

**Philosophy, Wealth-Creation,  
and Self-Esteem:  
Objectivist Writings on Business**

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**Philosophy and Business**

One of the criticisms of the business curriculum from the traditional venues of higher education is that it is not truly a liberal arts degree—the type of education that has historically formed the roots of the academy in the United States. Educational traditionalists purport that only a liberal arts degree constitutes the proper higher education in America, the type of education that molds students into solid critical thinkers and citizens.

Given the state of American business education, when a book is published with the intriguing title, *Why Businessmen Need Philosophy*, it has the potential to send the hearts of business professors aflutter. Here potentially lies a link between the technical aspect of business and the more lofty goals of a liberal arts education.

*Why Businessmen Need Philosophy*, published by the Ayn Rand Institute (ARI) in 1999, is a collection of fifteen essays. In its 203 pages, there is no new material, and no index. The essays have been previously published in the trade, academic, or private presses with the majority of the essays coming from previous literature published by the ARI, and a few of the essays originated as speeches or radio addresses.

For a small book in size, it has a cluttered cover. Under the title, Ayn Rand is listed as the author “with additional essays by” six other authors and the editor noted. Therein lies the first problem with the book: Too many voices, no continuity. Further, the phrase “by Ayn Rand” if subjected to truth in advertising—even as that is in the field of marketing—would come out rather dubious. Rand contributes

two short essays that total only 14 pages—a mere 8.4%—of the text. With such low numbers, the book can hardly be considered *by* her. Instead, the actual authors are Leonard Peikoff, who has six essays for a total of 42 pages and Harry Binswanger who has two essays for a total of 40 pages (the combination of which constitutes nearly 50% of the text). Indeed, the title essay from where the book gets its name is not written by Rand at all, but by Peikoff. The remaining 70 pages are spread among the other four contributors who, on average, author more text than does Rand—the billed author.<sup>1</sup>

Even the title is misleading once the content of the essays are evaluated. A more accurate title might have been “Treatises on Anti-Trust,” since that topic is covered in 40 pages or nearly 25% of the text, whereas the lead essay at only 17 pages gives short shrift to the topic of philosophy and none of the subsequent essays speaks to the topic of philosophy in a specific manner at all.

As the title piece for the book, Peikoff’s essay should, but does not, set the stage for the rest of the book. And much of the structural problem with the book and its lack of continuity is due to minimal editing. The reader is not informed how—out of the multitude of Objectivist writings—these particular essays were chosen. There is no evidence that the topics presented in the essays are the most pressing philosophical issues facing people in business today. Indeed, it appears the essays were chosen as a matter of convenience, ones that were already written (or spoken) and could easily be assembled into a book. Further, there is no elucidation of how each particular essay relates to the lead essay. Thus, the book is a compendium of disjointed essays and the links between them are tenuous. A foreword or afterword to each essay—linking them to the central essay and each other—would have been beneficial. As is, this book would not have made it through the rigors of editing required by outside trade or academic presses.

Leonard Peikoff’s title essay, “Why Businessmen Need Philosophy,” is actually a re-print of a speech given to the Young President’s Organization in 1995. Speeches do not always make good written essays, and Peikoff’s essay is a case in point. Many of Peikoff’s good ideas risk being dismissed because they are not referenced or

footnoted. Hence, the essay is merely an opinion piece. Essentially, business owners are presented as virtuous simply *because* they are in business. If that generalized premise is accepted by the reader, then the essay stands under closer scrutiny. But such a premise overlooks the state of organizational America today.

In a rather rambling fashion, Peikoff touches on three virtues for which business owners “are damned by today’s intellectuals” (Ralston 1999; 18): selfishness, reality, and reason. The greatest amount of text is spent on the virtue of selfishness. Peikoff makes the claim that “nobody defends selfishness” and that “sacrifices” are “extorted” from business owners by their employees and customers (8). The weakness of this argument is that serving customers is what creates the employers’ wealth and that is only done through employees. And yet, Peikoff focuses only on one extreme: being forced to hire workers because they need a job or giving away products or services because customers are in desperate need. There are no examples provided that reveal that this is the majority of the state of business. There are many degrees between the extreme presented by Peikoff and the extremely negative images that arise in the press from time to time. Peikoff sees black and white when, in reality, there is a great deal of grey in the business world.

Peikoff’s essay also suffers from contradictions, most notably in extrapolating from the theory of philosophy to the reality of today’s culture. For example, Peikoff tells business owners to make their “profit by *being the best* they can be in their work” (9) (emphasis added), but then goes on to deride culture and such films as *The Santa Clause*, which portrays two “toy manufacturers scheming gleefully to swindle the country’s children with inferior products” (14)—thus, appearing selfish in attempting to make profits. Peikoff even expresses dismay that no one in the business sector objected to the portrayal! The toy manufacturers in the film obviously weren’t making a profit by “being the best” and therefore the example contradicts the definition provided earlier in the essay of “*being the best*.” The example also reveals one of Peikoff’s major weaknesses: a failure to make a distinction between good and bad people in business. Thus, it is not an issue of “business owners versus non-

business owners." Simply put, lumping all business owners in a category deserving of virtue is misguided.

From this stance, Peikoff leaps into a tirade against "movies, and many more books, TV shows, sermons and college lectures" (14), expressing the idea that business owners are "accused of the most outrageous evils" (15), stripping away their moral standing as the "crucial 'spark plug'" of the economy (17). He derides civil rights legislation, sexual harassment laws, and product liability regulations as examples of unreasonable attempts to attack the righteous profit-mongering pursuits of all business owners.

In a more detailed example, Peikoff portrays the woes of a broker who "dares to take any financial advantage from a lifetime of study and contacts in his field" (15), better known as insider trading. Again, Peikoff's generalizations get him treading on dangerous ground. While there are some outrageous prosecutions regarding insider trading cases—the case of Wall Street investment banker James McDermott being the most recent—insider trading is often less about "a lifetime of study" and more about position power, being in an organization and having access to non-public information or, in some cases, information not provided to all employees.

The March 2000 arrest of John Freeman in New York makes this point. A graphic artist by day, Freeman worked as a temporary employee doing word processing at brokerage firms by night. However, his real talent was in rifling through the trash and desks of colleagues and then, tipping off people on trades just before critical announcements were made. Those actions hardly constitute "a lifetime of study," but this remains an alarmingly common profile in insider trading cases.

In a more public case, Sam Waksal formerly of ImClone, was charged in June 2002 with insider trading, specifically attempting to dump his own shares of stock and tipping off family members and possible friends to do the same. Though ImClone had received discouraging news regarding its FDA application in early December 2001, it was inadvertent information from an FDA employee—again, not "a lifetime of study"—that prompted Waksal's attempt to take action on the stock before the formal FDA announcement rejecting

the company's application would cause the stock to tank in late December.

Similarly, Peikoff's one-line defense of Michael Milken's actions as a "brilliant method of financing business ventures" (16) risks losing the reader not intimately familiar with the case as so far-fetched a comparison that it merits no further discussion. There is a critical responsibility in running a public company with which private companies do not have to comply; in the former case, certain information must be made public so that investors can make decisions regarding their investments. Peikoff forgets that the investors—not the founder or the board or any other inside person—actually own the company in a public corporation. If that responsibility is too onerous to the management team, then the option of remaining private is certainly a viable one.

