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BUSINESS ETHICS, PHILOSOPHY, AND THE NEXT 25 YEARS

Norman E. Bowie

Abstract: Although BEQ is celebrating its tenth anniversary, business ethics is considerably older than that. Business ethics has been a staple of Catholic thinking on business for most of this century at least. For most philosophers, however, business ethics is about twenty-five years old. Philosophers became active in the field in the mid-1970s. I have chosen as my topic for this essay the role that the discipline of philosophy could play in the future.

Introduction

Although *BEQ* is celebrating its tenth anniversary, business ethics is considerably older than that. Business ethics has been a staple of Catholic thinking on business for most of this century at least. For most philosophers, however, business ethics is about twenty-five years old. Philosophers became active in the field in the mid-1970s. I have chosen as my topic for this essay the role that the discipline of philosophy could play in the future. I have chosen this topic in part because my connection to the discipline is the one constant in my own professional life over the past twenty-five years. However, I have practiced philosophy in many different venues under many difference circumstances. Often I have had the unique opportunity to be on both sides of the fence.

The Mississippi River runs through the University of Minnesota campus, dividing it into the east and west bank. The Carlson School of Management is on the west bank and the Philosophy Department is on the east bank. Since I had a joint appointment, I worked on both banks, often having lunch with the philosophers on the east bank and at other times lunch with my colleagues in management on the west bank. I consider that arrangement to be symbolic of my career. In addition to being a faculty member, I have been an administrator. At Delaware I was president of the faculty union. At Minnesota I was chair of the management department. I had a one-year position in the "real world" with the Aspen Institute. The one constant in all this has been what my business school colleagues refer to as methodology. I have always taken the perspective in my teaching and writing as that of a philosopher doing normative ethics. This essay reflects on the future prospects for the discipline of philosophy in the field of business ethics and the place of philosophy in the business school and in the world of business. The essay is in part a reflection of my own journey in a wide range of institutions.

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There are three main parts to this essay: Section 1, which is the longest section, is the most scholarly part of the essay. I argue that philosophy can make a contribution to business ethics at the level of theory. Indeed, it can make a contribution that no other discipline can make. In business school parlance, philosophy can provide the basis for a research agenda. In that sense I am optimistic about the future of philosophy. Section 2 provides a reason to think that the future for philosophy in business ethics does not look bright. The chief reason for this pessimistic assessment is that the profession seems to have little respect for applied philosophy and even less respect for philosophers who do business ethics. I realize this is a common lament of business ethicists, but I hope to give it a new twist. Also I think that when business ethicists accept this fact, it has implications both for our professional obligations to the field and for where we should be spending the majority of our time as business ethicists. Finally I argue in Section 3 that the theoretical potential for philosophy can best be realized if philosophers integrate their normative analyses into the work of colleagues in other disciplines. We must do more to understand the empirical methodologies of our colleagues. Only in that way will philosophers be able to hold their own in the business schools. We must also abandon our technical terms and jargon if we are to be understood by our colleagues in the business schools and especially if we are to be understood in the world of business.

Section 1. Normative Ethics as a Methodology

Those of us who published textbooks in the mid to late 1970s were somewhat naïve concerning the application of ethical theory to ethical dilemmas in business. Many of my students "solved" every dilemma by saying that one should respect persons or should do the greatest good. Weak students said "greatest good for the business." Better students said "greatest good for society." I soon had the sense however, that students really did not have a deep and sophisticated command of the ethical issues. In fact I became so disillusioned with the application of ethical theory that I began to argue that philosophy's greatest contribution to business ethics was to analyze certain bridge concepts between the grand theories of deontology and utilitarianism and specific moral problems. I had in mind such concepts as "conflict of interest," "autonomy," and "fairness." I still think philosophers have a lot of conceptual work to do here. (For a recent analysis of a different kind of bridge concept, I commend to you Patricia Werhane's wonderful new book *Moral Imagination and Management Decision Making*.)

