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## **A Bernard Williams-style Model for Business and Ethics**

*Pepe Lee Chang*

University of Texas at San Antonio  
Department of Management, College of Business

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# **A Bernard Williams-style Model for Business and Ethics**

*Pepe Lee Chang*

*University of Texas at San Antonio, Department of Management, College of Business*

## **Abstract**

In this paper, I offer a Williams-style framework for researching the ethics of business. Currently there is a disconnect between the two academic fields concerned with business ethics, specifically philosophy and business, and this has resulted in each field producing business ethics research that is incomplete. Research in the field of business ethics either turns out normative prescriptions that may be too impractical to implement or it ends up proving empirical claims that may be too trivial to provide solutions for complicated moral dilemmas. My goal is to motivate a research strategy that establishes a symbiotic integration between the descriptive findings of business social scientists and the prescriptive normative arguments provided by philosophers. I argue that a Williams-style approach will benefit both academic fields greatly, thus leading to a more influential and successful business ethics. It seems that a similar type of progress can be tracked in the field of bioethics by observing the influence of arguments provided by bioethicists toward changes in certain policies and morally problematic norms regarding such issues as the doctor/patient relationship and informed consent. By adopting a Williams-style framework, this type of progress can be had in business ethics as well.

Key Words: Business Ethics, Bernard Williams, Ethics.

JEL codes: M14, Z19, M19

Bernard Williams once made the point that the logical category in which applied ethics belongs is advice (William, 2005). I am going to point out that the field of business ethics has a problem, namely that no one is taking the advice. First, I will show how bioethics seems to be further along in overcoming this problem and so could possibly serve as an effective model for business ethics. Second, I will briefly explain what I believe is a contributing source to the problem, specifically that there is a disconnect between the work of philosophers and business scholars working in business ethics. Finally, I will offer a Williams-style strategy for business

ethics which I believe can be one way to resolve this problem. Consequently, the advice of business ethicists may become more influential to ethical business practice in the same way that bioethicists have contributed to certain practices in the medical field. To my knowledge, very few business ethicists have looked to Williams for any answers to problems facing business and ethics. This paper is an attempt to do just that.

### **Looking to Bioethics**

If Williams is right in that applied ethics should serve as advice, then it also seems right to say that the success of scholars in bioethics can be assessed by whether their advice is well received by the intended audience. I will avoid generalizing the whole of bioethics by focusing on one particular issue, namely, the evolution of the doctor/patient relationship. I will describe how the contribution of bioethicists, on this subject, has been influential practically and so can be considered successful by Williams' account.

Concerns surrounding the doctor/patient relationship include autonomy, beneficence, and trust (O'Neill, 2002). Although these values have been understood as intrinsic by most standard theories of morality, the special nature of the doctor/patient relationship presented situations that were too complicated to rely simply on the intrinsic nature of these values. In other words, the situation and context *mattered* for determining ethical behavior on the part of doctors.

The doctor/patient relationship is burdened by a power imbalance and this makes a difference for what counts as respecting autonomous decision making, for what counts as beneficence, and for how to establish trust. Bioethicists focusing on this problem were able to argue persuasively for a change in the way doctors dealt with patients. The accepted norms gradually progressed from paternalistic influence by doctors to autonomous decision making by

patients, free from coercion. And this progress, eventually contributed to changes in policy. “In medical ethics, the concern is with the privacy, individual liberty, freedom of choice, and self-control of the individual. From this principle flows the doctrine of informed consent” (Anderson, 2007).

Although there is much disagreement between bioethicists themselves, at the very least, their advice seems to be taken seriously and for some important issues, bioethicists have managed to inform and influence changes in policy. And for Williams, this progress would count as evidence for successful advice. It seems plausible, then, to make the claim that the progress of bioethics can serve as a useful model for the progress of business ethics.