The key point missed by Peikoff is this: Management owns the system of work in any organization. Employees only work *in* the system and have little power to work *on* the system (Deming 1986) despite workplace legislation that only offers minimal protection of fair treatment. Thus, whatever has occurred in organizational America is of the making of those in business and *only* those in business. That there are laws and regulations are an indication of their own moral failings. Specifically, there are minimum wage laws for a reason; there are work-week time restrictions for a reason; there are child-labor laws for a reason; there are OSHA regulations for a reason; there are plant-closing laws for a reason. And now, thanks to top management and the boards of several large corporations—Enron, WorldCom, Tyco are prime examples—regulations ranging from executive perks to accounting practices also will soon be regulated. Congressional and Senate action occurred within weeks of the fallout from these corporations' downward spiral in late 2001 and throughout 2002. Much of the resulting government intervention and regulation has been self-inflicted.

Indeed, immoral and illegal business practices that prompt the intervention of government into the economic sector are one of the largest collective problems created by business. And once initiated, getting rid of government interference is extremely difficult. The

negative result for all the stakeholders in organizational America is diminished capitalism. Specifically, Peikoff fails to distinguish at what point the morality of being in business at any cost to earn a profit becomes immoral at the expense of humanity. Not everyone can own a business. Indeed, if everyone were a business owner, there would be no labor to create the products and services! Given that, labor is owed moral treatment, though it does cut into profits. Granted, there are some laws that are outrageous, including some that favor businesses such as protectionist legislation that safeguards profits at the expense of free-market values. But on the whole, legislation in organizational America is enacted so those without capital have a standard of minimal treatment. Peikoff overlooks the "Systems" view of organizations—that, to be successful, organizations have multiple stakeholders (Deming 1986; 1993; Morgan 1997). Business owners do *not* stand alone in the pursuit of their profit. There are additional stakeholders pursuing their self-interest by labor or investment who interact with—not superseded by—those of the business owners. It is that intersection that is critical, that separates business owners deserving of virtue from business owners who are not. Peikoff misses this very critical point.

And yet, in understanding Objectivist philosophy, the place of stakeholders is in fact very important to business owners so they can advance their own self-interests. Reason and reality in relation to profits dictate actions. Further, the only worthy business owner is a moral business owner. Marc Ferguson makes similar points in his book, *Sales Esteem: The Inner Source of Sales Power* (1995). Ferguson, who bases his work on Objectivist philosophy, presents a sales theory that merges knowledge, reason, and passion. More than just ethical-based selling techniques, "sales esteem" is a holistic approach with proven results in a field that has urban legends regarding the dubious tactics of sales people exploiting only short-term gain. But Peikoff doesn't express these tenets in his essay. Thus, the primary lesson here is to say what you mean and mean what you say. Peikoff risks being greatly misunderstood by the average reader unfamiliar with Objectivist writings. A more detailed rendering of his thoughts is necessary for this written essay. Perhaps powerful as a speech, it

leaves grand gaps of logic in written form. Spoken words are often fleeting; in print, they are less so.

In closing the essay, Peikoff attempts to link the virtue of selfishness as a moral and ethical issue to the topic of philosophy, admonishing business owners to care about philosophy as a matter of "life and death" (Ralston 1999, 13). He goes on to warn—without specifics—of extinction and of systemic attacks on business owners (22). The call to arms is passionate but in the end, unfocused and misleading. Most importantly, it is unclear how philosophy fits into the inflamed rhetoric at all.

Rand's brief essays follows. The first is a reprint of a 1963 *Cosmopolitan* article entitled, "The Money-Making Personality." In this article, she describes the different personalities of two business types: the Money-Makers, those people with an "employer mentality" and the Money-Appropriators, those people with an "employee mentality" (31). Rand distinguishes between different types of people in business—something that Peikoff fails to do—and between the means and ends of creating wealth. Though business research has dismissed the trait theory of leaders, Rand's essay elucidates some of the fundamental principles of Objectivism.

Rand's second essay, the shortest in the book, is entitled "An Answer For Businessmen." Published in 1962 in an "unidentified publication," it amounts to little more than a rousing cheer. Her idea of "establishing a civil liberties union" (43) for business owners is intriguing but undeveloped by her, the other essayists, or the editor.

The remaining essays in the book are more specific than the first three; they focus on issues such as healthcare, immigration, antitrust laws, racism, FDA regulations, environmentalism, and ethics. A few exhibit the same problems as the lead essay: they were delivered as speeches or radio addresses and not adapted for print. Additionally, none has been updated from their original publication date—though many economic, social, and political issues have changed in the nearly 40 years of writing that the collection spans. A better format to adopt might be found in the *Harvard Business Review*, where the original author returns to a reprinted "classic" article to evaluate and update the contribution.

Another major problem is that authors quote statements and cite statistics without proper referencing. For example, the essay by Peikoff, "Proposition 211: Lawyers Against Justice," came from a 1996 radio address on a ballot initiative in California. While the proposition is summarized, providing the full text would have been more informative to a nationwide audience several years later. Additionally, Peikoff quotes the CEO of Oracle, Lawrence Ellison, and later uses the statistic that the average out-of-court settlement for a business is "\$11 million" (49) without providing sources for these pieces of information.

One essay in particular stands out as a provocative source of debate. "The Dollar and the Gun" by Harry Binswanger attempts to distinguish between economic power symbolized by the dollar, representing individual volition and political power symbolized by the gun, representing collective force. This thesis, however, goes awry in an essay full of unsupported suppositions and weak examples:

Economic power, then, is purely benevolent. It does not include the power to harm people, enslave them, exploit them or "rip them off." . . . the only means of *exploiting* someone is by using physical force. (157)

Binswanger's conclusions, purporting that the economic power wielded by those who create wealth is inherently benevolent, are misguided and contrary to the history of work in America. The irony in the essay is that throughout the Industrial Revolution and well into the twentieth century, wealth creators have raised guns, rather than dollar signs, against labor to maintain their economic power. While some of the violence was defensive in nature, there were also many occasions when the violence was aggressive.<sup>2</sup> Nonetheless, exploitation does *not* have to be physical in nature. Indeed, underpaying employees, asking employees to work in unsafe physical conditions, and failing to provide for minimal job security can be considered forms of economic exploitation.

Binswanger ends with an odd example, asking the reader to imagine being shipwrecked and having a choice of landing "on one

of two desert islands," each island having only "one inhabitant" (164). The western island is owned by a "retired multi-millionaire," an egoist and capitalist who lives in a virtual paradise, with a mansion, pools, and wealthy trappings. The eastern island is owned by a "property-less beachcomber," an altruist "who will gladly share his mud hut with you" (165). Binswanger rhetorically asks: "Would you, or anyone, head east to escape being 'exploited' by the millionaire's economic power?"