My disillusionment with grand theory has proved temporary, however. I have returned to the idea that there is a role for traditional normative theory. Kant, Aristotle, and Mill can contribute to the future research agenda in business ethics. I came to this conclusion as I read the work of some of my colleagues such as Robert Solomon and Michael Keeley, who applied Aristotle and Rawls respectively to business ethics. However, I really saw the possibilities for normative theory when I did my recent book systematically applying Kant's moral theory to business ethics. Each of the first three chapters applied one formulation of the categorical imperative to issues in business ethics. The fourth chapter addressed the question of whether an action could be motivated by profit and still be ethical. The final chapter considered the implications that result from Kant's cosmopolitanism. The scope of that book was fairly global although it focused on management's relations with employees rather than on management's relations with other corporate stakeholders. Can others use a Kantian perspective to pursue a research agenda? I think they can.

An issue that is receiving philosophical attention currently is work. Both Joanne Cuilla and Al Gini have excellent books in press. Certainly one of the questions a philosopher might ask is: "What constitutes meaningful work?" When this question was asked in a doctoral seminar I taught in the management department, the students immediately took the perspective of social scientists. "Meaningful work from whose perspective?" they asked. From the perspective of the individual or the society? A garbage collector may not find his work meaningful, but society surely might. Does work have to be useful to society to be meaningful? What about thieves, including white-collar criminals, who find their work satisfying even though it is immoral? Is "being satisfying" a necessary condition for work to be meaningful? Some of the social scientists in the group pointed out that empirical evidence shows that some people like repetitive work while others do not. Others pointed out that many workers do not want more autonomy on the job; they do not want more responsibility. They just want to get a paycheck for what they are told to do and go home. Those with training in anthropology pointed out that in some societies before the industrial age, people really did not have a notion of work. They hunted and fished and built shelter so that their basic needs were met, but after those basic needs were met they spent their life in leisure. And even now, some students pointed out, societies differ radically in their approach to work. Not every society endorses the Protestant work ethic; not every society is like the U.S. or Japan where total commitment to one's job is considered a virtue. Others chimed in that commitment to work is a vice and not a virtue. Stores are open on the weekend and on holidays forcing more people to work on those days. Fast food chains replace cafes on the Champs Elysees and a virtuous piece of French culture is undermined. As the discussion progressed the students became quite convinced that it was impossible to have a theory of meaningful work. There were simply too many variables and too many inconsistencies for a scientific model. The students argued that an analysis of meaningful work was not a good research topic; you could not write a dissertation on it.

It is precisely at this point where I think philosophy in the guise of normative ethics can make a contribution; indeed it can provide a theory of meaningful work, albeit a theory of what meaningful work ought to be rather than what one thinks it is. Let us take the position of a Kantian. I think it is safe to argue that the chief requirement of a Kantian theory of work is that work must enhance rather than undermine human autonomy. Even from that most elementary normative Kantian perspective, certain questions fall away. Is it sufficient that work benefit society for it to be considered meaningful? No, because a necessary condition of meaningful work is that work must support human freedom and be respectful of persons. If the work of a garbage collector does not meet those criteria, even if it benefits society greatly, then the work is not meaningful. The garbage collector is being used simply as a means for the good of society. Is being satisfied a necessary condition of meaningful work? No, the fact that a person would not find greater freedom and responsibility more satisfying does not show that the work is not meaningful. People ought to find work that increases freedom and responsibility more satisfying, a Kantian would argue. What should society demand of its workers? Normally it should not demand a commitment that undermines the other personal relations and responsibilities one has. Thus work that undermines family or the obligations to community is wrong. Indeed, in a piece I wrote for the *Journal of Business Ethics* and in *Business Ethics: A Kantian Perspective* I provided a list of conditions of meaningful work that a Kantian would require. In doing that I was able to short-circuit a lot of the questions students were asking. From the perspective of Kantian moral theory, many questions either had easy answers or the questions themselves became irrelevant. A normative theory that prescribed what meaningful work ought to be brought some order out of the clutter of questions.

