Buskirk, *Modern Management and Machiavelli*, attempt to integrate Machiavelli's teachings as found in the Discourses. Among the manuals examined, they provide the most sophisticated use of Machiavelli. The only manual to address Machiavelli's teachings on corruption and decadence as relevant to the contemporary world, Michael Ledeen's work, is also the only manual that focuses on leadership in general, giving the most attention to political leadership.

Some, but not all, of the manual writers under discussion accept the popular understanding of Machiavelli as a byword for the use of deception, cruelty and ruthlessness to achieve one's goals. In doing so they eliminate the complexity of his thought and the ambiguity buried in his advice. For every example of efficacious cruelty, e.g., the Roman Emperor Severus,<sup>90</sup> there is one of cruelty that brings contempt and ruin (the Emperor Commodus).<sup>91</sup> For every example of a successful betrayer — Cesare Borgia — there is a traitor who comes to ruin — Oliverotto da Fermo.<sup>92</sup> He condemns the use of mercenary arms,<sup>93</sup> but praises a certain mercenary captain in the service of the Florentines, Paulo Vitelli, as *uomo prudentissimo* for having risen from private fortune to very great reputation.<sup>94</sup> In the Discourses, he counsels temporizing in the face of evil that has sprung up within the state, yet in *The Prince* he recommends bold decisive action. His subtle, sometimes seemingly contradictory teachings, have been transformed into popular "how to" recipe books for success. Passages are taken out of context, rewritten and quoted for their aphoristic qualities as much as for their applicability. As a result, much of what is contained in these manuals is so diluted as to not even be Machiavellian. Like many of the success manuals that populate the bookstores and airports, these manuals promise the reader the secrets to winning. Many read like cookbooks; here is the recipe for a successful outcome, follow it and you win. But humans are not ingredients in a stew! The enterprises of politics, war, and business are arenas for which advice is easily proffered and difficult to put into practice. Leadership is a matter of judgment, experience, instinct and knowledge. None of these is readily obtained from guidebooks.

Significant problems are created when selected passages from selected works of a thinker whose teachings were addressed to leaders of sovereign states in the 16th century are applied to the modern corporation.<sup>95</sup> Nowhere is this more evident than in Machiavelli's teaching that the state has an autonomous morality (*ragione lo stato*), permitting actions to be judged on grounds that Judeo-Christian morality would condemn. The transfer to the corporate world of such a morality is even more questionable as it implicitly equates the corporation with the state, giving it a similar character and objectives, and thus making it able to operate under Machiavellian rules. But this is manifestly not the case. A business, in very important respects, is not like a state. The state has the duty to protect and promote the health, welfare and safety of the people. The goals of the corporation (a private entity) — profits and growth — can only be pursued under the limitations set down by the political jurisdiction(s) within which they operate. Simply claiming that the means can be justified as long as they serve the larger corporate interest does not provide the justification that argument does when applied to the state, and therein lies the distortion and danger, implicit among the manual writers.

This difference in status bears directly on the relevance of the central proposition in *The Prince*, viz., the infamous "ends justifies the means" passage found in Chapter XVIII. It illustrates starkly the central problem with the migration of Machiavellian advice from the political to the business world. All manual writers appeal to what Machiavelli calls *necessita*, doing what the situation requires one to do. The passage, in a more accurate rendering, reads as follows:

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With regard to all human actions, and especially those of the rulers, who cannot be called to account, men pay attention to the outcome. If a ruler, then, contrives to conquer, and to preserve a state, the means will always be judged honorable and be praised by everyone.<sup>96</sup>

The qualifier “who cannot be called to account” suggests that the advice is appropriate when there is no institutional authority with the power to judge. Manifestly, that is more clearly the case in the realm of international politics. It is not, by and large, the case in the corporate world, where the corporation and its leaders are held accountable, both in the civil and criminal arenas. This would rule out violations of the law, but not necessarily conduct that was, though legal, unethical as judged by ordinary standards. This may be the reason why none of the manuals advocate or approve of outright illegal actions. Though none of the manuals address the difference between unethical corporate conduct and illegal conduct, the unstated assumption is that the recommendations found in these manuals are confined to choosing between ethical and unethical behavior.

