The Relevance of Philosophy to Business Ethics: A Response to Rorty's "Is Philosophy Relevant to Applied Ethics?

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A little-noticed revolution has been taking place in philosophy—at least in that portion called ethics. Ethics, like political philosophy, and unlike metaphysics and epistemology, is a practical subject. It always has been. It is an attempt to make sense of our individual and collective moral experience. In the process those engaged in it clarify terms, analyze arguments and presuppositions, attempt to make the system of moral judgments more consistent than it usually is, try to fill voids in our intuitive reactions to new processes and social developments, and provide reasons for action such that people can engage in fruitful discussion or argument in pursuit of the common good.

Philosophy—especially what Rorty correctly calls the core of academic philosophy, namely metaphysics and epistemology—has become more and more technical and of less and less interest and significance to the general public. For a number of decades in the mid-twentieth century, the same was true of ethics, where this was taken as equivalent to metaethics. Political philosophy was primarily given over to political science, and the study of normative ethics was left to whatever non-philosophical profession wished to pursue it.

The quiet revolution was the development of what has become known as "applied ethics." Philosophers engaged in applied ethics, and so in business ethics, have to know more than philosophy. This in itself is a revolutionary concept in many philosophy departments, where its members are supposed to know the philosophical literature, but are often looked down upon for spending their time reading economics or business or other non-philosophical material. The onus on those in applied ethics to get tenure, promotion, and raises is to show to their colleagues that they are capable of doing philosophy in the traditional sense, while also pursuing ethics in its relation to real world problems. The revolution has changed approaches to ethics even at the level of introductory courses, which are now much more oriented to applications than to metaethics.

The applied ethics turn has led to a renewal of interest in casuistry, not in its worst historical form of splitting hairs to see how close one can come to acting unethically without doing so, but in the more positive form of solving actual moral problems and issues and seeing some of them in relation to social policy formation. Rawls's *A Theory of Justice* has been widely influential, not only among those

interested in ethics and political and social philosophy but also among those in law, politics, and non-academic areas. Of course people can discuss issues of distributive justice without being philosophers. But to say that therefore Rawls's work has made no contribution to the discussion is to ignore the influence it has had. Even Marx, whom Rorty seems to regard favorably, said not only, "Philosophers have only *interpreted* the world, in various ways; the point, however, is to *change* it,"[1] but he also said, "Just as philosophy finds its *material* weapons in the proletariat, so the proletariat finds its *intellectual* weapons in philosophy."[2] I shall argue that in an analogous way the business ethics movement finds its intellectual weapons in philosophy.

In the process of applying ethical theories to real problems, those in the various applied ethics fields have also challenged the previously sacrosanct notion that one had to be either a utilitarian or a deontologist.[3]

There is much that I agree with in Rorty's article. Nonetheless I shall develop two criticisms of the paper. The first is that in general it operates at too high a level of abstraction, and consequently takes too narrow a view of philosophy. The second is that it fails to distinguish ethics in business from business ethics, and hence fails to leave room to recognize the contributions of philosophers to the latter, which in turn helps inform the former.

I. The Abstractness of Rorty's Critique of Philosophy and Applied Ethics

The title of Rorty's paper, "Is Philosophy Relevant to Applied Ethics?" sets the tone of the paper and leads to his conclusion. He takes "philosophy" globally, and so abstractly. He takes contemporary philosophy to mean analytic philosophy, and claims that metaphysics and epistemology are "no more relevant to applied ethics than is astrophysics or neurophysiology" (373). I have no quarrel with that claim or with the claim that most of what is discussed in metaethics is irrelevant to applied ethics, although I shall claim later that there are metaethical questions in business ethics. Ethics *is* treated as peripheral in many Ph.D. programs, as are logic and the history of philosophy. The implication of Rorty's picture is that philosophy is metaphysics, epistemology and in ethics, metaethics, and since these don't make any contribution to applied ethics, philosophy has nothing to contribute to applied ethics. Although Rorty is often seen as a critic of analytic philosophy, he here adopts the point of view of the typical analytic philosopher about what philosophy is.