This was true even when the debate became essentialist, that is, when it focused on human nature. Organizational theorists are familiar with the distinction between the theory X view of human nature and the theory Y view of human nature. A theory X view of human nature assumes that people have an inherent dislike of work and would avoid it if they could. Also, human beings dislike responsibility and are opportunistic when they have the opportunity. In the workplace opportunistic behavior results in slacking when the boss is not around. A theory Y view of human nature assumes the opposite of theory X. Theory Y contends that employees want to be self-directed. They act imaginatively and creatively and are willing to assume responsibility. They also act morally most of the time. They can be trusted and are not slackers. Organizational theorists argue that the empirical evidence shows that some people behave predominantly as theory X predicts. Other people behave more in conformity with theory Y. Most people behave sometimes as theory X predicts and at other times as theory Y predicts. Moreover, the empirical evidence further shows that the environment or structure of the organization often influences how one behaves. Certain environments encourage theory X behavior and other environments encourage theory Y behavior. So we cannot say which theory is true. Neither is true. It seems to me that is as far as empirical research on this topic can take us. It provides examples that undercut the descriptive universality of each theory and provides data on which environments are supportive of each view.

The ethical theorist can do something more. He or she can endorse one view as morally superior to the other. For the Kantian it is obviously morally better that people behave in conformity with theory Y and that managers are obligated to create an environment in the workplace that is supportive of (encourages) theory Y behavior. Organizations should support the development of autonomy and responsibility rather than inhibit it. (Moral theory would have a real problem if people were hard-wired to behave as theory X predicts since ethical conduct on that view would be impossible.)

We now have two instances of normative theory being able to accomplish tasks that descriptive theory cannot undertake. We can defend a plausible stipulative definition of meaningful work. And we can endorse certain management practices over others in terms of whether they inhibit or support the autonomy and responsibility of persons. In this case Kantian moral theory provides a framework for doing so.

An Objection and Reply

At this point some will object that such a use of normative theory is doomed to failure. Why should one adopt a Kantian position on these issues? Isn't a virtue ethics perspective or a utilitarian perspective as good or better? The trouble with normative ethics is that there are so many competing theories, that you can justify anything. If creating a work environment supportive of theory X would increase productivity and thus produce the greatest good for society, then a utilitarian would endorse that management practice even if a Kantian would not. My students were right all along. We cannot endorse one notion of meaningful work. Or so it seems. What can be said in reply?

First, I think that if other ethical theories were applied to the issue of meaningful work, the results would be similar. Actually I think the normative conclusions would be identical although the language supporting those conclusions might differ. Utilitarianism, virtue theory, and Kant would all argue that where possible work should be structured to enhance freedom rather than diminish it and enhance our rational capacities rather than diminish them. Secondly, even if the theories did diverge in certain respects, that situation is hardly unique to theories of normative ethics. In a finance course, you learn that there is more than one way to determine the value of a firm. There are numerous theories on how to set the strategy for a firm. The social sciences have competing theories for most phenomena. It would take a long argument to convince one that ethical theory is sufficiently worse in that respect. After all, we do not have that many competing theories in normative ethics. Finally my claim that normative theory can do some things that descriptive theory cannot should not be misunderstood. I am not claiming that the advantage of normative theory is that it gives one correct answer. Rather, I am claiming that it can answer some questions that descriptive theory cannot ask. How could a descriptive theory decide the question of whether what constitutes meaningful work should be settled from the perspective of the worker? How could it decide whether a manager should treat her employees as theory Y predicts rather than as theory X predicts, especially in light of the conflicting empirical evidence of how people actually behave? Even if different normative theories gave different answers to such questions, such questions are inevitably asked and need to be answered. Normative theory provides a vehicle for doing so.