First, the analogy is problematic from the initial description. Specifically, if the islands are "desert," then by definition—there are *no* inhabitants. Secondly, not enough information in this dilemma is provided for a person to make a logical decision. Binswanger only describes the property of the millionaire; he does not state whether the millionaire is willing to *share*—even if in trade for services rendered. Thus, the analogy breaks down, because if the millionaire won't even let a person on the island, then there is no choice for the person. They *must* head east to survive, since the beachcomber is at least willing to share his modest accommodations as noted in the original dilemma description. And such is the analogy of labor history in America that Binswanger ignores. Many wealth creators weren't willing to even let the employees on the metaphorical island, thus leaving them no choice.<sup>3</sup>

Binswanger's boat-island analogy continues to suffer from illogical suppositions. He uses the plight of "Boat People," fleeing oppressive "collective dictatorships" ruled by the gun, to seek out "whatever islands of even semi-capitalism they can find left in the world" as evidence of his "desert-island" fable come true (165). Binswanger makes a huge, overly optimistic assumption that the Boat People are in pursuit of capitalism, rather than personal safety or family or welfare or a criminal career, the latter being decidedly non-Objectivist in nature. The history of immigration has not been so uniform that it can be assumed that the chief motive for everyone is to achieve economic power. Many of the essays in the book suffer from similar illogical analogies and metaphors.

There are a few well-written essays of interest in the book, however. One of the few truly scholarly essays is a reprint of a 1995

article from *The Journal of Organizational Behavior* by Edwin Locke and Jaana Woiceshyn entitled, "Why Businessmen Should Be Honest." The article, properly referenced and cited, provides an argument for rational egoism as a moral code. Using an historical approach that later builds on examples, the article details the virtues of honesty as a personal and business trait:

In action, the honest man does not attempt to gain values by fakery or deception but by productive action and voluntary trade. When dealing with other men, the honest man appeals to their knowledge and intelligence. The dishonest man appeals to their ignorance, stupidity, gullibility. . . . By failing to practice the virtue of honesty, the businessman abandons the other moral virtues as well because they cannot be isolated from each other. (93, 99)

The authors attack the contemporary view of situational honesty, likening it to a "little poison" (100) that does not kill but sickens. And so it goes with honesty. Honesty is a pure state. The tie between the mind and action must be a constant, not a variable in one's life.

Edwin Locke's essay, "Individualism: The Only Cure for Racism," is also insightful. Originally an opinion piece printed in several newspapers in 1998, the article dismantles the legacy of "diversity" as being a racially-based, collective principle that overlooks the more important principle of individual merit. Locke does not deny that racism occurs but contends that the consistent application of individualism will eventually, if given a chance, be an antidote to it.

An essay supported by current economic research, "Buy American' is Un-American," by Harry Binswanger, originally appeared in *The Objectivist Forum* in 1987, thus making it an early entry into the debate on the effects of "Buy American" campaigns. At points, Binswanger attempts to make protectionist legislation a moral issue of "collectivism" versus "individualism," overlooking the fact that it is just a matter of bad economics. He touches on some viable

economic principles without specifically citing them, and therein lies one of the weaknesses of the essay—no citations or references to ideas and facts.<sup>4</sup>

Overall, "Why Businessmen Need Philosophy" is a complex topic that if covered well, could fit into a number of graduate business courses, including the required courses in Organizational Behavior and Ethics or a capstone course like Selected Readings. Yet, what starts out as an ambitious title remains textually unsupported. Indeed, from reading the book, business owners will still not understand why they need philosophy. Rather than finding a refuge in philosophy, the text will only add to the image that philosophy is abstract, inaccessible, and unimportant to the lives of people in general and people in business in particular.

Thus, since the ostensible purpose of the book is to instill philosophy, the book ultimately fails in its mission of explaining why people in business need philosophy. And it is not that philosophers in general fail to understand business adequately. By contrast, the book, *Work, Inc.: A Philosophical Inquiry* (Byrne 1990), which is cogently written, examines business from the point of view of a philosopher—though with a different take on the subject than that of the Objectivists.

*Why Businessmen Need Philosophy* scores high on passion but low on scholarship. The essays alternate between depressing self-righteous whine-fests and rah-rah speeches that are not likely to convert the non-converted. The essays tell businessmen multiple ways they won't be successful, without a single, well-thought out idea on *how* they can be successful. Repeatedly exhorting businessmen to adopt "rational egoism" is not an action plan.<sup>5</sup>

### From Philosophy to Wealth-Creation

One of the tenets of Objectivism is wealth creation and the celebration of the economic "Atlases" of the world. Edwin A. Locke, a business professor at the University of Maryland, takes on the topic of wealth creation and the attributes associated with prominent businesspeople in his book, *The Prime Movers: Traits of the Great Wealth*

*Creators*, published in 2000 by AMACOM, the press of the American Management Association.

Many people may confuse Locke's book with the popular *Millionaire* and *Billionaire* books on the market right now (e.g., Stanley & Danko 1998; Fridson 2000; Stanley 2000). Locke's book is very different in its specific focus on the psychological profile of great wealth creators.<sup>6</sup> First, Locke's Objectivist stance is evident, even if it is subtle. He uses a variety of narrative techniques to appeal to a broader spectrum of readers. He acknowledges Rand in the book title, with the term "Prime Mover" coming from *The Fountainhead*. Rand herself appropriates the term from Aristotle, who spoke of the "Prime Mover" in the *Physics* and the *Metaphysics*. In the "Preface," Locke cites the influence of Rand, specifically her landmark book, *Atlas Shrugged*, on his life.<sup>7</sup> All of the chapters with the exception of one are introduced by quotes from one of Rand's works, and Rand is quoted throughout many chapters as well. However, for the majority of the text, one would have to be quite familiar with Objectivist principles to notice them explicitly. Indeed, one would have to scan the "Notes" at the end of every chapter to see that Rand and other Objectivists are cited in every chapter. However, Locke also uses other types of references, blending them together well.

In the first chapter, "The Creation of Wealth," the foundation of the book is established. Locke defines the parameters of the "Prime Movers"—those people who have created massive wealth and, in doing so, "moved society forward by the force of their own creative imagination, their own energy, and their own productive capacity" (Locke 2000, 7). Reserved only for business owners who created wealth "spiritually," that is—through virtuous means by use of the rational faculty (9), Locke makes it clear that the book deals with the "premises" at work in the business activities (not personal activities) of the people being examined (12).

The author derives good business traits from three sources: the study of business history, the work of MBA students in his "Business Heroes" course, and Rand's novel, *Atlas Shrugged* (1957). He presents seven central traits for success in four broad categories (Locke 2000,

16):

*Thinking*: Independent Vision, Active Mind, Competence and Confidence

*Motivation*: Drive to Action, Egoistic Passion

*Attitude Toward Employees*: Love of Ability in Others

*Character*: Virtue

Locke states that the list is "fundamental" if not completely "exhaustive" (16). Each of the next seven chapters is devoted to an explanation of these traits. In all, several hundred people are discussed, though a dominant few are discussed repeatedly.

In terms of the "Independent Vision" trait, Locke discusses the importance of brain power and specifically, the Objectivist tenet that thought must precede action. Vision is "foresight," the ability to make predictions about the future (20). "An Active Mind" is the "most important tool" of a Prime Mover (41). Not to be confused with being open-minded, Locke defines an active mind as one that "actively seeks to know, to learn to figure out; it constantly asks questions and questions assumptions, and it looks for patterns among the facts it observes and identifies the implications of those facts" (41). Citing Rand, Locke argues that "reason" and "thinking" are essential to the process (42). He also discusses the importance of volition and intuition to the active mind. Knowing that there is something to learn from situations that go both wrong and right, Locke includes a section on "How Do Active Minds Go 'Bad'." Rather than looking inward, which is indicative of a passive mind, the key in not going "bad" is extrospection.

