A BETTER WAY TO THINK ABOUT BUSINESS

HOW PERSONAL INTEGRITY

LEADS TO CORPORATE SUCCESS

ROBERT C. SOLOMON

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How Personal Integrity Leads to Corporate Success

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How to Use This Book

This book is, in effect, a program in ethics. I wrote it on the basis of twenty years of working with a variety of companies, including Chase Manhattan Bank, AT&T, NCR, IBM, and Motorola, and meeting tens of thousands of executives and managers who were interested in, intrigued by, suspicious of, or, in a few cases, downright hostile to the idea of ethics in business.

In Walker Percy's classic novel *The Moviegoer*, the businessman hero proclaims, "What good people they are. It is not at all a bad thing to be a businessman. There is a spirit of trust and cooperation here. . . . Everyone jokes about such things, but if businessmen were not trusting of each other the country would collapse tomorrow."

I think that is true. In my years of business consulting, the number of friendly, admirable, virtuous people I have met has been overwhelming. The few crooks and sleazebags have been memorable, to be sure, but mainly because they were out of step with the corporate cultures they blemished by their presence.

But the vast majority of conscientious managers and executives are not self-righteous or overly satisfied with themselves. In fact, they seem to share a widespread discomfort, however enthusiastic and unqualified their praise for the "free enterprise system." They are offended that business too often rewards those of easy virtue. They are threatened and often angry that hard work and integrity no longer guarantee job security and advancement. They resent the fact that they are forced to make hard ethical choices between what they know is right and what the company expects them to do, between the humanly compassionate decision and its cost/benefit alternative.

Executives and managers are often uncomfortable and unprepared for the moral dilemmas they find themselves facing, the very situations that seem not to bother their less scrupulous colleagues. Some of them see the need to face such choices as a poor reflection on themselves. But most of them see them as an obstacle to their "real" work, as if ethics is more a necessary nuisance than the

very heart of their responsibilities. My job is not only to help them make such choices but, more importantly, to get them to see these choices and their responsibilities in a different and better light.

In my seminars and in this book, I argue that the way we think about business all too often tends to relegate ethics to the margins, to see morals as a set of side constraints, necessary but tangential to the real-life business of business. The result is that the best people find themselves on the defensive, uncomfortable, and even cynical about what they do for a living. "This business is a jungle" is one familiar expression of this discomfort. Another, less metaphorical, is the lament about "market forces," which pressure people to act in ways of which they themselves would not personally approve. What is easily ignored, or simply overlooked, is that there is a way to think about business that eliminates many of those difficult choices and renders others far less threatening and infuriating. Good executives and managers know—or would like to know—the power of integrity, of having the right values at work, of cultivating virtues on the job that allow one to face up to the most difficult ethical demands and avoid the grueling ethical decisions that come only after a long downward slide in which integrity, values, and virtues have been neglected, compromised, or straightforwardly violated.

Why do good people do not-so-good things? The answer is rarely straightforward, and the slide into unethical and intolerable behavior typically begins step by little step, motivated by resentment and untouched by company policies that would prevent such behavior. How can companies avoid the moral dilemmas (and the lawsuits) that wreak the worst havoc in even the best organizations? By fostering integrity at the very core (and at the very top) of the organization? But even in the most virtuous companies, every manager or executive sometimes feels the tension between doing what is necessary and doing what he or she thinks is right. This is not only personally painful, but it is also bad for business. It leads to inefficiency and distrust. It leads to poor morale, bitterness, and cynicism. And it results in a diminished reputation, both of one's own business and of business in general. Our goal must be to eliminate, or at least minimize, such tensions.

That is what this book is about. In my workshops and seminars, I raise the questions, Where does this discomfort or tension come

from? How can it be corrected? Is it necessary to doing business, or is it only the product of a limited and remediable way of thinking? And I answer in terms that most people find congenial: Excellence in business begins with a conception of business activity that is not separated from the *values* that most of us hold dear. But values are effective only insofar as they are built right into one's personal and corporate character. They are not just talk, unwalked. They are not just top-down impositions and spiritually uplifting posters on the walls of the corporate cafeteria. They must become manifested as *virtues*, personally endorsed, and second-nature ways of doing things and thinking about business matters. And to hold this altogether—not opposed to but in collaboration with one's ambitions, affections, fears, and temptations, cultivated in a more or less "natural" and personally fulfilling way of being in the world—is what we call *integrity*.