Future Research Agendas Using Normative Theory

Leadership. Most business ethicists have not spent much time studying leadership. There are exceptions of course. Joanne Cuilla actually has an endowed chair in leadership and has written extensively on the issue. Her most recent book, *Ethics: The Heart of Leadership* (1998), contains articles by three other philosophers, one of whom is a professor of management. Many of the debates in leadership research have a family resemblance to the issues that surfaced around research on meaningful work. Perhaps the most prominent issue is whether or not a person can be a leader and yet be immoral. If a prince is a leader, Machiavelli has answered that question in the affirmative. But is Machiavelli right? The problem of the immoral leader has taken its most acute form in the debate as to whether Hitler could be a leader. I tend to think the massive defeat of the Third Reich with all its accompanying suffering on the German people is sufficient to disqualify Hitler as a leader without raising the ethical issues surrounding his leadership, although Hitler fails the moral test as well. But can a successful person with charisma and power but who is morally flawed be a leader, Mao Zedong or Bill Clinton for example? One of the strengths of the philosophers who contribute to the Cuilla volume is that they see ethical issues that arise in some of the prescriptive definitions of leadership. For example, Robert Solomon notes that having charisma is not necessarily a good thing. Michael Keeley, among others, points out some of the difficulties with transformational leadership. Even empowerment, when it is "bogus," disqualifies one as a leader according to Joanne Cuilla. Al Gini, who writes on the connection between leadership ethics and business ethics, seems to accept the thesis that only moral leaders are true leaders. Thus all of the philosophers and several of the non-philosophers writing in this anthology are willing to make a prescription the opposite of Machiavelli. A genuinely immoral person cannot be a true leader. But what is a moral leader? Interestingly, no one in that volume takes a standard normative theory and uses that theory to say what a leader is, even though I think that the standard normative theories could provide answers of the kind outlined above to some of the standard questions of leadership.

Using the Kantian perspective once again, let me provide a sketch of a Kantian theory of leadership—a sketch that will be developed more fully in a later paper. Certainly the starting point for a Kantian theory of leadership is the second formulation of the categorical imperative. "Always treat the humanity of a person as an end and never as a means merely." This respect for persons principle is not just asserted by Kant; he has an elaborate argument for it. However, for purposes of this essay let us simply assume its correctness as a fundamental moral principle as do most people. What does the principle imply for a theory of leadership?

Leadership is an especially tricky concept for a Kantian because Kant endorses a fundamental condition of equality in human relationships while leadership seems to involve a fundamentally inequality among persons. Does this mean that a Kantian must condemn leadership? I think not, but a Kantian theory of leadership would need to resolve the tension between the commitment to equality and a concept that has inegalitarian connotations.

One of the morally problematic aspects of leadership is the relation of leaders to followers. I think it is conceptually true that every leader must have followers. Since the word "follower" has connotations of subordination, there is a real danger that leaders may use their followers as merely a means to the achievement of a leader's goals. This danger is especially real in business organizations where CEOs are intent on increasing the "value" of the company. And Joanne Cuilla is certainly correct when she worries about leaders who merely use certain enlightened management techniques to achieve the leader's goals. That is bogus empowerment, or in Kantian terms, it is merely using the humanity of others as a means. Obviously, leaders who merely use people to achieve their ends stand morally condemned on Kantian grounds.

One of the characteristics frequently associated with leadership is charisma—a quality that elicits powerful emotional responses in followers. A Kantian is especially nervous about the impact of charisma on followers, especially when charisma affects behavior that could be called amoral or immoral. A Kantian requires moral actions to be autonomous choices and an action cannot be an autonomous choice if it is merely an emotional response and nothing more. A necessary condition for a moral action is that it be based at least in part (some might say based only) on reason—that is, on a reason that could be universally endorsed and followed. Thus, even when the charismatic leader whips up his or her followers in a frenzy for an acknowledged good action, neither the followers nor the leader, I would argue, are behaving morally. And sometimes charismatic leaders incite their followers to commit horribly immoral actions. That is the Hitler problem.

Now, there are leadership theories that specifically eschew the notion that the leader is somehow superior to his or her followers. Servant leadership is one example of such a theory. If the leader is truly a servant, it appears that he or she cannot be using followers as merely a means to his or her ends. But a Kantian should be cautious before endorsing servant leadership as the Kantian view of leadership. Given the emphasis on autonomy in Kant's philosophy and given the connotations of the word "servant," I think we must examine the views of the proponents of servant leadership to make sure that the servant leader is not allowing himself or herself to be used as merely a means to the goals of those he or she serves. I believe proponents of servant leadership can construct their theories to avoid this charge, but that is an argument for my full-blown paper on Kantian leadership.

