

DOING BUSINESS WITH INTEGRITY

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The challenges of creating and growing a business, whether as a CEO, investor, manager, consultant, or salesperson, can serve as a powerful impetus for us to overcome vices such as laziness, selfishness, and pusillanimity, and to develop virtues such as diligence, justice, and magnanimity. However, like any human activity, in particular activities embedded in complex institutions, business projects entail not only an impetus to virtue and greatness, but also temptations and incentives to vice, immorality, and corruption. Therefore, any businessperson interested in living up to his responsibilities toward others and becoming a good and well-rounded human being, must be lucid and sincere with himself about the temptations toward vice and immorality that business life may present him with. Only this sort of lucidity, combined with a determination to follow the conclusions of a well formed conscience, permits him to take the necessary measures to protect his integrity and to honour the commitments that make a human life worth living.

The purpose of this essay is to highlight certain challenges business life can present to someone who wishes to live an honourable and worthy human life in all of his endeavours, and to propose a way of thinking about business roles that can illuminate the significance of these challenges and the sort of response they demand. My intention is not to prescribe detailed solutions, but to offer some broad principles to orient the prudent and conscientious choices of the businessperson.

I begin by commenting briefly on six challenges business life may pose for living a worthy human life. I then place these challenges in the broader context of business activity as part of a flourishing human life. I argue that by viewing business activity in this broader context, we can humanize our business roles and view the success of a business project not merely in terms of

conventional indicators such as reputation and profit, but in terms of meaningful and lasting contributions to the lives of stakeholders and the common good of the surrounding community.

Ethical Challenges of Doing Business

Nothing I say about the ethical challenges of doing business should come as a surprise to my readers. However, I hope my remarks below serve as a useful reminder to business practitioners of various sorts of pressure business activity may exert upon them to lose their ethical bearings or forget that they are persons first and businesspersons second. I hope that by highlighting these challenges in a clear and vivid way, we can take stock of the ethical risks of business practices, and take steps to reduce them rather than turning a blind eye to them or treating them as unavoidable costs of doing business.

1. Treating institutional rules and customs as sacrosanct

One of the pitfalls of working in a business, not unlike other professional environments, is that the habit of conforming to institutional rules and customs can become so deeply engrained that one begins to assume that the rules and customs in force are automatically binding or ought to be implemented unreflectively. While it is true that established rules and customs have the advantage of reducing the need for reiterated reflection, they may be misguided, harmful, unjust, or corrupt. Therefore, businesspersons ought to engage in critical reflection about the rules and customs of their companies and take steps, where necessary, either to reform them or, where they imply a grave wrong or injustice, to find a way around them or refuse point blank to implement them. For example, if it is customary in a business for a salesperson not to declare a certain

percentage of his earnings to the government, an employee may bring this to the attention of his boss, and may decide to declare his own earnings in conformity with the law. Similarly, if it is customary in a business to delegate a report to an intern, and then put the name of a senior staff member on the report, that does not make it *right*. An employee may decide to break precedent and include the intern as a co-author or even as a principal author of a company report.

2. Submitting uncritically to the example and authority of mentors and bosses

Almost any business, even a small family business, requires some sort of hierarchical structure. Having a clear chain of command brings order and predictability to the day-to-day operations of a business. But it also carries with it certain dangers. In particular, authoritarian, domineering, and childish people can occupy positions of authority and give foolish, self-serving, or immoral instructions to their employees, or else set a bad moral tone in the company by playing fast and loose with the law, engaging in legally or morally questionable practices, or using their power to intimidate employees who do not unquestioningly obey them. Someone who works under a boss who is either foolish or corrupt may easily end up towing the line and unquestioningly obeying foolish and/or unethical commands by saying "I had no choice," or "Who am I to question him?" But even if there is a clear chain of command, that does not excuse employees from thinking before they act, and from acting as responsible agents. Although personal culpability is diminished if one lacks the institutional authority to overturn a bad decision, a responsible employee must be willing to protest against a reckless or unjust decision, and where a pattern of grave injustice is emerging, he must be willing to do whatever is necessary to rectify the injustice and failing that, to find some way to distance himself from the injustice or register his disapproval of it. In some cases that may mean appealing decisions to a higher company authority; in very serious cases it may mean resigning from one's post. There is no formula one can apply to determine when one can stay and when one must go. In

any case, the fact of being subject to authority does not excuse one from acting responsibly and conscientiously.