This is a book about integrity in business life. It is a book about the values and the virtues that constitute integrity, and it is about how integrity gets reinforced and rewarded as well as how it gets compromised, undermined, and distracted. *A Better Way to Think About Business* is a condensation, a distillation, a sharpening, and a clarifying of a philosophy of business and of life that I have been developing over the years, and it is also an updated, much condensed, and more concise version of my earlier book, *Ethics and Excellence* (1991), which, I have been told often enough, helped legitimate the language of virtue in business circles and put "virtue ethics" at the center of ongoing debates in business ethics. *A Better Way to Think About Business* is just that, a better way to think about business. It is an attempt to make this perspective useful to a broad business audience.

The body of the book is divided into three parts. The first part is an exploration of the ways we go wrong in business, through faulty visions and, consequently, the wrong kinds of values. The results are the most pervasive business vices—greed and defensiveness, ruthlessness and the "business is business" rationalization for bad behavior. The function of this part of the book is to remind us of where we have been and of the myths and metaphors that block our sense of integrity.

The second part of the book brings us to the heart of the matter.

It presents a vision of business that is, I would argue, much closer to the vision of the free enterprise system that Adam Smith elegantly defended than the narrow picture of the world often defended in his name. The focus of the section is on integrity and what it means, and how integrity can become the core value of corporate life and corporate leadership at every level. But integrity is not a single virtue or the embodiment of any one value. It is rather a sense of wholeness, a way of tying one's life and one's career together. It gets cultivated and realized in any number of more concrete virtues, including such stalwarts as honesty, trustworthiness, and fairness.

The third part, accordingly, is a working catalog of the virtues in business. For maximum utility, I have presented this in encyclopedia form, with the virtues presented in alphabetical order. That means that there is no need to insist that some virtues are more important than others, which too often results in an overly rigid sense of integrity. It also means that the food for thought and action provided in this part of the book can be dined on in an individually customized way, smorgasbord-style. I encourage the reader to browse and munch at his or her own pace, rather than pursue the virtues "from Ability to Zeal." My purpose is not to present the reader with a formula or recipe for virtue, a pretension I find absurd, but to provide a new and better way of thinking about business, in terms of the virtues and their many combinations and manifestations.

Business is about integrity as well as profits, and the profits mean little if their cost sacrifices integrity. (In other walks of life, this is called "prostitution.") Business serves people and not the other way around, and it is value and virtue that make business life rewarding and meaningful. It is easy to say this, as an abstract philosophy, but it is much more important to make it work in practice.

Introduction: Can Virtue Be Taught?

Twenty years ago, I was invited by a friend to speak to a group of business executives in a special program at the University of Texas. I was a budding young philosophy professor, and quite frankly, I had little business sense or sympathies. I asked my friend, Management Professor Paul Nelson, what I could possibly have to say to these folks who work in the Real World. He responded, encouragingly, that "they would be interested in anything I had to tell them." Well, so they seemed to be, although all that I remember saying was something about money and the meaning of life and the need for transcultural moral understanding.

I've been working with groups of businesspeople and corporations ever since, and I am still talking about the meaning of life and morals in business. But still, before every session with successful executives and managers, I feel a twinge of nervousness: "What will I say to them?" I no longer fear, as I once did, that hard-headed businesspeople would have no interest in ethics. Quite the contrary. I find the level of interest so keen that I fear that I might not be able to satisfy it. They rightly wonder (and sometimes ask), "I am already a moral person, so what do you have to teach me?"

That seems to me to be exactly the right question. I do not have to teach anyone the difference between right and wrong. (Indeed, if I did, I would not know how to go about doing so.) But what bothers virtually every one of my clients, from the CEO of one of New York's largest banks to the welder at our local IBM plant, is how to firm up the connection between the bottom-line demands of business and ethics. And that is something well worth talking about.

Down from the Mountaintop

It is often said, by way of a joke, that "business ethics" is a contradiction in terms, an oxymoron.

To some extent, this only reflects normal skepticism. We have all

been cheated by some bad apple auto mechanic or have been taken in by some mail-order scam at some point in our lives. We all know businesses that cut corners, and most of us have been in positions ourselves where our sense of doing right has been pressured or compromised. But I think that the skepticism about business ethics goes deeper than that, into our very way of thinking about both business and ethics.