My own view is that the kingdom of ends formulation of the categorical imperative is the key for a positive theory of Kantian leadership just as the second formulation is the key for a negative theory of Kantian leadership. By the latter I mean a theory that tells us what a leader is not. What leadership is not is what we have been discussing thus far. The kingdom of ends formulation of the categorical imperative asserts that "One should act as if one were a member of an ideal kingdom of ends in which one were both subject and sovereign at the same time." In my recent book I argued that any organization composed of persons is a kingdom of ends. How should people in an organization make decisions? I argued in that context people should propose rules for decision making that could be endorsed by everyone in the organization. But suppose you cannot get unanimity on the decision-making rules. Then each person should be free to propose a rule for dealing with situations where you cannot get unanimity. The important point about a kingdom of ends is that all are subject to the rules that each has endorsed and thus is sovereign with respect to the rules. This is all a bit oversimplified, but I think it captures the spirit of Kant's kingdom of ends.

How does leadership fit in? First, a leader is a decision proposer. The leader in an organization can propose ends and means for reaching those ends, as well as rules for decision making. One characteristic of a leader is that he or she is a proposer. However, the Kantian leader does not order his or her followers. He or she persuades by reasons that at some level are acceptable to all (I realize that latter phrase needs filling out.) In management terminology, however, the leader creates the conditions for participative management. In less scholarly terminology, the Kantian leader gets buy-in. But the buy-in is not based on charisma (you do not need charisma to be a Kantian leader). Nor is it based on power or authority. Rather, it is based on the merits of the position or the proposal.

A Kantian leader can do more, however. He or she can transform followers into leaders. The leader in business drives leadership down through the organization. This principle is exhibited in the ABB Relays Business case. This is an especially difficult case to teach since a matrix organization is so complex. The CEO of Asea Brown Boveri (ABB) is Percy Barnevik and is the leader the case examines. This Harvard Review case is many pages long, but Barnevik has disappeared after the first two pages. If the case is about Barnevik's leadership, where is he? By page 2, the actor on center stage is Goran Lindahl, ABB's executive vice president. As the case unfolds, it is clear that Barnevik has made Lindahl a leader. By page 6 Lindahl disappears and Ulf Gundemark, who becomes ABB's business head for the worldwide relay business, is at the center of action. Leadership is being pushed down the organizational chart. A focal event in the case centers on the allocation of export markets. The management team reporting to Gundemark cannot agree and comes to him for a decision. He empowers them to be leaders and tells them to make the decision. After some time in a hotel, a majority recommendation of 3 to 1 is reached. Gundemark sends them back for a unanimous decision. Thus a leader, contrary to a popular stereotype, is not one to whom you look for decisions. The true leader empowers others in the organization to take responsibility. Kant, I think, would approve.

Yet another Kantian leader is Jan Carlzon, former head of SAS airlines. When Carlzon finally went on vacation, he received numerous phone calls from subordinates. Whenever a crisis arose, he was called at home to make the decision. Because he was asked to make the decisions, he considered himself a failure as a leader. Only when he went on vacation and there were no phone calls did he think himself a success. His job as a leader was to encourage subordinates to make decisions on their own. In that way they increased their autonomy on the job. Carlzon begins his book *Moments of Truth* with the following quotations: "Everyone needs to know and feel that he is needed. Everyone wants to be treated as an individual. Giving someone the freedom to take responsibility releases resources that would otherwise remain concealed. An individual without information cannot take responsibility; an individual who is given information cannot help but take responsibility." If I had to summarize the essence of a Kantian theory of leadership, it would be that the leader teaches others in the organization to be leaders as well. Kant advocates a theory of genuine empowerment as opposed to a theory of bogus empowerment.

I realize that these comments are at best only a start toward a Kantian theory of leadership. One of my next projects is to develop these comments into a more comprehensive Kantian theory of leadership much as I did with a Kantian theory of meaningful work. However, I hope that these examples are sufficient to illustrate the role that normative theory can play in business ethics. Normative theory is designed to answer "What should be" questions. And it is designed to answer them in a way that is coherent and in accord with our fundamental moral intuitions. In other words, a normative theory's implications should be in reflective equilibrium.

