PHILOSOPHICAL THERAPY FOR BUSINESS MANAGERS

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There is a growing legitimacy to the demands that corporations should serve secondary economic functions. However, as many commentators point out, there is no easy way to ensure that corporations or their agents will behave in socially responsive ways. This paper will briefly explore one aspect of the difficulty in gaining corporate support of public goods, and then examine two general kinds of strategies—environmental and volitional—for overcoming this problem. The paper then advances an argument that corporate managers can be induced to choose voluntarily societally appropriate courses of action.

The character of life in today's business world, as in so many other areas of contemporary life, has become increasingly impersonal. A number of writers have approached this phenomenon employing a variety of perspectives, thus making it difficult to offer an adequate summary of the literature. However, it may be useful to suggest that what William H. Whyte, Jr., calls the social ethic now generally rules the corporate world. Whyte, writing in his book *The Organization Man* (Simon and Schuster, 1956), defines the social ethic as "that contemporary body of thought which makes morally legitimate the pressures of society against the individual. Its major propositions are three: a belief in the group as the source of creativity; a belief in 'belongingness' as the ultimate need of the individual; and a belief in the application of science to achieve the belongingness."

The consequences of the social ethic have been elaborated upon by a number of scholars. The philosopher John Ladd, for example, in a famous paper entitled "Morality and the Ideal of Rationality in Formal Organizations" (*The Monist, 54,* 1970), argues that the social ethic, in effect, renders ordinarily accepted principles of morality incompatible with corporate decision-making. "Hence it is fatuous to expect," Ladd writes, "an industrial organization to go out of its way to avoid polluting the atmosphere or to refrain from making napalm bombs or to desist from wire-tapping on purely moral grounds. Such actions would be irrational [from the impersonal standpoint of corporate decision-makers]." The economist Robert L. Heilbroner edited a book, *In the Name of Profits* (Doubleday & Co., Inc., 1972), which gives detailed case studies of how the impersonal world of the corporation leads to unethical activities. One study, for example, reveals how employees of the B. F. Goodrich Company systematically covered up test results that disclosed an unsafe braking system in the A7D aircraft.

Many critics of the present business system believe that reform of the corporation is almost impossible. Ladd sees the problem (that is, inducing corporate managers to act in socially responsive ways) as almost hopeless. He suggests that only appropriate legislation (laws which force compliance with socially approved stands for behavior) can safeguard public goods from encroachment by private corporate interests. Heilbroner, too, is pessimistic about the possibility of corporate reform (although occasionally he opens the door to reform). Most characteristically, Heilbroner is the apostle of doom and sees the capitalistic state inexorably withering away to be replaced by a kind of society that is, at base, totalitarian, since almost all individual freedoms will be sacrificed (cf., e.g., R. L. Heilbroner, *Business Civilization in Decline,* W. W. Norton, 1976).

One critic of the present system, the lawyer C. D. Stone, agrees with Ladd and Heilbroner that the social ethic causes corporate managers to act in socially irresponsible ways (cf. Stone's *Where the Law Ends: The Social Control of Corporate Behavior,* Harper and Row, 1975). But Stone argues, in contrast to Ladd and Heilbroner, that corporate managers can be induced to act in socially responsive ways. Stone's strategy for doing this can be called environmental in that it changes the field or milieu in which corporate actors act. By changing the makeup of corporate boards of directors through the appointment of public directors, Stone believes most of the advantages of private profit-seeking enterprise can be preserved while the adverse impacts of self-interested activities can be ameliorated. The public directors, in Stone's system, function essentially to insure or guarantee an ethical "oversight" function in the corporation. In other words, public directors prevent the corporation from acting "in the name of profit" to the exclusion of considerations which common decency or ordinary morality (recognizing, of course, the difficulty in defining and specifying the meaning of these terms) would raise. Generalizing, then, Stone's argument is one example of a kind of argument resting on the premise that corporations could be made to behave ethically.

Another student of corporate behavior, Thomas Petit, advances another example of this latter kind of argument (cf., Petit's book, *The Moral Crisis in Management,* McGraw-Hill, 1967). Like Stone, Petit's arguments are inconsistent with (and perhaps contradictory) to Ladd's and Heilbroner's. That is, Petit believes that corporate managers can act ethically or in socially responsive ways. Unlike Stone, however, Petit's strategy for inducing such behavior should be called volitional rather than environmental. That is, Petit believes that the "conscience" of the businessman can be reached or shaped so that the corporate manager will elect or choose to do things that are socially responsible.