3. Treating business opportunities as unconditional imperatives

In a competitive environment, one of the most basic rules of thumb is, "seize opportunities for growth and development," "carpe diem." A lost opportunity today may never come around again, especially in the more embryonic stages of a business. Somebody who is professionally ambitious, and wants to see their business grow and become competitive, will not easily turn down opportunities to grow their business or acquire new clients. It may even seem to them that such opportunities must be seized at all costs, that to do otherwise somehow betrays a pusillanimous spirit or even suicidal intentions.

However, this attitude, pushed to its extreme, robs the business entrepreneur of interior freedom, and prevents him or her from giving weight to all of the relevant values at stake. Growth is not an absolute good. A business that grows exponentially but at the cost of the family life of its employees; a business that grows exponentially, but takes on clients with ethically dubious products and services; a business that grows exponentially, but in the process hires and fires in ways that undermine the esprit de corps of its employees and betrays their trust, is a business that has failed to serve the long-term well-being of its stakeholders, or has pursued only certain narrow dimensions of well-being such as material acquisition, at the expense of more important aspects of well-being, such as justice. An intensely competitive business environment and a culture in which lost opportunities are viewed as unqualified failures may encourage businesspersons to relentlessly pursue opportunities wherever they lead, and in the process lose sight of their larger goals and values, and of the long-term well-being of their existing stakeholders and clients.

4. Allowing conventional metrics of success to trump one's own considered judgments of value and worth

In order to get some objective sense of our success at a task, we often rely upon

external measures of excellence such as the feedback of colleagues and clients, the reputation we acquire beyond the confines of our business, and a variety of formal and informal rankings and measures of success. Some of these measures of excellence are useful benchmarks for helping us correct personal biases and make more balanced and informed judgments about how we are doing and how our businesses are doing.

On the other hand, we are often affected in disproportionate ways by positive and negative feedback from our peers and superiors. There is a part of us that longs for unconditional approval from others, and dreads the prospect of being criticized or corrected. Consequently, we may be disposed to attach exaggerated importance to feedback from our profession and peers on the value of our work. We may naively assume that a high ranking in a professional survey is a global imprimatur of our business activity, or that limited financial investment in an activity means it is less valuable than other more popular projects.

These responses to external feedback on our work are very human and very understandable. But if they are not checked, they may interfere with our ability to make independent judgments about the worth and value of what we do. The fact that is often lost sight of in contemporary culture, so infatuated with public image and with quantitative measures and rankings of excellence, is that certain aspects of excellence in a business, such as collegiality, justice toward employees, social responsibility, and courtesy and affability among staff, are not adequately captured in surveys, statistics, and reputational rankings. For these reasons, a responsible CEO or business manager will not give the last word to conventional measures of success, but will form his own independent judgments about how he and his company are doing. Indeed, in case his own judgment comes into conflict with conventional metrics of success, he may even be willing to accept a slide in these metrics in order to protect the integrity of the company's values and principles.

5. Idolizing professional success

Assuming that someone is capable of forming independent and wise judgments

about the level at which his business is performing and about the types of actions necessary to improve its overall performance, he still ought to be cognizant that stewardship of his business is not the only task that he is entrusted with as a human being. Loyalty to the business is of course an important virtue in a CEO, manager, or other employee of a business. However, because many businesspeople, especially those who rise to high positions in a company, have a strong drive to succeed and to outperform their rivals, virtues such as loyalty and perseverance can descend into fanaticism and workaholicism if businesspeople forget that they must also demonstrate their loyalty to projects *beyond* the business. If the businessperson devotes himself too exclusively to the success of his business, he risks converting the business enterprise from a noble human endeavour and a valuable service to society to an idol that pushes family, friends, and God into a neglected corner. While this single-minded devotion to the business may yield positive results in terms of growth, profit, and product development, it inevitably impoverishes the life of the businessperson and jeopardizes his relationships with other people. Therefore it behoves the businessperson to temper his professional ambition and thirst for approval with a parallel loyalty to his family, friends, and spiritual life.