Section 2: Why I am Pessimistic about the Future of Philosophy

A successful argument that philosophy has a role to play in the development of theory in business ethics has policy implications as well. A casual perusal of *Jobs For Philosophers* provides sufficient evidence that business ethics is one of the few "growth" areas in philosophy. Many philosophy departments have discovered that they can increase their enrollments by offering a course in business ethics. In other cases, business schools have sought philosophers to teach business ethics courses. However, the most prized positions in the business schools are the endowed chairs in business ethics. These positions provide both significant remuneration and prestige within the university setting. Interestingly, business schools find it very difficult to find qualified applicants.

The existence of possible teaching and research positions in business ethics should come as good news for the profession. But sadly business ethics is pretty much ignored by the profession. Since some might deny that claim, let me describe my own experiences in dealing with the profession. I served as executive secretary of the APA for five years from 1972 to 1977. During my term as national executive secretary, I took a number of steps to encourage the development of increased opportunities for philosophers in two-year colleges, high schools, and in the professions. As for opportunities in business, I received a National Endowment for the Humanities grant to explore career opportunities for philosophers in business. I was relieved of my teaching duties at Delaware so I could travel about the country interviewing business people who either had or would consider hiring philosophers. Thus from the beginning I was directly involved in the debates about the importance and prestige of applied ethics—particularly business ethics. When my reappointment as executive secretary was discussed at the 1976 Board meeting, a number of the distinguished philosophers on the Board objected to these efforts. One especially distinguished philosopher was alleged to have said that a graduate student could do the job of executive director of the APA. Although I was reappointed, apparently unanimously, I thought that my effort on behalf of alternative careers for philosophers was not career-building and I became director of The Center for the Study of Values at Delaware.

That change in position did not end my efforts on behalf of business ethics, however. I was the principal investigator on another NEH grant that provided support to a consortium of institutions to form a committee to study education in business ethics. The committee consisted of businesspersons, business school faculty, and philosophers. One distinguished philosopher who was not a business ethicist, Kurt Baier, agreed to be a member of the committee. The study lasted from 1977 to 1980. Experimental courses were developed at Delaware, the University of Minnesota Morris, and the Wharton School of the University of Pennsylvania. The Delaware course was offered in the philosophy department and a business ethics course became a standard feature of the philosophy curriculum at Delaware at least into the early 1990s. The Wharton School provides an interesting case study. Tom Dunfee, originally an endowed chair in legal studies, was a member of the committee. Since then Tom has gone on to be a major contributor to the field of business ethics and to develop a major program in business ethics at the business school often ranked number 1 in the country. In the mid-1990s he recruited Tom Donaldson to an endowed chair at Wharton. However, I am unaware of even the slightest interest of Penn's philosophy department in the field of business ethics over this nearly twenty-year period. Minnesota is a more complex story. Peter French, the third philosopher on the committee, taught at both the Morris and the Twin Cities campuses. Peter developed his business ethics course at Morris and I am unaware of any interest on the part of the Twin Cities campus until the Andersen Chair was established in the late 1980s. The Minnesota Twin Cities philosophy department had cooperated with the medical school in establishing a biomedical ethics center and strongly supported the establishment of the Andersen Chair.

Finally by the mid-1980s the profession could no longer ignore the growth of applied philosophy. The American Philosophical Association has made certain accommodations to professional ethics; there is an official newsletter on Philosophy and Law and Philosophy and Medicine. There are also APA committees in these areas. However, there is nothing on philosophy and business and to my knowledge there has never been any serious discussion regarding a newsletter or a committee. One might ask why the leaders in business ethics did not pursue that matter with the APA. Interestingly, we took another course. We formed our own society, The Society for Business Ethics (SBE). The membership of SBE is approximately 600. Our growth rate has been phenomenal. We do hold SBE meetings in conjunction with the three divisions of the APA, but the attendance is poor—often less than a dozen. We also meet just in advance of the Academy of Management and attendance is excellent—well over 100 averaging between 140 and 160 attendees. This disparity of interest is both glaring and disappointing.

One might think there would be support in the graduate schools for developing business ethics competence in a reasonable percentage of their graduate students. After all, they have the task of placing their Ph.D.s. However, I am aware of few formal courses in business ethics in the philosophy graduate programs and I am not aware of any at the most highly ranked graduate schools. Although I held a joint appointment at Minnesota, I offered all my Ph.D. level courses in business ethics in the management department. Many of my business ethics colleagues report that they have no interaction with the philosophy departments at their respective institutions at all.