In the remainder of this paper, I hope to map out yet a third example of arguments resting on the premise that corporations or corporate managers can be induced to behave ethically. If for no other reason than my own value commitments, strategies for corporate reform which optimize the

volitional component of the control of human behavior appeal most to me. Thus, I am biased somewhat in favor of Petit's position, but not to the point that I would rule out Stone's strategy in any case. Indeed, Petit's faith in "conscience" is naive, and he basically fails to meet the many philosophical questions that have been raised by that concept. Stone's analysis of the grounds of ethical behavior is much superior to Petit's (although his environmental strategy for inducing ethical behavior is less appealing to me). Stone's analysis of the effect of the social ethic on corporate life basically can be summed up by the idea that business managers do not think reflectively (that is, ethically). Consciously ignoring the differences between ethical theories, Stone correctly notes that "traditional ethical theories . . . by and large . . . hold in common the view that to be responsible involves being prepared to explain, to give good reasons for one's actions; the responsible actor is willing to generalize the grounds for what he has done. This preparedness to justify, and especially to do so in terms that admit of generalization (the Golden Rule, Kant's Categorical Imperative), is an important step toward the socialization of one's actions, inasmuch as it forces awareness of the social setting and the socially sanctified grounds of behaviors" (pp. 114-15).

Accepting Stone's analysis, then, and my value premises, the goal of philosophical therapy for business managers is to induce them to think reflectively. There can be little doubt that contemporary society widely endorses any program which leads the corporation to fulfill what, in technical terms, may be called secondary noneconomic functions. In philosophical terminology, we might say that society increasingly expects the corporation (and/or corporate agents) to act as a rational and moral person would. The question, then, is how to do this. Obviously, this is a complex question, all aspects of which I cannot hope to address in this paper. In fact, even if I were to have the opportunity to expound in a book-length format, as with Stone's *Where the Law Ends,* I would be hard pressed to answer the question. Stone, for example, never addresses the question on how society might move from the point where corporations are expected to fulfill secondary noneconomic functions to the point where his program—that is, the environmental restructuring of the corporation—could effect that goal. Stone does demonstrate, however, that his program is pragmatically feasible. That is, given the changes he recommends, then it follows that corporations would behave in socially responsive ways. Consequently, I shall aim only at outlining a case for the pragmatic feasibility of the programmatic recommendation I have made. In effect, then, what I hope to show is that corporate actors can be induced to choose voluntarily socially appropriate courses of action.

In order to optimize the probability of inducing large numbers of corporate managers to think reflectively, I shall deal with a specific popula-

tion; namely, the population of business managers-to-be (a subset of the total population of business managers) and, more specifically, students pursuing business degrees. I'll ignore certain complicating factors here, such as (1) business managers who come from engineering or liberal arts backgrounds, (2) the question of how many years would pass before the present population of corporate managers would be replaced by managers who as students had learned to think reflectively, and (3) the chances that the social ethic would co-opt my cadre of reflective-thinking young managers as they joined the corporate world. My job, then, is to show the pragmatic feasibility of my program.

The Dean of the Business College at the University of Kansas, Joseph A. Pichler (cf., "Ibsen and the Business Schools," *The Chronicle of Higher Education,* September 26, 1977) argues at length that philosophy and other liberal arts have the responsibility and the means to teach business students to think reflectively. More specifically, Pichler writes:

> The humanities—especially literature and philosophy—provide business students with an ideal opportunity to "engage" themselves through reflective writing and discourse. The focus of such study ought to range beyond syntax, organization, and style to statements of personal values and ethical principles. Ibsen succinctly captured the relationship between the formation of values and their expression:

> To *live* is to war with trolls
> In the vaults of the heart and the brain.
> To *write*: that is to sit
> In judgment over one's self.

> Business students will spend most of their professional lives warring with trolls. If they have an opportunity to sit in judgment over themselves beforehand, there is at least a slim chance that they will maintain a disposition toward self-examination throughout their careers.

Assuming, then, that philosophers and other liberal educators pick up the gauntlet, courses to encourage reflective thinking can be offered for business managers-to-be. But what kind of course is needed? One strategy that is bound to fail should be noted. Following the lead of Stone's analysis, we might be tempted to think that what we need specifically to do in order to teach business managers-to-be to think reflectively is teach them ethical theories. Judging from the recent spate on new textbooks on business ethics, almost all of which are filled to the brim with protracted discussions of deontological versus axiological ethics, intuitionism, egoism, Kantianism, and the like, the conclusion that most philosophers who teach business

students try to teach them ethical theories seems warranted. But this is not, I would suggest, a successful strategy for philosophical therapy. The president of the Catholic University of America, Clarence Walton, warns us specifically against making this mistake. Walton argues in his book, *The Ethics of Corporate Conduct* (Prentice-Hall, 1977), "When professional philosophers talk of deontological ethics, theological ethics, meta-ethics and the like, executive ears wax heavy as professional tongues wax eloquent." This is all the more true, it should be emphasized, when the audience to which the philosopher speaks is comprised of business students. Philosophical therapists must realize the difference between professional students from the College of Business and students pursuing degrees in philosophy. Fancy intellectual footwork which might dazzle philosophy majors, and is necessary in any case to prepare them for the ardors of graduate school, is not appropriate. No more and no less (and I realize how deceptively simple this sounds) than an exposure to the fundamentals of the humanities is all that is required.

Of course, there are many ways to approach these fundamentals; I would suggest, however, that there are at least three necessary conditions if business managers-to-be are to come out of a single philosophy course with at least some ability to think reflectively. First, the student must have been given the opportunity to think reflectively during the actual course of the semester. Secondly, the student must have learned to think reflectively about "the social ethic." And, finally, the student must learn to think reflectively about ethical decision-making.