6. Colluding with dishonest or irresponsible business activities

It has been said that the only thing necessary for the triumph of evil is that good men should do nothing. Unjust and corrupt business practices are not only perpetuated by those directly responsible for them, but also by onlookers who do nothing to stop them. Every participant in a business has some degree of responsibility for its projects and actions, proportionate to his or her power within the company and his or her possibilities of action. In considering the risk of collusion with evil and injustice, a few considerations should be borne in mind: first, the primary goal of a businessperson should be to promote the legitimate goals of the business, and to serve the legitimate interests of its stakeholders. Avoiding evil and injustice is a secondary goal, a consequence of the commitment to responsibly undertake

one's role within the company. Consequently, avoiding evil, though a necessary condition for moral responsibility, is by no means a sufficient condition. Second, insisting on eradicating every last trace of injustice and bad behaviour from a business's practices seems unrealistic and not especially helpful in a fallen and imperfect world. It could result in unhealthy scruples when one realizes that no matter what one does or who one works for, one will be complicit in some degree of injustice.

Someone with a more moderate and realistic approach views gradual progress from injustice to justice as a goal worth fighting for, and rather than protesting at every single injustice, picks his battles carefully. There are certain types of injustice and corruption that are so egregious that to stand by and say nothing about them, would be irresponsible; there are some types of injustice and corruption that are manifestly criminal and must be reported to the relevant authorities. The responsible employee, manager, or CEO must work in the service of positive ideals rather than merely being a "nay-sayer" or "morals police"; and he must blend vigilance for the common good of his company and society with a certain tolerance for imperfection. This requires good judgments, which can only be acquired through practice, training, and apprenticeship.

The Human Value of Business Activity

So far I have identified and commented in a very preliminary way on six ethical challenges posed by business activity. Rather than offering more detailed treatments of these challenges, my aim in this paper is to offer the reader a broader normative framework for thinking through these and other challenges in a cogent manner. This normative framework refuses to view business activity as a part of human life swinging free from ethical imperatives or from a human being's broader hopes, values, and aspirations. Business activity, just like any other human activity, is only truly valuable and worthwhile insofar as it helps its protagonists and other relevant parties live lives that are valuable and worthwhile, *all things considered*. A business that reaches the top of some prestigious professional

ranking, is extraordinarily profitable, and is growing at a steady pace, is a *failed enterprise*, all things considered, if it impedes its employees', stakeholders', and clients' efforts to actualize their human potential or live noble or worthy lives. Conversely, a business that has modest professional prestige, has a relatively low profit margin, and is growing at a slow rate, may be an extraordinary success, all things considered, if it is contributing in significant ways to employees', stakeholders', and clients' efforts to live decent, worthwhile human lives.

One way to think about the human value of business activity is to think about the place of business activity and its corresponding roles in a flourishing human life. Human beings perform a wide range of social roles. Like the roles in a theatre production, role-playing in everyday life has a certain element of theatricality to it: we are aware that we have an audience, we are aware that the role we are playing is shaped by certain norms and expectations, and we improvise when other people go "off script" or when the stage conditions change unexpectedly. However, there is one big difference between role playing on and off stage. *On* stage, it is understood that the roles we play are "make believe" – they need not express our personal values and commitments as human beings. We are given a license to express the commitments and values of another, fictitious person on the stage. *Off* stage, on the other hand, it is understood that we cannot separate our true personality completely from the roles that we perform. For better or for worse, our willingness to perform a role in real life, and the manner in which we perform it, says a lot about our personal values and commitments.

Roles in real life, in spite of their theatrical qualities, are a serious business: the way one performs a social role reveals the type of person one is, for better or for worse. In this sense, role performance done well can express a noble and virtuous character; while a role performed poorly can express an ignoble or ethically impoverished character. Furthermore, it is critically important to keep in mind that the role-player is not a helpless puppet, but a responsible agent. He cannot simply absolve himself of the ethical responsibility of interpreting and

evaluating the roles he is offered or invited to perform. He cannot pretend to be a helpless “pawn” in the system, who suffers his roles as if they were medical conditions, for that would be crass rationalization, the type of rationalization that led SS officer Eichmann to assert in defense of his murderous behaviour under the Nazi regime that he was merely doing his duty as a German officer.

There are some currents of thought that view business roles as entirely artificial constructions, oriented toward the goal of generating profit for a company and shareholders, with no necessary reference to human well-being or the common good more broadly understood. This interpretation is convenient for those who wish to simplify their decisions and who wish to maximize company profits at any cost. However, business activity is *human* activity, and human activity is only intelligible and valuable insofar as it realizes *genuine human values* and perfects the persons undertaking the activity. Thus, a person who cares about the quality of his character and who wishes to live a decent human life must view all of his activities, including his business activities, in light of their authentic value and in light of their contribution to a better life for himself and for others.