I do not mean this to be a personal complaint. I have prospered intellectually and materially in this field. Rather my concern is twofold. First, as many of us who are writing essays for this volume have said, what will the next generation of scholars in business ethics look like? Where will the next generation of leaders come from? I am quite optimistic as a business ethicist but pessimistic as a philosopher. The next generation will be well trained, sensitive, and dedicated. However, their primary discipline will not be philosophy; it will be management or one of the social sciences. Indeed some of the next generation are already here and are making significant contributions to the field. Most have had some philosophical training, but unlike the current generation most do not have philosophy as their primary discipline. Second, where should philosophers spend the bulk of their time—in philosophy departments or in the business schools? If we owe something to the profession, I paradoxically would argue that we should spend the bulk of our time in the business schools. We can do more for the profession there than we can in philosophy departments. The arguments for this claim constitute the remainder of this essay.

Section 3: Integrating Normative Theory into the Theoretical Disciplines of Business

> Practical philosophy (that is, the science of how man ought to behave) and anthropology (that is, the science of man's ethical behavior) are closely connected and the former cannot subsist without the latter, for we cannot tell whether the subject to which our consideration applies is capable of what is demanded of him unless we have knowledge of that subject. It is

> true that we can pursue the practical study of philosophy without anthropology. . . . But our philosophy is then merely speculative and an Idea. We therefore have to make at least some study of man. (Immanuel Kant, Lectures on Ethics, 1775)

One might not associate such sentiments with Kant, but as usual I think Kant has a fundamental insight that we should heed. Philosophers in the field of business ethics, whether researchers, teachers, or both, need to be knowledgeable about the theories that our colleagues in business schools and business are asking. Only in this way can we have a real impact on the questions that our colleagues feel are important.

My experience convinces me that the question most asked by business executives is "What is the impact of ethical behavior on the bottom line?" They want to know what kinds of ethical behavior affect profits positively and what kinds affect profit negatively. Does hiring welfare recipients, as the Marriott Corporation has done, help or hurt the bottom line?

Now, even philosophers who are not Kantians are put off by that question. They maintain that business people should be persuaded by the fact that something is right rather than by the fact that what is right is good business. The primary argument in my MBA classes is that generally good ethics is good business. I have also made that argument in several of my writings. I can attest to the fact that this way of framing the issue puts people off. But I seriously believe that we cannot and should not be put off by that way of looking at the issue.

First, the managers of publicly held companies have an obligation to the shareholders to make a return on their investment. Obtaining a certain amount of profitability is a moral obligation for a company. And that obligation is a contractual obligation—one of the strongest obligations one can have.

Second, this way of framing the issue is hardly unfamiliar to ethical theorists. One of the first moral philosophers, Plato, went to great length to show that leading the moral life was ultimately to lead the happy life—a view that Aristotle seemed to accept as well. Plato clearly believed the tyrant could not be happy. And consequences are what utilitarianism is all about. So why is it that philosophers are so put off by questions that ask the relation between a proposed ethical act and its profitability?

There are some good answers to that question. There are lots of things—lying, cheating, sexual harassment, etc.—that business should not do even if those activities would be profitable. Point granted, but I fail to see what is wrong with pointing out that such activities usually are not profitable so long as one goes on to point out that such things are wrong even if they are profitable.

Some business ethicists, such as Michael Hoffman, believe that arguing that good ethics is good business tempts business people to act immorally when, in those rare cases, they can profit from lying or cheating (Hoffman's example concerns environmental degradation.) Perhaps that is true, but I have never seen a well-designed empirical study proving that point. One interesting area for research in business ethics is the motivation for moral or immoral actions. I suspect that the tale here is very complex, but it should be the subject of empirical research and not speculation.

However, my experience in business schools and in business itself convinces me that by and large questions about the relation between ethics and profits assume that immoral actions should not be done even if they are profitable. Rather the questions usually center around acts of beneficence. The examples are around permissible actions. The businessperson wants to know if a given act of benevolence helps the bottom line, hurts the bottom line, or is indifferent with respect to the bottom line. Given the obligation of the managers to make a profit, such questions about the effect on profit by acts of benevolence certainly seem reasonable.