Comprised of two factors, the next trait discussed is "Competence and Confidence." Relating intelligence to competence, Locke discusses the dual importance of inductive and deductive reasoning and additionally, that Prime Movers use their intelligence to gain knowledge and competence. In terms of confidence, Bandura's concept of self-efficacy is explored along with its relation to goal setting, value development, independence, and general self-esteem.

Nothing can be accomplished without the "Drive to Action,"

moving from vision to thought to reality, something that Locke describes as "Aristotelian" in nature (79). Characteristic of this trait is impatience in nearly all aspects of life. Those who possess a drive to action "think along several tracks at the same time, they think quickly, they talk quickly, they change subjects quickly, and they often drive quickly" (81).<sup>8</sup> The drive to action entails ambition, high goals and standards, as well as efforts, stamina, and energy. The opposite of this trait is overconfidence and self-doubt; this results in becoming a "Prime Stagnator" (51). Locke provides several examples of businesspeople who embody the various aspects of this trait.

Locke then turns to "Egoistic Passion," which provides an opportunity for him to stress key Objectivist themes: "Ego is the motive power of Prime Movers; above all, they work for themselves" (101). Much of the chapter is devoted to distinguishing between "Counterfeit Egoism" and "True (Rational) Egoism." In short, the Prime Movers must combine reason with passion in creating, growing, and succeeding in their work. In this section, Locke takes on the topic of "Servant Leadership"—the catch phrase in business to describe altruism in organizational America. The "servant leader" is described in a 1970 essay by Robert K. Greenleaf (1991, 7), one of the founders of the servant leadership movement:

The servant-leader is servant first. . . . It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve—after leadership is established. . . . The difference manifests itself in the care taken by the servant-first to make sure that other people's highest priority needs are being served. The best test, and difficult to administer, is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society; will they benefit, or,

at least, will they not be further deprived?

Thus, the very definition of the "servant leader" contradicts the trait of "Egoistic Passion." Skating over a topic that merits an article of its own, Locke too briefly describes the misdirection of Servant Leadership as an "ignoble moral code" (Locke 2000, 107) because of its implicit nihilism.

Realizing that the work of a Prime Mover cannot be done alone, the "Love of Ability in Others" is also essential. Indeed, Locke contends that "creative thought is the only permanent competitive advantage" in an organization (118). Locke focuses on the tasks of finding, hiring, developing, utilizing, and rewarding people. The opposite of ability is incompetence and Locke takes on that topic and many others. He examines corporate donations too; he highlights the work of Coca-Cola CEO Roberto Goizueta as an example of properly focusing on shareholders, rather than civic projects, and by doing so—allowing many people to pursue civic projects individually because they have the money to do so as Coke shareholders.

Locke then turns to the trait of "Virtue." He discusses prime Objectivist values and virtues, including Egoism, Rationality, Independence, Productiveness, Honesty, Integrity, and Justice.

The concluding chapter, "How to Make a Billion Dollars," provides a summary of the seven traits of the Prime Movers. Locke goes on to discuss other sub-traits (Competitiveness, Charisma, Communication, Frugality, and Patience), which are subsumed among the seven core traits in some manner. The majority of material in the chapter is devoted to a smattering of several business topics: "Male and Female," "Strategy," "Management," "Business and Religion," "Giving Back," "Antitrust," "Inequality," and "Greed."

Overall, *The Prime Movers* is an easy book to read. For the most part, Locke uses a narrative style that packs in a great deal of information while holding the reader's attention. The many examples make the book even more interesting. Though the book does not offer the kind of detailed philosophic discussion of the Objectivist ethics that might elucidate Locke's principles more clearly, it restores one's faith in the power of capitalism and should make wage earners

or “producers” at any level in an organization proud of the money that they earn virtuously. Locke dispels the chronic guilt trip that producers often experience when they become financially successful.

The effects of wealth creation on individuals and society remain a contested issue. Most recently the book, *The Loss of Happiness in Market Democracies* (Lane 2000), describes the ennui that sets in when it is discovered that money cannot buy happiness, especially in jobs that are not intrinsically rewarding despite the extrinsic material rewards. Not all ennui can be placed on the pursuit of money, however. Shifts in society and culture are also possible sources, as noted for decades beginning with David Riesman’s landmark book, *The Lonely Crowd* ([1950] 1969), and more recently, *Bowling Alone: The Collapse and Revival of American Community* (2000). Indeed, Locke does state that it is best to find work in an area about which one is passionate; he also addresses the negative trade-off that occurs between good pay and bad work (Locke 2000, 178). Of course, finding passion in work is a difficult undertaking for the average employee in organizational America. Advances in the field of job design could go a long way to creating work that is more intrinsically rewarding at all levels of the organization.

Locke is familiar with the literature on business leaders and fully realizes that the topic is as voluminous as it is contradictory. He does not fall into the trap of trait theories that have been resoundingly debunked over the years, as any introductory textbook in the field of management details. There is no set formula that states if these traits are present, the person is a Prime Mover. Life is far too complex and variable for such an assertion. What Locke does accomplish is to identify traits that seem to be associated with Prime Movers.

Still, one is left wondering why Locke, who clearly is devoted to Objectivist principles, does not mention the terms “Objectivism” or “Objectivist.” The reference doesn’t have to be a soliloquy, but the absence of these terms is striking. It leaves adrift the reader who might wish to explore Locke’s foundation material. Stating at the beginning—even in the “Preface”—that Rand’s philosophy is called “Objectivism” would have been a welcome addition, rather than not to mention it at all.

Another conundrum is the inclusion of an Appendix containing Peikoff’s essay, “Why Businessmen Need Philosophy.” There is no reason why this essay should be part of the book, and it is puzzling why Locke even references it.<sup>9</sup> The book also suffers from a non-standardized format. When Locke discusses the first trait of “Independent Vision,” he classifies the examples of businesspeople around different types of organizations at the end of the chapter: airlines, entertainment, consumer products, finance, etc. Then, in the next chapter on “An Active Mind,” Locke lists businesspeople under sub-headings that describe the trait: “Having an Active Focus,” “Projecting the Future,” “Seeing the Whole,” “Improving Constantly.” In yet other instances, Locke describes the trait and uses examples under a singular heading, such as “Prime Movers at Work” in describing the trait, “Egoistic Passion.” A standard format would have been more helpful to the reader.

The chapter that will greatly interest many people, “How to Make a Billion Dollars,” is the book’s most disappointing. Readers looking for more information will still be searching for an answer after completing the chapter. Clearly, many of the topics discussed do not relate to the chapter title. It is almost as if these topics were on the author’s mind and he wanted to get them in print, no matter what their relation was to the material in the book. Such topics would have fit better in a separate appendix.