As a philosophical therapist, I invariably choose to begin with Socrates, partly because the study of Socrates is conducive to realization of the three necessary goals above. I also choose to begin with Socrates because of the pivotal position he plays in the reflective tradition itself. As the noted scholar, Professor A. E. Taylor, suggests, "Socrates created the intellectual and moral tradition by which Europe [read Western Civilization] has ever since lived." Taylor's thesis implies, then, that Socrates introduced either methodological or conceptual materials (or both) which have in one form or another been a continuous part of the reflective tradition. Consequently, the study of Socrates introduces the student either to methodological or conceptual materials (or both), the mastery of which is fundamentally important to the capacity for reflective thinking. In similar yet different words, I suggest that Socrates was the first philosophical therapist in that he outlined a therapeutic paradigm in terms of which the effects of the social ethic upon the rational and ethical capacities of the individual person might be understood and, ideally, counteracted. Of course, the Socratic philosophy is not something which we necessarily want to accept *in toto*; indeed, there are aspects of his philosophy which are untenable. Yet these defects do not subtract from the overall brilliancy of his position, nor from his place in the foundation of our culture.

The pivotal concept in the Socratic theme of things is that of *psyche,* or what we loosely characterize as the soul or the spirit of man. The concept of *psyche,* to place it in a modern context, is that capacity which humanizes man or makes man different, in one potential, from all other species; namely, the capacity to make rational and ethical judgments. Socrates, as quoted in *The Apology,* uttered a credo which, once mastered by a student, places him or her in a position to resist the social ethic. Socrates said simply that "for man, the unexamined life is not worth living." Yet, in context, these words were spoken during the very time Socrates was on trial for his life. The statement helps reveal to the student the individual that Socrates was. He would not bow or bend to the pressure of the social ethic for to do so, Socrates knew full well, would be to negate the exercise of that very capacity which makes possible an authentically human existence.

Let us follow Socrates' thinking a little further, for in so doing we can see the explanatory power of his "paradigm of depersonalization." Socrates, as we follow his life and teachings in the Platonic dialogues, draws a fundamental distinction between what he terms *episteme* and *doxa,* roughly translatable as "true knowledge" and "mere opinion" respectively. *Doxa* is the great enemy with which Socrates struggled his entire life, for it is antithetical to the examined life. In reading the Platonic dialogues, we discover that Socrates was well aware of the powerful conditioning effect of the group upon the individual. Indeed, he himself was ultimately convicted and executed by the Athenians not because he was guilty of the charges brought against him (for these were in fact trumped up), but because of the effect of prejudice (read pre-judgment). The group conditioned its members to think of Socrates as a man possessing a kind of wisdom by which he made the worse arguments the stronger. Consequently, Socrates' noble defense in *The Apology* is effectively null, for the members of the group are incapable of arriving at a decision based on reason.

In contrast is the Socratic exercise with the slave boy in the dialogue known as *The Meno.* Here, Socrates demonstrates the latent power of a human mind to step by step propell itself on a path of discovery, culminating in *episteme.* The slave boy with whom Socrates worked was uneducated yet capable, with Socrates' midwifery, of thinking through a rather involved intellectual exercise. Thus, we catch a glimpse of Socrates' maieutic method and a positive aspect of his philosophy of education. Socrates' goal as a teacher is to educate rather than indoctrinate. He seeks always to engage the student in a process of rational discourse by which the student is reinforced for making his or her own judgments rather than reinforced for accepting preconceived truths. In principle, then, this method—of which the students become self-conscious by the study of Socrates—is the heart of the therapeutic paradigm. The Socratic philosophy can be seen, then, as a potential

antidote to the social ethic. Socrates' life and philosophy provide a dramatic introduction for students to the art of reflective thinking. Once exposed to Socrates, students seldom fail to start raising questions about the conventional wisdom of their own day and time. It requires no great intellect for them to appreciate that the affect of the group upon their own intellectual and ethical life is just as real as the affect the Athenians had upon each other.

I am not arguing, of course, that there is any mandatory reading list or program of instruction for the philosophical therapist. But, judiciously selected, readings in philosophy not only introduce students to reflective or critical thinking, but help to prepare them for the coming ardors of their professional lives. Secondly, a course in philosophy for business students is no palliative or panacea which, in and of itself, will eradicate the social ethic. But at least it can serve, in some small way, to alert students to the nature of the environment in which they will live out their professional lives. Make no mistake, environmental determinants will come to bear upon these corporate managers-to-be in their later lives which may well suppress reflective thought and lead to acceptance of the social ethic. Ladd's analysis, for example, cannot be dismissed out of hand. But individuals versed in the skills of reflective thinking are not without personal resources, that is, the ability to bring rational considerations to bear on proposed corporate activities. There is good reason to think—at least insofar as the volitional psychological paradigm or model is sound—that corporate managers can make ethically justifiable and socially responsible decisions.