That view is not the only view of philosophy. Rorty himself demonstrates this in his own position. Wittgensteinian quietists may see their task as dissolving philosophical problems (374), but that itself is a philosophical task. Wittgenstein was a philosopher, as was Dewey. If all philosophy were restricted to the narrow view of analytic metaphysics and epistemology that Rorty attacks, and if those engaged in philosophy were necessarily engaged in solving what Rorty sees as the pseudo-problems those in these areas concern themselves with, it would follow that

philosophy has nothing to contribute to anything, and so nothing to contribute to applied ethics. This seems to be Rorty's position.

Rorty says very little explicitly about normative ethics as such in this paper. Yet his position seems to imply that Aristotle, Kant, Mill and others had nothing relevant to say to those in applied ethics, except insofar as they helped expand their moral imagination. On the face of it, this is an overstatement at best, unless one means that these philosophers and all other philosophers are not necessary for people to lead moral lives. Assuredly it is the case that one can be a moral person and lead a moral life without having read any philosophy. In that sense Aristotle, Kant, Mill, and so on are not necessary to acting morally. But that is not the only sense in which normative ethics can contribute to the moral endeavor. Having reasons for acting that are expressed in terms of an ethical theory seems irrelevant for Rorty. Using reason in moral thinking in accord with some ethical theory also seems irrelevant. All one needs are moral intuition and moral imagination. Nonetheless, for some reason, we should "seek coherence among our own moral intuitions" (371). Claiming that, however, seems to be a substantive normative claim. Even more interesting would be some filling out of how one achieves the desired coherence. If we find that our moral intuitions do not cohere, how are we to decide which to jettison and which to keep? And by "our" does he mean those of each individual, or those of some larger group? It is not clear whether the moral imagination and the moral intuition that "we" are privy to are those expressed by the popular media, or the politicians, or the churches, or the intellectual elite, as if any of these, much less all of them, held a specifiable set of common moral intuitions or shared a common notion of moral intuition.

Rorty correctly notes that "God has provided no algorithms for resolving tough moral dilemmas, and neither have the great secular philosophers." But those in applied ethics do not claim to have any such algorithms and do not claim that solving difficult moral cases is easy. That is not what they offer, and to suggest that they do offer such algorithms, or that they should, is to either misrepresent them or evaluate them by inappropriate criteria. Rather they have been at pains to try to show the general public that many cases in business ethics are not simple, that an individual's developed intuitions do not always serve as an adequate guide for attempting to evaluate new practices, and that some of the assumptions and presuppositions people generally take for granted should be challenged. The notion of absolute justification that Rorty claims is essential to philosophy is not a position that many in applied ethics hold. In applying ethical theory to real problems and in dealing with international and global issues they have placed aside, as Rorty has, such claims. Unlike Rorty, they have enlarged the notion of philosophy to include what they do, rather than ceded the term to the narrow specialists that Rorty attacks.

We know from experience that moral intuitions of different individuals—whether they are from the same society or from different societies—sometimes conflict. Each may follow his or her own intuitions until the individuals or societies encounter one another. Then their differing intuitions may make interactions impossible, or lead

to one party intuitively justifying actions against the other party that the latter holds to be unjust. In these ordinary situations, whether one is trying to enact laws for a society or acting for one's benefit at the expense of another, it is not clear what, if any, approach Rorty would suggest.

Rorty says that "[b]eing able to have the right beliefs and to do the right thing is largely a matter of luck—being born in a certain place and a certain time" (372). But what does it mean for a moral belief to be "right"? Rorty claims, "For purposes of knowing whether either torture or sodomy is a moral abomination, all of us were born into a better culture than were those who worked for the Inquisition" (372). Does this amount to anything else other than the statement that we (whoever that is) believe that torture is a moral abomination? What is added by saying our view is better, on Rorty's account? His reply that "better" means that we have "become aware of more alternatives" (372) due to our imagination, both begs the question and is by no means obvious. Why is seeing more alternatives better, and is it the case that we all really see more alternatives? Are all alternatives equally good or bad or are some alternatives better than others? Hitler came up with some original, imaginative ideas. He probably had more imagination than a great many of the people who opposed him on moral grounds.

Paradoxically, however, if Rorty's account of morality is inadequate to explain or account for or make sense of our moral human experience, that possibly just goes to show that philosophy—including his—is irrelevant to ethics, applied or otherwise. So, does philosophy have anything to contribute to applied ethics and in particular to business ethics?