Moreover, the easy equation of corporate interest with a CEO’s self—interest creates dangers at least as great as that equation did when Machiavelli applied it to the state; and, as argued above, with far less justification. The move from the general or common interest to the prince’s personal interest is not always easy to recognize. Although introducing deceit, fraud and other forms of unethical behavior into the culture of an organization may pay off for some individuals, and even the corporation for a time, the consequences likely as not will prove counterproductive. Several of the techniques advocated by the manuals, such as lying about the likelihood of layoffs, may be negative for the long-term morale of a corporation. Such methods may create an “independent contractor attitude” and may erode the confidence, and consequently, the loyalty, of employees to their companies. In sum, following a management theory based upon the teachings of Machiavelli, or the derivation of Machiavelli found in these manuals, is not well grounded.

**Conclusion**

During the recent wave of corporate scandals, the pressure on CEOs and companies to produce earnings, quarter after quarter, resulted in a different kind of behavior. It became acceptable to manage earnings like WorldCom. It became acceptable to push the accounting envelope like Enron. That was the culture — and it was more prevalent than we were aware. Machiavelli’s analysis is most appropriate in dissecting such a culture; but his advice on this issue is not the advice proffered in these manuals.

Machiavelli thought that our inability to recognize the early warning signs of corruption was the great enemy. The corruption would not be recognized until it had taken such a hold that it might be too late for an effective remedy. So it was in the last decades of the 20th century, where the corruption at many of these companies became too deeply entrenched into the corporation for even the traditional “gatekeepers,” such as auditors, attorneys, and credit rating firms, to correct. Thus, no one sounded the tocsin: not the executives who were under the excruciating pressure of having to meet quarterly earnings targets no matter what; not the lawyers and the accountants and bankers who were forced to compete furiously to get and keep clients; not the regulators who became so intimidated by all the exuberance in the air; and certainly not the underwriters or the analysts or the credit—rating agencies. The draconian remedies Machiavelli suggests for bribery and corruption engaged in by those who possess wealth and power are testament to the insidiousness of such a culture of corruption.

Machiavelli’s ethic might serve the interest of certain executives and corporations — though even here the evidence is mixed — but a corporation adopting such an ethic is likely to be less successful and have a reduced life span. The advice of the manual writers seems misdirected. The real problem is their failure to apply the teachings of Machiavelli we believe most relevant to the corporate world in the 21st century. Machiavelli’s advice to leaders of a polity or corporate world in the throes of a culture that encourages avarice and ambition is not the advice found in these manuals. Ironically, these manuals may be offering advice that will exacerbate the problem, resulting in a failure to achieve the goals Machiavelli valued most: long term

success and the plaudits of the ages.

## Endnotes

1 Although a fictional character, the character of Gekko was undoubtedly inspired by numerous real persons of the lucrative 1980s, many of whom paid for their misdeeds through fines and imprisonment.

2 See, e.g., Lawrence Mitchell, *Corporate Irresponsibility* (New Haven, CT: Yale University Press, 2001).

3 John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001), xi—xii; see also Jonathan Haslam, *No Virtue Like Necessity: Realist Thought in International Relations Since Machiavelli* (New Haven, CT: Yale University Press, 2002); Dick Morris, *The New Prince: Machiavelli Updated for the Twenty-First Century* (Los Angeles: Renaissance Books, 1999). In the latter work, Morris, a former key advisor to President Clinton, attempts to demonstrate Machiavelli's relevance to contemporary American domestic politics.

4 **NOTE: There is NO endnote #4 indicated in text.** See Robert K. Faulkner, introduction to *Clizia*, by Niccolò Machiavelli, trans. Daniel T. Gallagher (Prospect Heights, Ill.: Waveland Press, 1996), xii—xv; Niccolò Machiavelli, *Mandragola*, trans. Mera J. Flaumenhaft (Prospect Park, Ill.: Waveland Press, 1981), *passim*.