The sourcing of references is good for the many quotes used in the book. But in other areas, the sourcing is problematic. For example, the information for Appendix A is not referenced.<sup>10</sup> In the text itself, the chapter on “Competence and Confidence,” has an example of incomplete sourcing. Locke posits two critical aspects of intelligence: inductive and deductive reasoning (62–63). This information is presented without sourcing, despite the fact that the nature of intelligence remains hotly debated in the academy. In some instances, Locke presents factual statements without sources. For example, in describing “An Active Mind,” he writes: “In fact, 99.999 percent of our knowledge is stored in the subconscious and is pulled out by association when needed, based on our conscious purposes” (45). Simply put, these types of statements require documentation or

they risk being dismissed altogether. The book, however, does have an index for "Company names, Subjects, and Terms" and another index for "Names," which does make finding material easy.

There are a few concepts that are misrepresented in the book. For example, the brief comments on *kaizen* are inaccurate. Locke writes: "The Japanese concept of *kaizen* which means continuous improvement,<sup>11</sup> used to be the watchword for goal setting. Not any longer. Great business leaders now demand discontinuous improvement, which means improvement in fast, large, and outlandish increments" (91). The concept of *kaizen* does not preclude improvements on a grand scale. Indeed, what Quality Management allows businesspeople to know, through the use of statistical and non-statistical techniques, is when *real* changes have occurred, called Systems changes, by distinguishing between two types of variation, common and special (Deming 1986). *Kaizen*, implemented properly, encompasses all of the five key business strategies that Locke cites as "timeless and universal" (Locke 2000, 189): Quality, Innovation, Customer Service, Speed, and Cost. In his description, Locke mistakes the term "continuous" to mean "tiny." Instead, what is meant by continual improvement in Quality Management vernacular is that the pursuit of quality is *relentless*, very similar to Locke's concept of egoistic passion pursued through action. Indeed, the term "discontinuous improvement" borders on being an anti-concept!

Other topics in the book are mentioned in passing but deserve a bit more explanation. For example, Locke writes in describing the Prime Movers: "The Prime Movers discussed in this book are mainly (although not exclusively) white American males who lived after 1850. This is because most Prime Movers are male . . ." (17).<sup>12</sup> Of course, this statement begs the question, "Why is that?" A most useful appendix to the book would have been a short treatment of the possibly deleterious effect of patriarchal society with restrictive laws regarding land ownership, voting rights, amassing capital, etc. Short of adding a brief appendix, Locke could have referred the reader to more comprehensive reviews of the subject. The avoidance of this particular issue is interesting; critics could cite such question-begging as a sign of incomplete research on the very topic of the book.

On a related point, some of Locke's material, like Binswanger's, overlooks the history of work in America. In describing the trait of "Virtue", Locke includes a section on "The Evil of Initiating Force," making it clear that there is no role for "force" or "fraud" in economic transactions: "The only way for man to survive long-range in society is through reason and voluntary trade with other men. The initiation of force destroys man's ability to think; it negates his mind at the root. . . . No wealth can be created when men function on such a principle" (173). Locke goes on to cite communist and socialist countries as examples of this statement, without focusing on the violent history of capital-labor struggles in the United States.<sup>13</sup>

On a more contemporary point, another topic needing additional explanation is Michael Milken's work at Drexel Burnham. In defending Milken, Locke writes: "A helpless Milken decided he had no choice but to confess to technical violations (some of which never actually occurred) that had virtually never been crimes until now and was sent to prison where he developed prostate cancer" (35). The analytical side of a reader would immediately ask, "So some of the violations *did* actually occur?" Further, as the sentence reads, it seems Milken developed cancer as a result of being in prison, which is unlikely. In attempting to make Milken appear to be a victim, Locke only piques the interest of the reader to assume guilt. Of course, many Objectivists, being anti-statist, believe that the laws under which Milken was charged should not be laws at all, but that critical point is missed in Locke's review. Indeed, though Locke refers to Milken a dozen times in the book, it's all in snippets of sentences that leave the reader without the entire story and thus, confused.

Other topics are touched on and then abandoned. For example, in describing the trait of "Virtue," Locke focuses on James Casey of UPS, mentioning, but not examining, the pay disparity among part-time employees (168). At what point is under-employment of the workforce not "spiritual" (9) and, therefore, virtuous? At what point is a tiered pay structure not "spiritual" (9) and, therefore, virtuous? There is a point where the actions of the individual contradict Locke's trait descriptions. Yet, Locke doesn't take on some of these very confounding issues.

Clearly, the book is not comprehensive in its examples of Prime Movers nor does the author claim it to be. Much is due to the nature of the research—past efforts by the author and his graduate students. But still there are some glaring gaps; for example, Ted Turner is not mentioned at all in relation to the entertainment industry. The book could have been more comprehensive in its illustrations with minimal effort.

On a related matter, some of the profiles are very selective in portraying the discussed traits. A few examples:

Harold Geneen at IIT. Very different from Locke, Morgan (1997, 133–35) paints a dismal portrait of Geneen as a bully, whose ultimate downfall was an overseas bribery scandal—clearly in violation of some of the traits that Locke is attempting to exemplify. Indeed, Morgan's portrayal of Geneen is exactly like the "Mr. Big Egotist" that Locke (2000, 102–5) criticizes. The portrayals of Geneen are contradictory.

William Agee of Bendix Corporation. Locke describes William Agee's downfall as related to poor hiring and strategic decisions when his affair with a Bendix employee, Mary Cunningham, also played a critical role, violating the "Business and Friendship" (121–23) advice that Locke discusses.<sup>14</sup> Yet Locke fails to even mention this public affair as problematic.

Steve Wozniak of Apple Computers. Claiming that Wozniak "burned out" is a simplistic description of a very complex situation.

Sam Walton of Wal-Mart. In describing the "obsessed" active mind of Sam Walton, Locke quotes from Walton's autobiography, *Made in America*: "It's almost embarrassing to admit this, but it's true: there hasn't been a day in my adult life when I haven't spent some time thinking about merchandising" (52). One can only wonder if Walton was embarrassed by the subsequent merchandising debacle that hit Wal-Mart in the early 1990s regarding the labeling of products as "Made in America" when they were made in foreign countries while at the same time appealing to Americans to shop at Wal-Mart to save American jobs, a protectionist tenet not supported by Objectivists or economists as a sound business practice. Locke's inclusion of this source is odd.

Regarding the profiles of the businesspeople themselves, many readers may be hard pressed to find "inspiration" (17)—a goal of the book—in dead or retired people, no matter how great they once were. There are few young role models in the book. And it's not just an age issue; it's also an industry issue. Not a single dot-com organization, symbolic of the "new economy," is mentioned. And while the shake-out of the dot-coms began vigorously in May 2000, there still remains a great amount of wealth creation. For example, Jeff Bezos of Amazon was *Time* magazine's "Man of the Year" in 1999. If for no other reason, the "vision" trait principle applies to Bezos who deserves acknowledgment in that arena. Additionally, Locke does not even mention such visionaries as Charles Brewer, formerly of Mindspring/Earthlink or Arthur Blank of Home Depot.

Thus, the research is incomplete. It is more difficult to access information on new businesspeople, rising stars, potential Prime Movers. But this information may also be critical to the theory. It's possible that the rising stars are of such a markedly different breed than the titans of the nineteenth- and early-mid-twentieth century. If so, how would that change the core list of traits? Is the core list of traits different for the *old* and *new* economy Prime Movers? These are fundamentally important questions to the theory that Locke posits.