If business activity were of its very nature evil or dehumanizing, a good person could not assume or perform a business role without betraying his conscience. However, this is not the case. On the contrary, business activity in general can be plausibly interpreted as a humanly enriching and noble activity, oriented toward the common good, generating employment, services, and products of value to the community, and enhancing the quality of life of employees and customers alike. Since we have good reason to favour what is humanly ennobling over what is humanly demeaning and ignoble, we favour an interpretation of business activity as oriented toward the common good and toward the well-being of its individual participants,¹ not one that views business

¹ It is important to point out that this is a *normative* interpretation, that is, an interpretation of businesses as practices with an intelligible human purpose, not an empirical survey of existing businesses, which would reveal a wide range of different practices, from very corrupt to

activity as oriented exclusively or predominantly toward profit-making.²

Can I be an excellent businessman and simultaneously be a lousy or mediocre person? Can I, for example, successfully promote the ends of my business, in particular the provision of high quality goods and services to customers and stakeholders, and yet be a bad husband or a bad father? Yes, I can, and I think we all know of cases like this. However, a reflective and conscientious person is not just interested in being a good businessperson, but in being a good *person*, period. All the prestige and success in the world means little if a person is not living a life he can be proud of, if he neglects his family, fails to develop deep friendships, or allows his spiritual life to fall into ruins.

While it may be tempting to compartmentalize business activity or seal it off from the larger business of living a good life, it is ultimately a form of self-deception, because like it or not, how we live our lives as human beings *matters*, and the only

very just and honourable. Cf. MacIntyre’s definition of a social practice as “[a] coherent and complex form of socially established cooperative human activity through which goods internal to that form of activity are realized in the course of trying to achieve those standards of excellence which are appropriate to...that form of activity, with the result that human powers to achieve excellence, and human conceptions of the ends and goods involved, are systematically extended” (MacIntyre, *After Virtue: A Study in Moral Theory*, 187).

² I would even go so far as to argue that profit-making in the narrow sense is *inessential* to business as a social practice, since (a) excess income is just one among several types of benefit that a business can generate for its owners, employees, and stakeholders, and (b) a business may be perfectly sustainable if it attracts regular donations, even though this form of support does not follow the standard market exchange logic in which both parties derive a direct personal benefit, measured in material terms, from the transaction. Though this particular thesis is not defended by Solomon, my approach to business is largely in the same spirit as his, seeking to put profit “in its place” and to rehabilitate a more humane and person-centered conception of business activity. Cf. Robert C. Solomon, *Ethics and Excellence: Cooperation and Integrity in Business* (Oxford: Oxford University Press, 1993), esp. pp. 95-186.

responsible way to be a businessperson is to integrate business activity within the broader task of living a worthy human life. If we keep in mind this integrationist imperative, which fully humanizes the role of the businessperson, then we can better understand and tackle the ethical challenges associated with performing business roles, and resist the temptation to view business success or opportunity in isolation from the overall quality of our own lives and the lives of our colleagues, clients, and surrounding communities. True success is not merely a function of turnover, material profit, or prestige, but of the value a business adds to the lives of its employees and stakeholders.

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The purpose of this article was not to offer detailed solutions to ethical dilemmas associated with business activity, but to identify several challenges business activity may pose for a person who seeks to live a decent and worthy human life, and to suggest a broad normative framework for thinking through these and other challenges in a prudent and responsible manner. The six ethical risks I have attributed to business activity are institutional conformism, uncritical obedience to the authority of superiors, the conflation of opportunity and obligation, the absolutization of partial metrics of success, the idolization of professional excellence, and collusion with unjust or corrupt business practices. I have suggested that these risks can only be properly understood and tackled if we grasp the true human value of business activity. Business activity is not just a profit-making technique, but a productive enterprise oriented toward the common good of stakeholders in the business, including employees, clients, and the surrounding community. Participants in a business enterprise contribute to the legitimate goals of the business, each according to his respective role, and thus make a distinctive contribution to the well-being of their community. They may act as CEOs, managers, engineers, or salespersons, but they are *always* human beings. To forget this is to forget who we are, and why our lives matter.