5 Simon Ramo, *Tennis by Machiavelli* (New York: Rawson Associates, 1984).

6 Rawson Associates, newspaper advertisement, *New York Times*, July 15, 1984, sec. 7, p. 22.

7 From Jacques Barzun, *From Dawn to Decadence: 500 Years of Western Cultural Life* (New York: Harper Collins, 2000), 256.

8 Certainly, Machiavelli is not unique in this regard. Consistent with the notion that ideas and lessons from one arena can be easily transferred to another area or profession, writers have attempted to apply the teachings and experiences of various historical figures to modern business. Consequently, numerous political, military, literary, and even biblical leaders have been transformed into management gurus. See, e.g., Blame McConnack, *Ben Franklin's 12 Rules of Management* (Irvine, CA: Entrepreneur Press, 2000); Donald T. Phillips, *Lincoln on Leadership: Executive Strategies for Tough Times* (New York: Warner Books, 1992); Al Kaltman, *Cigars, Whiskey, and Winning: Leadership Lessons from General Ulysses S. Grant* (Paramus, NJ: Prentice Hall Press, 1998); H.W. Crocker, III, *Robert E. Lee on Leadership: Executive Lessons in Character, Courage & Vision* (Rocklin, CA: Forum, 1999); Paul Corrigan, *Shakespeare on Management: Leadership Lessons for Today's Managers* (London: Kagan, Page, 1999); Lorin Woolfe, *The Bible on Leadership: From Moses to Matthew: Management Lessons for Contemporary Leaders* (New York: American Management Association, 2002); Laurie Beth Jones, *Jesus, CEO: Using Ancient Wisdom for Visionary Leadership* (New York: Hyperion, 1995). The scavenger hunt for the Rosetta Stone to successful management has led writers to travel from Moses to Colin Powell. See, e.g., Rabbi David Baron and Lynette Padwa, *Moses on Management: 50 Leadership Lessons From the Greatest Manager of All Time* (New York: Pocket Books, 1999); Oren Harari, *The Leadership Secrets of Colin Powell* (New York: McGraw-Hill, 2002).

9 Stanley Bing, *What Would Machiavelli Do: The Ends Justify the Meanness* (New York: Harper Business, 2000); Henry Borger, *The Corporate Prince: Machiavelli's Timeless Wisdom Adapted for the Modern CEO* (Bloomington, IN: First Books Library, 2002); Richard H. Buskirk, *Modern Management and Machiavelli* (Boston: Cahners Books, 1974); Gerald R. Griffin, *Machiavelli on Management: Playing and Winning the Corporate Power Game* (New York: Praeger, 1991); L.F. Gunlicks, *The Machiavellian Manager's Handbook for Success* (Washington, DC: Libbey Publishing, 2000); John Paul Harmon, *The Executive* (1995), <http://www.proaxis.com/~pharmon/theexec.htm> (accessed June 21, 2004); Phil Harris, Andrew Lock and Patricia Rees, eds., *Machiavelli, Marketing and Management* (London: Routledge, 2000); Richard W. Hill, *The Boss: Machiavelli on Managerial Leadership* (Geneva: Pyramid Media Group, 2000); Antony Jay, *Management and Machiavelli* (New York: Holt, Rinehart and Winston, 1967); Michael A. Ledeen, *Machiavelli on Modern Leadership: Why Machiavelli's Iron Rules are as Timely and Important Today as Five Centuries Ago* (New York: St. Martin's Press, 1999); Alistair McAlpine, *The New Machiavelli: The Art of Politics in Business* (New York: John Wiley, 1998); V. [pseudo], *The Mafia Manager: A Guide to the Corporate Machiavelli* (New York: St. Martin's Press, 1991).

The applications have not been confined to monographs: John K. Clemens and Douglas F. Mayer, "History's First Takeover Expert," *New York Times*, March 2, 1986, F3; Michael J. Thomas, "Princely Thoughts on Machiavelli, Marketing and Management," *European Journal of Marketing* 34 (2000): 524—537; Shelby D. Hunt and Lawrence B. Chanko, "Marketing and Machiavellianism," *Journal of Marketing*, 48, no. 3 (Summer 1984): 30—42.