As for the traits themselves, Locke does not specify whether the traits are equal to one another or are interactive in any way. As the book is written, the traits seem to be weighted equally. But is this really the case? It stands to reason that, without a vision, the other points are moot, and thus, vision might be given more weight than the other traits. Furthermore, at what point are the traits that are possessed mitigated by the presence of other traits—whether business-related or personal? Of course, these questions are a result of the nature of research that is ultimately anecdotal and not empirical. And anecdotal evidence alone does not prove a theory. There is no explanation whether additional research will be conducted to validate the book's central thesis: that these seven traits are the core traits associated with Prime Movers. In the end, Locke plays it safe and takes no risks on making predictions—despite his belief that

predicting the future is what vision is all about.

Finally, the book fails to provide a comprehensive portrait of a Prime Mover who possesses all of the traits. Using the many shorter examples is interesting. But rather than using tidbits of information—words, phrases, sentences—on many Prime Movers, it also might have been more integrative of the theory to cover a few Prime Movers who possess all or a majority of the traits. A comprehensive study of a few Prime Movers would have been very informative.

One can piece this information together in a few different ways. One way is by the number of citations in the book. The people with the most citations are: Bill Gates of Microsoft (21 citations); Henry Ford of Ford Motor Company (20); Sam Walton of Wal-Mart (19); Thomas Edison (16); Steve Jobs of Apple Computers and Pixar (14); John D. Rockefeller of Standard Oil (14); Kenneth Iverson of Nucor (13); Roberto Goizueta of Coca-Cola (11); Andy Grove of Intel (10); J. P. Morgan (10); and Fred Smith of FedEx (10). But since some of the citations actually detail negative aspects of those businesspeople discussed, it is unfair to choose the lead Prime Movers only by counting citations.

Another way to piece together a comprehensive portrait is to do a form of grid analysis to determine which Prime Movers are described under which trait and who, if any, is described under them all. Only one person is mentioned as an example under each trait: Bill Gates of Microsoft. Bill Gates has created the greatest amount of wealth as a founder of a corporation (with no personal family money to kick-start the venture) of any person in the history of the United States. His company is on the cusp of the old and new economies. He's old enough to be wise and young enough to be hip. Thus, Bill Gates is perfect as the Prime Mover icon. And given the antitrust suit by the U. S. Justice Department spanning 1999–2000, it seems a fitting tribute to the man, his company, and his wealth creation that he is the Prime Mover icon.<sup>15</sup>

### From Wealth-Creation to Self-Esteem

Former Randian follower and one-time intellectual heir, Nathan-

iel Branden, tackles the central importance of self-esteem in business in his book, *Self-Esteem at Work: How Confident People Make Powerful Companies*. Published in 1998 by Jossey-Bass, it is the inaugural work of the Warren Bennis book series, with Bennis writing a brief "Foreword" to the book.

Much of the book draws on Branden's earlier work, *The Six Pillars of Self-Esteem* (1994), though the author makes it clear that prior knowledge of his work is not needed. At only 139 pages divided into five chapters, *Self-Esteem at Work* is short and to the point. Using a series of lists, with highlighted points for emphasis, Branden easily moves between theory in defining the concept of self-esteem, as well as its importance to work, and application in the various examples from his consulting work. Additionally, the book allows for practice with the inclusion of a 21-week "Personal Development" program.

In the "Preface," Branden, now a psychotherapist, relates that the idea for the book came from a consulting contact with an organization. Prior to this point, his work in self-esteem had been person-centered, rather than work-centered. In further researching the relationship between self-esteem and work, Branden determined that self-esteem is now "an urgent economic need" (Branden 1998, x). The rest of the book attempts to address that critical need.

In the first chapter, "The Twenty-First Century Workplace," Branden whips through 20,000 years of economic progress in a dozen pages in an attempt to portray the importance of evolving requirements for work success. Using the milestones of Agriculture, the Reformation, and the Industrial Age, Branden argues that it is no longer necessary to direct all efforts toward daily survival. Indeed, the competitive advantage of organizations today is purely intellectual.

The next chapter, "The Dynamics of Self-Esteem," describes the concept in detail. Calling self-esteem the "single most illuminating key to your behavior" (23), Branden's definition of self-esteem is "the disposition to experience yourself as being competent to cope with the basic challenges of life and of being worthy of happiness" (23–24). From this, Branden (33–36) identifies the "Six Pillars of Self-Esteem": the practice of living consciously; the practice of self-acceptance; the practice of self-responsibility; the practice of self-

assertiveness; the practice of living purposefully, and the practice of personal integrity.

There is no set point for self-esteem; differing life events will move people along a continuum, but in general, there is an average state for each individual. The remainder of the book details how people can improve their self-esteem and in doing so, "approach the challenges of creating a high-performance organization" (37).

Starting out at the top of the organizational chart, Branden discusses "The High Self-Esteem Leader" in the third chapter. Using the topics of "A Leader's Ego," "An Exercise in Waking Up," "Trust," "Aloneness, Decisiveness, and Self-Management," the responsibilities of a leader as a "thinker, an inspirer, and a persuader" are detailed (39). Regarding leaders as made, not just born, Branden believes that they can be trained to better accept the challenges of their position.

The type of management style that would nurture self-esteem is the topic of the next chapter, "High Self-Esteem Management." Branden first lists fourteen conditions that "bring out the best in people" (67-69) and then, spends the majority of the chapter listing specific actions that would "encourage" the "Six Pillars of Self-Esteem" at work (70-78). Additional recommendations are to encourage organizations to treat employees as consultants and focus on their strengths. Any item listed can create management failure, but Branden also provides a summary of the most common failures. At the end of the chapter, the "stem-ending" exercises are introduced to the reader. Several sentence stems are provided that the reader can complete. For example, one stem is: "If I bring 5 percent greater consciousness to my dealings with people today \_\_\_\_\_" (83). There are sample answers that have been obtained from consulting work to provide the reader with a guide to responses.

In the last chapter, "Rising to Challenges," Branden discusses the topics of "Change," "Accountability," "Creativity and Innovation," and "Work as a Vehicle for Personal Development." The goal is to make changes inside the individual employees so they can make changes inside the organization to create the necessary competitive edge that organizations need for success.

At the end of these five chapters is an applied section, "A Program for Personal Development," that allows the reader to "stimulate self-awareness, strengthen self-esteem, and ignite positive change" (111). For 21 weeks, the participant works on a series of stem-completion exercises similar to the example described above. The author suggests that the reader repeat the 21-week exercise after a break to note growth as well as obstacles. Brief directions are also provided for the exercise to be completed in groups. The book also has a very brief index.

Branden's writing style makes the book easy to read. He moves easily from the textual material to the examples. Indeed, without the examples, the book would falter in its message. Yet, underlying his breezy style is some serious theory and philosophy. Indeed, for those readers familiar with Objectivist writings, Branden's Objectivist roots are apparent. For example, in introducing the chapter, "The Dynamics of Self-Esteem," Branden writes: "There is no value judgment more important, no factor more decisive in your psychological development and motivation, than the estimate you pass on yourself" (23). Though grounded in more psychological terms, this line sounds very close in meaning to Rand's passage in *Atlas Shrugged* (1957, 891) where Dagny Taggart advises Cheryl Taggart: "Place nothing above the verdict of your own mind." Despite the lack of an overt reference to Rand, the Objectivist concepts that are stressed relate to the material on self-esteem very well.