II. Ethics in Business and Business Ethics

Given his own pragmatic and quietest proclivities, Rorty in fact asks the wrong question. The question "Is philosophy relevant to applied ethics?" as I have already suggested, is an abstract question that Rorty answers on an abstract level. A more interesting and more pragmatically oriented question would be: have philosophers added anything relevant to practice? I have suggested that a quiet revolution in ethics has taken place, such that those in applied ethics have moved beyond the exclusive concern with either metaethics or theory that Rorty claims is irrelevant. In fact many philosophers who do applied ethics, and in particular business ethics, have eschewed the approaches that Rorty attacks and have indeed focused on "questions about whether and how to change our political and social institutions" (375)—especially our business institutions. Because their knowledge of Plato, Aquinas, Kant, and Mill is "wider and deeper" than those not trained in philosophy, they have brought the insights of those thinkers to bear, and have included Aristotle and Dewey, among others in their work. In the tradition of Kant and Mill, who "as social engineers" "tackled different jobs at different sites" (375), those in business ethics are attacking different jobs at different sites. But Kant and Mill, were, after

all philosophers, and to imply that their involvement with philosophy in no way influenced their views belies the facts.

If we turn to business ethics, I have, elsewhere,[4] distinguished three strands: the ethics in business strand, the business ethics strand (that is, the strand of business ethics as an academic field), and the strand of what can be called the business ethics movement. Rorty seems to equate business ethics with ethics in business. In that sense, there have been ethical or moral issues in business since the first transaction we identify as business took place. Morality in business is no different from morality in any other sphere of life. We are all held to moral account for our actions insofar as they impinge on others, and one need not be a philosopher to know conventional morality or to understand the difference between right and wrong. The general public did not need philosophers to tell them that the fraud, the deception, and the harm done by Enron or WorldCom executives were wrong. They were obviously wrong. Society does not need specialists in business ethics to know that. But that is not the function those in business ethics serve.

The academic strand of business ethics began in the 1970s. The term "business ethics" was modeled after the term "medical ethics"—an area that began as an academic area of study a decade earlier. Have philosophers engaged in the study of ethics in business added anything to the academic area? A separate but related question is whether they have in fact changed business, business practices, and business people. I believe that the answer in both cases is: yes. They have done so in part because of their knowledge of the history of philosophy and the history of ethics, because of their original analyses of moral issues in business and of the presuppositions of particular economic systems, and because they took the lead in raising and attempting to answer normative questions in business.

Before philosophers entered upon the scene in the 1970s, there was no academic field of business ethics. The field developed precisely because of a felt need for what philosophers had to offer that was not provided by teachers of social issues in management courses, by corporate critics, and by the conventional ethics-in-business approach. In this sense, to ask whether philosophers had anything to add to the field is almost a meaningless question because they formed the field. More-over, the field did not and does not consist of questions for philosophers or what a Wittgensteinian might consider pseudo-questions. What differentiated business ethics as a field from social issues in management was the fact that business ethics sought to provide an explicitly ethical framework within which to evaluate busi-ness, and especially corporate, activities. What philosophers brought to the table that others had not was a systematic inquiry into our individual and collective moral experience in business.

In Rorty's terms, the philosophers brought the moral imaginative approaches accumulated in the history of philosophy to bear on issues in business. Instead of viewing problems in isolation, philosophers raised questions, as past philosophers had done, about the morality of the system of capitalism and its components. They did not automatically assume the acceptability of a market economy and of the

assumptions made by mainstream economists and economic theory. They systematically looked from a moral point of view at production, distribution, marketing, finance; at workers' rights and whistle blowing; at international business practices, bribery, sweatshops, exploitation, and so on; at the impact of large corporations on the environment, the distribution of wealth, and the just use of natural resources, taking into account future generations. It might be objected that others had done some of this, and that people without philosophical training could do this. While both assertions are true in the abstract, it was the philosophers who did it—who wrote the texts, introduced many of the courses in business ethics in philosophy departments and in business schools, developed the field in a systematic way, established journals, fostered and promoted normative research, formed societies such as the Society for Business Ethics, organized conferences, established centers, and so on. In all these activities they learned from and worked with people in other fields. Nonetheless, the answer to the question of whether they had and have anything to contribute to the field is not simply a theoretical question to be answered in the abstract. There is concrete evidence that they have contributed to the field in important and significant ways. Moreover, their contributions have been accepted and appreciated by many non-philosophers—frequently more so than by their philosophy colleagues. Business schools have lured philosophers away from philosophy departments, corporations have sought some of them out as consultants, members of the media frequently ask for their input and quote them—unlike their philosophical counterparts in other areas of philosophy that Rorty attacks.