Not included in the works analyzed, but which adopt essentially a Machiavellian perspective, at least as he is popularly understood, are: Phil Porter, *Eat or Be Eaten: Jungle Warfare for the Master Corporate Politician* (Paramus, NJ: Prentice Hall, 2000); Andrew J. DuBrin, *Winning Office Politics: DuBrin's Guide for the 90s* (Paramus, NJ: Prentice Hall, 1990); Robert Greene, *The 48 Laws of Power* (New York: Viking, 1998). The latter book draws on a wide range of writers, quoting extensively from, among others, Machiavelli, Nietzsche, Sun Tzu, Clausewitz, Gracian, and Castiglione. Greene also makes use of spiritual texts such as *The Mahabharata*, Rene R. Khawam, *The Subtle Ruse: The Book of Arabic Wisdom and Guile* and Miyamoto Mushashi, *A Book of Five Rings*. Harriet Rubin's *The Princess: Machiavelli*

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for *Women* (New York: Doubleday, 1997) adopts the metaphor of war —“the wars of intimacy.” *Id.* at 4. Rubin attempts to answer the question “why fight like Machiavelli when [you] can fight like Machiavella?” *Id.* at 22. The list is not exhaustive, there being what appears to be an insatiable demand for the genre.

10 Jay, *supra* note 9, at 4.

11 Isaiah Berlin, *Against the Current: Essays in the History of Ideas*, ed. Henry Hardy (New York: Viking Press, 1980), 25—79.

12 *Id.* at 54, 58—59, 68—69.

13 *Id.* at 39.

14 J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton, NJ: Princeton University Press, 1975); Quentin Skinner, *Machiavelli* (New York: Hill & Wang, 1981); Quentin Skinner, *Visions of Politics II: Renaissance Virtue* (Cambridge: Cambridge University Press, 2002).

15 Niccolo Machiavelli, *Discourses on the First Ten Books of Titus Livius*, ed. Bernard Crick, trans. Leslie J. Walker, (Harmondsworth, England: Penguin Books, 1970), at Book III, Chapter 41, 515.

16 See Skinner, *supra* note 14, at 163.

17 Niccolo Machiavelli, *The Prince*, trans. Luigi Ricci, “The Prince and the Discourses,” (New York: The Modern Library, 1950) [hereinafter *The Prince*], Chapter 21, 82.

18 Complicating things is the apparent conflict between Machiavelli’s *Prince*, in which he recommends bold, decisive action and the *Discourses*, in which he counsels temporizing in the face of evil that has sprung up within the state. Many different explanations have been given to resolve these seemingly contradictory teachings. Professor Hans Baron has argued that Machiavelli’s *Prince* was an isolated composition, written well before the *Discourses*, which represented Machiavelli’s true republican thinking. Hans Baron, “Machiavelli, the Republican Citizen and the Author of *The Prince*,” *English Historical Review* 76 (1961), 217—252. Professor Garrett Mattingly argued that *The Prince* was a satire, and did not contradict the views expressed in the *Discourses*. Garrett Mattingly, “Machiavelli’s *Prince*: Political Science or Political Satire,” *American Scholar* 27 (1958), 482—491. Still another interpretation is that no contradiction between the writings exists. The *Prince* was written for a certain type of heroic figure, who, possessed of *virtu*, was able to found states or civic institutions. Since Machiavelli believed, however, that people in a republican form of government are best suited to protect such institutions after they are created, Machiavelli’s prince plays the limited role of creating the institutions of which he himself will cede control to the people. Niccolo Machiavelli, *Discourses on the First Ten Books of Titus Livius*, trans. and intro. by Julia Conaway Bondarella and Peter Bondarella (New York: Oxford University Press, 1997), xv—xvi. By analyzing Machiavelli solely in light of the earlier *Prince*, as some authors have done, one cannot fully comprehend the true nature of his teachings.

19 Niccolo Machiavelli, *Discourses on the First Ten Books of Titus Livius*, trans. Christian E. Detmold, “The Prince and the Discourses,” *supra* note 17 [hereinafter *Discourses*], at Book I, Chapter 10, 141.