There are many points too that challenge certain Objectivist tenets as put forth by the more orthodox writers of *Why Businessmen Need Philosophy*. As examples, Branden writes that, in terms of competence, "[s]ince most of our goals and purposes in life, both professional and personal, require at some point the cooperation and participation of other people, this is an ability of no small importance" (1998, 28). In terms of organizational leadership, he writes: "More often than not, problems in an organization reflect attitudes and problems at the most senior level and need to be addressed at that level if they are to be resolved" (56). And further: "What change requires is not obedience but cooperation" (98). These comments reveal a Systems view of organizations—the importance of all

stakeholders (Deming 1986)—and thus, are far different than the views of the orthodox Objectivist writers.

Branden's brief historical overview of work in the first chapter might be very interesting to readers who wonder how we suddenly became "knowledge" workers—the current buzz word to describe the nature of work in organizational America. It seems the word sprang up overnight in the media in the late 1990s, though warnings of such a shift came from scholarly sources much earlier. The standard rhetoric has been rather truncated: "Work has changed; computers are essential to work; employees must change their skills to stay viable in the new economy." Branden, though very briefly, attempts to show *how* this shift has occurred and its importance to work now and in the future.

Yet a portion of employees in organizational America won't care how work requirements have changed; they're too busy working in low-paying, dead-end jobs. Some people working in these lower types of jobs are on their way up, and perhaps later in their career, Branden's work might have some degree of appeal. But many people are in lower types of jobs forever and will not or cannot move up. Thus, Branden writes to a rather elite audience, assuming that they have jobs or provide jobs that are high in individual responsibility, autonomy, and feedback.

Part of the appeal of the book to that more elite audience is the self-help exercise in the "Personal Development" section. It does provide a basis for action for readers who are interested in pursuing the topic further. Indeed, most people are curious to find out how they stand on a particular trait. However, the instructions to this exercise are minimal. The sentence-stem completions come with no key and thus, no definitive interpretation. Therefore, the exercise might be too cursory for individuals lacking a high degree of insight. However, in other arenas, such as a class studying human resource management issues, the book could be quite useful.

The single biggest detraction from the material is the large number of lists. Every chapter contains at least one list, and the majority of the material in the chapter on "High Self-Esteem Management" consists of a series of lists—bulleted lists, numbered lists, and

free-form lists. The continuity between the material is minimal, and the average manager might find the information of little use and difficult to apply. Given the brevity of the book, a greater amount of detail could have been easily added.

Another quibble with the book is in the sourcing. Though Branden provides a few references (only 13 for all five chapters) in the "Notes" section, the sourcing is incomplete in referencing both other materials and ideas. In terms of referencing the work of other authors for example, Branden (1998, 22) cites a study regarding the critical importance of knowledge on productivity:

A University of Pennsylvania study conducted by Robert Zemsky and Susan Shaman reported the following: a 10 percent rise in worker education resulted in an 8.5 percent rise in productivity; a 10 percent capital expenditure on physical assets resulted in a 3.8 percent rise in productivity.

No source is provided for this study. Was this information published? If so, was it published in a reputable journal? These considerations are key to determining the validity of the information. In terms of referencing ideas, for example, Branden posits: "Self-esteem is the single most illuminating key to your behavior" (23). Given the complexity of the human personality, that's a bold statement. Is it Branden's opinion or is it fact? As noted earlier in relation to the other books reviewed, these types of statements require documentation or they risk being dismissed altogether.

Related to sourcing is the issue of Branden's self-referencing, citing only his own previously written material. Branden provides no bridge to other work in the field, particularly empirical studies; for instance, he makes no mention of Albert Bandura's extensive publications on "self-efficacy," which are relevant to his argument and well regarded by academic researchers.<sup>16</sup> The book provides little information for readers to follow up should they be interested. With minimal effort, the book could have been made more scholarly without losing its popular appeal.

Businesspeople—especially owners, managers, and stockholders

—can only hope that the concept of self-esteem at work is not an extension of self-esteem in education that hit America a generation ago, resulting in disastrous educational achievement where students' positive feelings for themselves rose as test scores plummeted. While the self-esteem mantra was thrust upon a somewhat helpless public by government bureaucrats, the market will be a much harsher judge in determining whether self-esteem offers a decidedly critical competitive edge in organizational America or just another superfluous cost.

Raising the suspicion level of whether self-esteem in the workplace is an emphasis on form over substance is the fact that Branden leaves some important material out of the book. Specifically, Branden might have overstated his case and in doing so, overlooks the person of high-self esteem and poor competence who is unaware of the situation. Building on earlier research in the area of the self-perception of efficacy, Kruger and Dunning (1999) reveal that unskilled, incompetent subjects grossly overestimate their abilities to a greater degree than competent subjects underestimate their competence. It might depend on the nature of the work whether those employees with "unconscious incompetence" are more detrimental to organizations than employees who are lacking in self-esteem, but the issue does seem important enough to address in a book on self-esteem at work.

Thus, the book does raise a bit of a chicken-and-egg debate. Do employees with high self-esteem create productive businesses or do productive businesses create high self-esteem in their employees? Branden seems to think it is the former. His chapter on "High Self-Esteem Management" contains 64 suggestions that ostensibly nurture the self-esteem of employees. It is clear that Branden thinks it is wise for employees to be interested in their own self-esteem so they can lead more productive, happier lives. But he also makes self-esteem a management issue more than a personal one.

Weighing in on the opposite, possibly more populist, side of the issue is Charlie Sykes, a talk-radio host at WTMJ in Milwaukee, who offers some pragmatic advice to high school and college graduates: "The world won't care about your self-esteem. The world will expect

you to accomplish something before you feel good about yourself." Sykes' tack is that the employee must come into an organization and prove themselves and, in doing good work, the employee will find self-esteem. Perhaps there is a measure of truth to both these extremes, but it seems unlikely that an organization will take interest in raising the self-esteem of employees who show no productive potential. Conversely, management should be aware of practices that sap the energy of its employees, because a host of organizational problems can set in (e.g., depression, sabotage, absenteeism, theft).

And therein lies a great opportunity for this book: empirical support. Branden's theories have not passed the rigor of empirical research that would lend credence to his work. Testing the theory that organizations that raise the self-esteem of its employees are more productive than organizations that do not could be a landmark contribution to the fields of human resource management, industrial-organizational psychology, and organizational development. Until that time, Branden's book remains an interesting but unproven theory.

### The Bottom Line

These Objectivist writings on the topic of business are quite varied. And though the topic of business is trendy, it is clear that not everyone is meant to write on the subject. All three of the books are interesting in many ways, but of the three, Locke's book is the most compelling. Each book is specific in its scope and as such, there are opportunities to use portions for directed research.

However, the overall contribution of these books to the broad field of business is questionable. To relate, in a meaningful way, the subjects of philosophy and business, and specifically Objectivism's contribution to business, remains uncharted territory.