Anyone who listens carefully to arguments and debates about public policy as well as about business and business practices will quickly see that the arguments typically refer either to consequences, or to rights, or to justice, or to human good and betterment. This is the language of moral discourse, and it is a language in which philosophy graduate students are trained. Those philosophically trained have helped criticize bad arguments and have drawn attention to unnoticed presuppositions. They have focused attention on the fact that moral language operates differently when applied to persons and when applied to corporations—a metaethical issue. Nonetheless, the champion of business ethics should be careful not to claim too much, just as the critic should be careful not to use inappropriate criteria to evaluate what philosophers in the field do.

Rorty says, "Neither law school nor philosophy school can be relied upon to improve a student's moral character" (376). Let us admit that for the sake of argument. What follows from that? That we should close down the law schools and the philosophy departments? Would justice be better served without a legal system and courts and defense attorneys? Would everyone intuitively know who is guilty of a charge and who not? To evaluate law schools by whether they can be relied upon to improve a student's moral character is to use a largely inappropriate measure, even though society wants its lawyers to have some sense of and love of justice.

The same is true of our philosophy departments. Taking a course—or several courses—in ethics is no guarantee that one's character will be improved. But there

is some likelihood that one's moral sensibility—or one's moral imagination—will be expanded and, even using Rorty's criteria, that may help students be better persons, if they are so inclined or motivated. In a business ethics course students may well be presented with models of business and its place in society that differ from the standard view they often get in business schools or economics departments. Students' moral imaginations can be expanded in many ways—including by their being brought to see that, if they want to act morally, they should not simply act in accordance with what they have been taught is right or wrong; that some laws are bad laws from a moral point of view; that their view of human rights can be enlarged; that their sense of how to think about justice can be expanded and their consciousness raised by considering various points of view and using a variety of criteria. That people need "enough security and leisure to imagine what it must be like to be someone quite different from themselves" (376) is not the issue. Those who take business ethics courses do have the needed security and leisure, and bringing them to imagine what it would be like to be someone quite different from themselves is part of the task of the ethics teacher. That this can be done by people not trained in philosophy is no reason to discard philosophy, if in fact those from philosophy have been in the forefront of raising normative issues, of presenting a framework within which to discuss issues from workers' rights to environmental protection, of pushing the moral normative agenda, and of discussing many of the business practices from a moral point of view. They have helped stimulate and expand the moral imagination of students, of the public, and of many of those in business with respect to business practices. They have helped make it acceptable for people in business to discuss issues in moral as well as financial terms, and for employees to raise moral issues within the firm. This might well be called enlarging their moral imagination.

In fact most of the philosophers in business ethics do not, as Rorty suggests, discuss "definitions of the virtues or candidates for the role of a universally valid principle" but in fact "think of themselves as social engineers working on site-specific projects" (377). Narratives are useful, and so those who teach business ethics often use case studies. But case studies do not lend themselves easily to systemic or global problems. Whether capitalism can be changed piecemeal to improve the lot of human beings, or whether it has to be overthrown, is not easily answered by stories. Moreover, whether specific practices in business are unethical, or harm workers or the general population can be argued, and pressure can be brought to bear on corporations to change their ways, in part through ethical argumentation as practiced by philosophers. Presenting such arguments is a way of applying pressure to change, and has produced positive results.

Rorty chooses to use narrative. That is fine. But he also says that drawing upon what Nash calls "context-specific guidelines such as the Sullivan principles" is "uncontroversial" (377). Codes are not narratives. He also seems to endorse the Helsinki Declaration of Human Rights if it "seems likely to form the basis for a global consensus about the limits of governmental power over individuals" (374).