20 *Id.* at Book I, Chapter 11, 148.

21 *Id.* at Book I, Chapter 9, 139.

22 *Id.* at Book I, Chapter 18, 167—171; Chapter 55, 252—257; see also Skinner, *supra* note 14, at 167—176.

23 See *Discourses*, *supra* note 19, at Book III, Chapter 1, 399—400.

24 Mimi Swartz and Sherron Watkins, *Power Failure: The Inside Story of the Collapse of Enron* (New York: Currency Doubleday, 2004), 171—173.

25 Special Investigative Committee of the Board of Directors of Enron Corp., *Report of Investigation* (n.p., 2002), 19—20.

26 *In re WorldCom, Inc.*, Case No. 02-15533 BKRAJG (S.D.N.Y.), First Interim Report of Dick Thorn-burgh, Bankruptcy Court Examiner, Nov. 4, 2002, 7 1—72.

27 *Id.* at 117.

28 *Id.* at 117—118.

29 “Ex-WorldCom Execs Face Criminal Charges,” *Accountancy Age.com*, Aug. 28, 2003, available at <http://www.accountancyage.com/News/1134620> (accessed March 30, 2004).

30 The full citations for all the manuals selected, as well as the three that were reviewed and not chosen, can be found in footnote 9, *supra*.

31 Borger, *supra* note 9, at 5.

32 Buskirk, *supra* note 9, at xi.

33 Hill, *supra* note 9, at 7.

34 Jay, *supra* note 9, at 4.

35 *Id.* at 10.

36 Ledeen, *supra* note 9, at xix.

37 McAlpine, *supra* note 9, at xii—xiii.

38 *Id.* at 101.

39 Jay, *supra* note 9, at 25.

40 *Id.* at 25.

41 Buskirk, *supra* note 9, at xii.

42 Borger, *supra* note 9, at 5.

43 *The Prince*, *supra* note 17, Chapter 8, 34—35.

44 Borger, *supra* note 9, at 70.

45 See especially *The Prince*, *supra* note 17, Chapter 6.

46 McAlpine, *supra* note 9, at 101.

47 Borger, *supra* note 9, at 4.

48 The division of humans into leaders and masses is not limited to those works analyzed by this essay, and has even been utilized in cartoon strips. Scott Adams, the creator of the cartoon strip “Dilbert,” has made a success of exposing the foibles of corporate life by both leaders and followers. In *The Dilbert Principle: A Cubicle’s Eye View of Bosses, Meetings, Management Fads & Other Workplace Afflictions*, Adams, on the basis of thousands of stories about absurd happenings in corporate settings, writes that he has “developed a sophisticated theory to explain the existence of bizarre workplace behavior: People are idiots.” Scott Adams, *The Dilbert Principle: A Cubicle’s Eye View of Bosses, Meetings, Management Fads & Other Workplace Afflictions* (New York: Harper Business, 1996), 2. He speaks of “nearly six billion ninnyes living in a civilization that was designed by a few thousand amazingly smart deviants.” *Id.* at 9. In his chapter entitled “Machiavellian Methods,” Adams writes:

“The earth is populated by shallow and ignorant people. That’s why form will always be more important than substance. You can waste your time complaining about how that should not be the case in a perfect world, or you can snap out of it and follow my advice.” *Id.* at 75; compare *The Prince*, *supra* note 17, Chapter 15.

In *Dogbert’s ‘Top Secret Management Handbook,’* another of Adams’s works, Dogbert is presented as a large brained expert at making “the exploited masses” serve his interests. “Leadership isn’t only about selfish actions; it also requires mastery of the kind of ‘empty meaningless expressions’ such as, ‘It’s a new paradigm’ that will dupe your unwitting co-workers into accepting your manipulative design.” Scott Adams, *Dogbert’s ‘Top Secret Management Handbook’* (New York: Harper Business, 1996), 1.14.

49 Borger, *supra* note 9, at 4.

50 Hill, *supra* note 9, at 7.

51 Adams, *The Dilbert Principle*, *supra* note 48, at 69.

52 *Id.* at 76.