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## Notes

1. The percentages used are based on actual writing—not including title pages, endnotes, and other miscellaneous pages.
2. Much of the interpretation of labor disputes depends on one's stance toward labor-management issues in general. While some disputes are decidedly more easy to call than others, to say that only one party was always at fault would be inaccurate, if not wholly disingenuous. The reading of materials by different organizations yields completely differing versions of the "facts." Contrasting materials on the same events can be found in the historical notes of management organizations such as the Mine Owners Protective Association or the National Association of Manufacturers and a historical labor perspective can be found in Boyer and Morais 1955.
3. Binswanger should take note of Locke 2000. In discussing the traits of "Virtue," Locke writes: "The topic of ethics cannot be properly addressed by discussing 'lifeboat' situations" (146). Life is rarely so simple as that portrayed in the lifeboat scenarios. Yet, ironically, Locke goes on to quote Binswanger's essay in his discussion of "anti-trust."
4. However, the Binswanger essay is not so well written that it doesn't have competition from other pithy writings on the topic. A much more informative and fun forum for this topic can be found in *The Choice: A Fable of Free Trade and Protectionism* (Roberts 2001). The title comes from "the choice" between a dynamic world created by free trade and a static world created by protectionism. Modeled on the film, "It's a Wonderful Life," the book details the quandary in the life of a business owner regarding foreign trade competition as it intersects with that of the angel of the economist, David Ricardo.
5. Indeed, exhortations without specific methods do not tell the audience—already downtrodden in the book's view—how to change things for the better. Instead of pursuing more rhetoric, perhaps Objectivists should devote more resources to pursuing action. Creating critical masses that can effect change—however incremental—will have far greater impact. Talking about changing the world is easier than doing it. However, that action remains the next stage. In the essay, "Why Businessmen Should be Honest," Locke and Woiceshyn write: "The existence of every living being is conditional on a process of action; if it does not take the proper action it dies—its life goes out of existence" (Ralston 1999, 89). The proposed economic utopia will not occur simply because Objectivists have laid down the vision. The actions of Objectivists should model the transformation they propose. Change is rarely profound; it is more often evolutionary and incremental. Only in retrospect does the broad range of change become apparent. To paraphrase Rand: action must follow thought. The thoughts are there. Now action must follow theory. To invoke the words of the character, Rod Tidwell, a professional athlete played by Cuba Gooding, Jr. in the film, *Jerry Maguire* (1996): "Show me the money!" Those words should be music to the ears of Objectivists.
6. I discovered the confusion while traveling on business during the period that I was reading the book for this review. While I was waiting in the Delta Crown room for a flight out of the Atlanta-Hartsfield airport, the book jacket caught the eye of many people, most of whom were also traveling on business. In fact, the book got passed around for such a great period of time that I resorted to doing other work. Many people inquired if Locke's book "was like one of those millionaire books." Oh, how to explain the differences in a passing conversation. So much theory, so little time.
7. Locke and I agree on this point. *Atlas Shrugged* is the single most influential book on my life.

8. Interestingly, in another setting, this description of a "Drive to Action" might fit the profile of someone who is clinically manic.
9. It is not even central to the point being made where the appendix is referenced. Locke (2000, 198) writes:

But considering the torrent of abuse heaped on them, the persecution by antitrust laws, and the mountains of regulations that businesspeople must obey (regulations so numerous that no one could function for five minutes if they were all enforced), not to mention attacks by doom-preaching environmentalists, the opportunity for wealth creation cannot last—unless our country changes its moral code and declares that every person has an inalienable right to their own life, which means to use the judgment of their own mind to create their own wealth. (See Appendix B)

There is no additional explanation why this essay is essential to the material. Peikoff's essay, spanning 15 pages, is a solid percentage of the book for a concept that is not integrated into the text in the least. Other essays that Locke cites from the book, *Why Businessmen Need Philosophy*, include "The Money-Making Personality" by Rand, "Why Businessmen Should Be Honest" by Locke and Woiceshyn, and "The Dollar and The Gun" by Harry Binswanger.

10. There is also a major error in the table, hence the importance of referencing. The table lists Dell Computer as starting in the year 1967. Unless founder Michael Dell was more of a prodigy than we realize, he would have been two years old at the company's founding. The Dell website lists Dell's birthday as February 23, 1965 and the founding of the company as 1984.

11. Not to split hairs, but the correct term in the field of Quality Management is "continual" rather than "continuous" improvement.

12. Further, Locke consistently uses masculine descriptors in places where neutral nouns and pronouns could be used, thus exacerbating the portrayal of men as Prime Movers. For example, in discussing Jack Welch of General Electric, Locke writes: "Clearly he is looking for driven men" (Locke 2000, 98). Couldn't the term "people" in place of "men" work just as well in that sentence without any loss of meaning? It should also be noted that with this emphasis on American men, Locke deals with so few foreign businesspeople that they should have been left out of the book altogether. The ones mentioned are not so critical to the examples that the book is incomplete without them. Precisely because Locke mentions so few foreign Prime Movers, the exclusions are even more glaring.

13. The mining industry in particular stands out as an industry with a violent history. A case in point: The Anthracite Coal Strike of 1902, chosen because of the involvement in ending the strike by financier, J. P. Morgan, whom Locke cites as an exemplary Prime Mover. Even the most conservative reading of this multi-year strike leaves the reader with many concerns regarding the mine owners, whose interests were placed above those of every citizen of the United States.

14. Mary Cunningham tells her side of her relationship to Agee at Bendix in a book entitled, *Powerplay: What Really Happened at Bendix* (1984).

15. This author admits that when Microsoft's stock tumbled drastically in May 2000 as a result of the antitrust rulings by the Department of Justice, she took advantage of buying several hundred shares of Microsoft stock. Indeed, there is confidence that Bill Gates will remain a Prime Mover in spite of the antitrust suit against him. A favorite article, perhaps because it falls under the "If I don't laugh, then I'll cry" category, on the entire Microsoft debacle ran on 20 June 2000 in the *Miami Herald*:

## Anti-competitive talent

Memo to Attorney General Janet Reno: In the interest of greater competition, we suggest a Justice Department investigation of the young upstart golf phenom Tiger Woods—with an eye toward filing an anti-trust lawsuit. Think Microsoft.

We have reason to believe that Mr. Woods has engaged in predatory practices in order to achieve dominance over professional golf. He practices more. He's more creative. He drives the ball straight and farther. He thinks better. He's fearless and exerts an intimidating stare. Exhibit A: Last weekend's dismantling of a toughened Pebble Beach course; and the annihilation of the U.S. Open field by Mr. Woods with a record-breaking 15 strokes. We suggest that Mr. Woods be split into at least two separate divisions: Tiger and Woods. Limit Tiger to a putter and wedges. Let Woods hit woods and long irons only. This new distribution of assets will stimulate competition and give consumers more (boring) options.

And to think that this editorial was written before Tiger Woods went on to win several Grand Slam qualifying tournaments plus many other tournaments throughout 2000! The sad part is that many businesspeople would not be surprised at such an attempt to rein in this great athlete's talent. It's happening in business; it could theoretically happen anywhere.

16. Albert Bandura is a prominent academic researcher who, since 1977, has made self-efficacy a central component of his "social cognitive" research program. His books on the topic include *Psychological Modeling: Theory and Practice* (1978), *Social Foundations of Thought and Action: A Social Cognitive Theory* (1986), *Self-Efficacy in Changing Societies* (1995), and *Self-Efficacy: The Exercise of Control* (1997).

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