To become involved in such research however, requires more than just a willingness to ask the "How does ethics affect the bottom line?" question. We need to become familiar with some of the ways our colleagues are asking it. I have argued elsewhere that a company with an ethical culture often has a strategic advantage. An ethical culture is an asset that Williamson would classify as having high asset specificity. Such an asset cannot be easily copied by competitors. We know that an ethical culture is such an asset. An asset that contributes to profitability and is not easily copied by competitors is extremely desirable. One of the tasks of the business ethicist is to make the argument that an ethical culture is such an asset. However, if one were totally unfamiliar with transaction cost economics, the business ethicist would never be able to ask the question and hence never be able to influence colleagues who are persuaded by the predictive power of transaction cost economics. Williamson assumed that persons behave like egoists (practice self-interest with guile). But suppose we drop that assumption and argue for the strategic value of non-egoistic behavior—an argument made on empirical grounds by the economist Robert Frank. If our colleagues are willing to drop that assumption as they have dropped the no transactions cost assumption, the business ethicist may have something to contribute at the theoretical level. But we need to know enough about the assumptions of market equilibrium and about Williamson's break with those assumptions in transaction cost economics to get the discussion started.

Fortunately, the new generation of business ethicists, in part trained by philosophers at the major business schools, is doing some groundbreaking research in this area. I cite in particular a student of Ed Freeman's, Andrew Wicks, at the University of Washington. If most philosophers take the position that questions about and investigation into the relation of ethics and profits are illegitimate, then we are ignoring an important area of research and we are refusing to address the question that most business people think is most important. Such an attitude would not bode well for the future of philosophy in the field. We cannot be irrelevant to a central area of research.

Philosopher business ethicists can become irrelevant in another way as well. They may not notice that many of their colleagues are engaged in ethics research because they use language that is somewhat different. Upon arriving at Minnesota I found that many of my colleagues in both strategy and organizational studies were engaged in work on trust. Indeed, shortly after I arrived the late Larry Cummings and Phil Bromiley published an important paper on the topic. By the 1997 meeting of the Academy of Management, trust was the most discussed topic at the Academy. We philosophers did catch that wave. See the April 1998 issue of *BEQ*. What were the "hot" topics at the 1998 Academy of Management meeting? Leadership and creativity with emphasis on what managers could learn from artists. Spirituality was also being considered. In general it appears that soft subjects are getting a hearing. I think philosophers have something to say on these subjects. Finally, I should mention the discussions on organizational learning. This topic has been at the center of work in organizational studies and I am unaware of any philosophical contribution to that topic. Organizational citizenship gained a foothold in organizational studies and philosophers have not contributed to that research stream. Philosophers seem to be doing less work in accounting ethics than they were a decade ago. Instances of conflict of interest are endemic in business but business ethics books have less to say about conflict of interest than they did a decade ago. And Richard De George has recently pointed out that business ethicists have contributed little to the discussion of ethical issues in information technology. How can philosophers get in the loop? If I could go to only one professional meeting a year, it would be the meeting of the Academy of Management and I would not limit my attendance to the program of the Social Issues in Management Division.

What should we conclude? I began this essay by arguing that philosophers have something theoretically important to contribute to the field of business ethics. I then maintained that given the isolation and lack of respect that philosopher business ethicists receive from traditional philosophy departments and from the discipline of philosophy, we should focus our attention elsewhere. Our natural constituency is the business school. I pointed out, however, that our inclination to avoid certain questions and certain kinds of research had the danger of isolating business ethics philosophers from some of the most important research in the field. It also had the result of making our work seem irrelevant and naïve to practitioners. The primary professional obligation of philosopher business ethicists is not to increase the enrollment in philosophy courses. Rather our primary obligation is to make sure that we make a contribution to the work that our non-philosopher colleagues are doing in business schools. We will do that by immersing ourselves in the business school environment, by reading the research results that our colleagues produce, and by addressing the questions that business and business schools think important. We should work with our colleagues in those business schools that offer doctorates in business to make sure that those students are well versed in the ethical issues that exist in their field of specialization. In these ways we can make philosophy an important part of everyday life.