53 McAlpine, *supra* note 9, at xiii.

54 See *The Prince*, *supra* note 17, Chapter 14.

55 See, e.g., Alan Axelrod, *Patton on Leadership: Strategic Lessons for Corporate Warfare* (Paramus, NJ: Prentice Hall, 1999); Harari, *supra* note 8.

56 Jay, *supra* note 9, at 12.

57 Hill, *supra* note 9, at 75.

58 Borger, *supra* note 9, at 109.

59 Buskirk, *supra* note 9, at 17.

60 Ledeen, *supra* note 9, at 16.

61 Jay, *supra* note 9, at 3.

62 *Id.* at 25.

63 McAlpine, *supra* note 9, at xiii.

64 Borger, *supra* note 9, at 3—4.

65 Hill, *supra* note 9, at 6.

66 McAlpine, *supra* note 9, at 108.

67 Hill, *supra* note 9, at 8.

68 *Id.* at 20.

69 Jay, *supra* note 9, at 2.

70 Buskirk, *supra* note 9, at 217.

71 *Id.* at 66.

72 See Borger, *supra* note 9, at 70—79.

73 *Id.* at 127.

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74 *Id.* at 136—137.

75 One could argue that this example is similar to that of Samuel Waksal, the founder of ImClone who tried to sell his stock after finding out that the company's cancer drug would not be approved by the Food and Drug Administration.

76 *The Prince*, *supra* note 17, Chapter 18.

77 McAlpine, *supra* note 9, at 129.

78 *Id.* at 130.

79 *Id.* at 127.

80 *Id.* at 131.

81 *Id.* at 161.

82 *Id.* at 205.

83 *The Prince*, *supra* note 17, Chapter 15.

84 McAlpine, *supra* note 9, at 168.

85 Buskirk, *supra* note 9, at 91.

86 *Id.*

87 Borger, *supra* note 9, at 205.

88 *Id.* at 206.

89 Hill, *supra* note 9, at 75.

90 *The Prince*, *supra* note 17, Chapter 19, 72—73.

91 *Id.* at Chapter 19, 74.

92 *Id.* at Chapter 8, 32—34.

93 *Id.* at Chapter 12, 44—45.

94 *Id.* at Chapter 12, 47.

95 Often, the corporation will have multiple sets of goals, competing with each other. One need only to look at the case of Aaron Feuerstein, the CEO of Malden Mills, a family-owned business in the economically depressed city of Lawrence, Massachusetts. Maiden Mills manufactures Polartec fleece used in outdoor apparel by high-end companies such as L.L. Bean, Eddie Bauer, and Land's End. After a massive fire destroyed the factory in 1995, Feuerstein rebuilt the factory in the same location, and paid all the company's employees during the rebuilding period. However, fortune, which Machiavelli presupposes to be the arbiter of half our actions, see *The Prince*, *supra* note 17, at Chapter 25, intervened. The company lost customers during the rebuilding process, and three warm winters in a row hurt the sales of Polartec, eventuating a Chapter 11 bankruptcy. "The Mensch of Maiden Mills," *CBS News.com*, July 6, 2003, <http://www.cbsnews.com/stories/2003/07/03/60minutes/main561656.shtml> (accessed Sept. 11, 2004). Although praised by his employees for his sense of obligation, Feuerstein was criticized by some who believed his strategy of saving every job as opposed to eliminating some jobs for the good of the entire company, unnecessarily jeopardized the company.

Complicating the competing interests of the corporation and the role of the corporate leader in recognizing and achieving those interests, modern corporations are not expected solely to turn a profit for their shareholders. Corporations are also expected to be good corporate citizens, and to make decisions based not only on the best interests of the shareholders, but also on the interests of other non-shareholder "stakeholders," such as employees, suppliers, and the community. Corporations that lie about layoffs, for example, face heavy criticism from both remaining employees and the media, although such decisions are praised in many of the Machiavellian manuals.

96 Niccolo Machiavelli, *The Prince*, ed. Quentin Skinner, trans. Luigi Ricci (Cambridge: Cambridge University Press, 1988), Chapter 18, 63.

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