That is why I begin my seminars with a story about ethics:

> Moses went to the top of the mountain, and there God "handed down" to him a set of Commandments, sanctioned by Himself, most of which begin, "Thou shalt not . . ." Moses turned around, went down the mountain, and handed the Law down to his people, who were not, if you recall, particularly receptive.

This is how we often think about ethics, as "handed down," imposed from above, primarily in the form of prohibitions and constraints. It is an understandable way of thinking about ethics, given how most of us learn about morals in the first place:

> Mother yells, "Stop it! Don't tease your baby brother."
> The older child responds, "Why not?!"
> Mother replies (as she should), "Because I said so!"

Here is ethics "from the top," "handed down" or imposed by a recognized authority (with the power to punish). And so it is natural for us to think of ethics in terms of prohibitions and constraints. But when we think of ethics in this way, whether our response is obedience or rebellion, our ethics is not, in an all-important sense, our own.

Then I tell another story, this one about business:

> The great economist Adam Smith taught us all the power of the law of supply and demand, that free enterprise produces prosperity, but that free enterprise must be, above all, free. The proper attitude of all nonbusiness concerns toward business should be laissez faire, "leave it alone."

Insofar as ethics is thought of as a set of constraints, imposed by the law or other moral authorities, there will be a practical contradiction with business as "free enterprise," by its very nature free from external constraints. But to so think of ethics as constraint and business as free from constraint leads to an impoverishment of both, and it quite naturally gives rise to the following kind of not so unfamiliar story:

> Moe the shyster meets Larry the liquidator, and together they strike up a deal to take over hardworking entrepreneur Curly's business. They fire Curly and all of his employees and sell off the business in pieces. They agree that the ethics are dubious, but "it's legal," and, after all, "business is business."

Business is not free in the sense that it is an amoral, unethical activity. And ethics is not merely a matter of obeying the law or some other set of external constraints. Therefore, what we explore for the next several hours or days, and in this book, is how ethics in business is not only possible but necessary, how markets can be both free and moral, and why "business ethics" is not a contradiction but rather the precondition of any flourishing business enterprise.

The best answer to the charge of contradiction lies in the concept of *virtue*. A virtue, unlike an externally imposed constraint, is very much our own. Our virtues (and vices) make us the persons we are. But virtues, in turn, presuppose *values*. A value simply espoused, even if it is sincerely believed, is worth very little if it is not translated into action. Virtues are values turned into action. Virtues and values come together in *visions* of business and the role of business in life more generally. Our vision dictates our values and informs our virtues, so virtue is not just action. It is intelligent, visionary action, expressing one's sense of what the world must be like. And virtues provide the foundation of both ethical living and success in business.

Back to the Mountain: Living Our Values

Here is another story. It is called "The Parable of the Sadhu"[1]:

> A successful Wall Street banker travels to the Himalayas for a much-needed vacation, to engage in a long-term dream he has had, to trek across one of the world's most challenging mountain passes. He is a religious man. He is an ambitious man.
>
> About halfway up to the pass, he and his group are approached by a group of New Zealanders, who hand over the half-frozen but still living body of a Sadhu, a holy man, who has come down over the pass in the wrong direction and gotten lost in the freezing cold and the snow and ice of the mountain.
>
> If he and his group take the Sadhu down to safety, the wind and snow will close the mountain pass and they will have to give up their attempt. If they do not, he will surely die. One of the group, an anthropologist, decides that the Sadhu must be saved. The banker insists on going over the pass. The anthropologist takes the Sadhu halfway down, then hands him to a group of Japanese, who give him some food but refuse to carry him any farther. The anthropologist then hurries to meet his friend over the pass.
>
> When they join together, the anthropologist angrily asks the banker, "How does it feel to have contributed to the death of another human being?" The banker, surprised, defensively insists, "we all did our bit. There was nothing else we could do. If we had taken him down, the whole trip would have been for nothing!"

Two years later, he wrote a confession of what he did (or did not do) for the most prestigious business journal, for everyone in his world to read.

I ask, What do you make of this story, with regard to business life?

The conversation is almost always brisk and keen. Virtually everyone sees the obvious analogy between "climbing the corporate ladder" (or otherwise pursuing your own personal objectives) and