That also is not narrative. But he is reluctant to say that philosophers who engage in business ethics using the language of rights or of consequences or of justice, and who analyze the presuppositions as well as the practices of business have anything to add unless it can be considered enlarging society's moral imagination. My suggestion is that even if he chooses to use that criterion, he will find that the field of business ethics, as developed by philosophers, measures up to it, providing he does not use an arbitrarily narrow definition of moral imagination.

The third strand of business ethics is the business ethics movement. That movement can be dated from the mid-1980s. It is not entirely irrelevant that it came after the development of the field, and has been influenced by the field. Not all businesses, not all business persons, not all professors of business have embraced the field or the movement. But the movement clearly is part of the existing social scene. The field has influenced ethics in business and has influenced the business ethics movement, and each of them has influenced the others. Included in the movement has been the development of codes of conduct, compliance programs, corporate ethics officer positions, ethics training programs, and other trappings of ethics. More importantly, as public consciousness has been raised about sweatshops and environmental protection, so corporate policies have at least to some extent changed. Whether corporations talk of the triple bottom line, or of corporate social responsibility, or of ethics—and whether one sees their actions as merely public relations reactions to criticism or as more nobly inspired—corporations are slowly changing their behavior and taking into account not only shareholders but what have become known as other stakeholders. The language of stakeholders has replaced the language of shareholders in most of the large corporations, in the public media, and in the legislative process. This language includes respect for workers, fair dealing with customers, and recognition of obligations with respect to the environment, among other considerations. The change in language has opened the door for pressure on companies to change their policies both on the national and the international level. In some cases government has provided added incentive for them to do so through legislation. And the legislation has come about in response to public outcries and pressure. A good pragmatist need not worry why the positive changes have come about and seem to be increasing, and need not worry that some of it seems to have been in response to issues raised by philosophers or at least articulated by them. If the proof of the pudding is in the eating, what philosophers have had to offer seems to have filled certain gaps or voids or vacuums in the movement, and to that extent it has been accepted, if not often embraced, by those in business and those in related areas such as business and society.

Rorty ends by expressing a need for something to replace Marx's communist utopia—even though Marx was trained as a philosopher and wrote no novels or stories. Rorty's observations about "jungle capitalism" are not likely to move anyone to action or even to serious thought. Rorty concludes, "Perhaps the business ethics community will provide an environment in which such dreams are encouraged" (381). The business ethics community, of which those trained in philosophy

form a large part and had a large hand in bringing about, is attempting and has in part succeeded in providing such an environment. Marx got much of the problem right; he got the solution wrong. Many of those in business ethics are trying by piecemeal change to help society improve by helping corporations improve. All too often even those engaged in political philosophy deal only with governmental change or individualistic approaches to human rights, ignoring the very real and often dominating influence of the modern global corporation. Those in business ethics focus on business and see it not only as one of the causes of the ills that Marx described but as one of the key players in the amelioration of those ills. While Rorty has been battling academic philosophy in its analytic incarnation, through a quiet revolution in philosophy departments those in applied and business ethics have been pursuing what he seems to agree is important. Where he and they may disagree is on whether Marx was indeed correct that practice needs to be informed by theory. Those in business ethics believe that it does.

Notes

1.   "Theses on Feuerbach," Thesis XI, available in *The Marx-Engels Reader*, 2nd ed., ed. Robert C. Tucker (New York: W. W. Norton & Company, 1978), 145.

2.   Ibid., 95.

3.   Some have done this by combining utilitarian and deontological approaches in their analysis of particular problems, some have adopted a pluralistic position in ethics, still others have opted for an Aristotlean or a pragmatic or some other approach to issues, assimilating the contributions of those, for instance, working on virtue ethics either as an alternative to or as an addition to the traditional deontological and utilitarian approaches.

4.   "The History of Business Ethics," in *The Accountable Corporation*, ed. Marc Epstein and Kirk Hanson (Westport, Conn.: Praeger, 2005), vol. 2, pp. 263–67; a version of it is available online: Richard T. De George, "A History of Business Ethics," paper presented at the Conference on The Accountable Corporation, Santa Clara University, Feb. 17–19, 2005, available at http://www .scu.edu/ethics/practicing/focusareas/business/conference/presentations/business-ethics-history .html (Nov. 8, 2005).