### **Business Ethics: The Problem**

Business ethics is split into two academic fields. There are philosophers working on business ethics whose goal is to discover how practitioners ought to behave; their work is normative in nature. There are also business academics who work on business ethics aiming to provide “statistically relevant” tools or strategies for practitioners to influence more ethical behavior; their work is empirical in nature. There is a use for both types of research. For instance, if the advice is for managers to understand how to establish and organize an ethical climate in the work place, then it seems that looking to empirical research to see what works is the correct way to go. But if the advice is for understanding what in fact counts or does not count as an ‘ethical’ climate, then empirical findings do not seem to be relevant. What would be relevant for this latter case is a normative account of ethical business behavior. This difference in methodology has led to a disconnect between the two fields. This observation is not new to those concerned with academic business ethics (Trevino and Weaver, 2003). The disconnect I

speak of is acknowledged frequently, however, being true to form, each field addresses it from within their own methodology, thus perpetuating the problem.

It seems correct to say that business ethics as an academic field should have a goal or purpose, and part of that goal should be providing guidance for business practitioners to make ethical decisions. This means that the advice provided by business ethics scholars must be useful and relevant to business practitioners themselves and must influence ethical, as opposed to unethical or ethics-neutral, decision making. Given this explicit agenda, we can see that the field of business ethics needs the expertise that both philosophers and business academics have to offer. The former can provide guidance and judgments that are grounded in theories of morality and the latter can provide a realistic and reliable blueprint for the inner workings of business activity, both of which are needed to provide effective advice for business practitioners and fulfilling the aforementioned purpose of business ethics. Consequently, it seems that a successful system or theory of business ethics will have complementary components of normative prescriptions and empirical descriptions.

But if we look at the current state of business ethics, we can see that there is a problem. Philosophers concerned with normative prescriptions do not seem to acknowledge the need for understanding the unique circumstances that business practitioners are faced with daily. Without this understanding, the applicability and relevance of normative advice (i.e. prescriptions) results in a hit or miss, which by most accounts would be considered 'bad' advice. On the other hand, business academics providing descriptive accounts of how practitioners make decisions do not seem to acknowledge that they do not have a systematic way of determining if their advice will influence behavior that actually is *ethical* as opposed to unethical or ethics-neutral. The terms 'ethics' and 'ethical' are tossed around as if their meanings are straightforward and

unambiguous. This is usually the result of assuming that the right or ethical action is self-evident and settled requiring no further justification. Although this assumption may be reasonable for obvious cases of wrong-doing like fraud and stealing, the “you’ll- know- it- when- you- see- it” (unethical behavior) assumption is not sufficient to justify the more complex decisions in business, involving less clear cases of wrong-doing (e.g. outsourcing, layoffs, treatment of employees, etc.), as morally permissible.

Consequently, the disconnected fields of philosophy and business each end up producing incomplete theories of what counts as ethical business practice thus leading to problems for the legitimacy and efficacy of academic business ethics. I offer a Williams-style framework that integrates the research of both philosophers and business social scientists, which I believe is one way to resolve the problem, allowing business ethics to progress in the same fashion that bioethics has progressed.

### **Bernard Williams and Ethics**

Williams identified some problems of traditional moral theories and interpreted them as failures in recognizing what counts as reasons for individual action (1983). He provided arguments for what *does* count as reasons for motivating human actions. Given this argument, I will be able to motivate a Williams-style framework to help us systematize academic business ethics in a way that utilizes the unique contributions of philosophers and business social scientists.

Systematicity is important for at least two reasons. The first is to provide a way to determine when and why research counts as business ethics. If Williams is right, it should be in the form of some sort of advice, preferably good advice. After all, it should not be the case that

anything mentioning say, social responsibility or sustainability be considered, by default, business ethics. The second reason is that systematicity is needed to perform successfully within any field if that performance is to be judged and evaluated. In other words, you need to know what you are supposed to be doing if you are going to be judged as doing it rightly or wrongly. “[B]usiness ethics faces both a crisis of theory and a pragmatic challenge, that is, what is to count as theory in business ethics and how that theory applies and can be used by flesh and blood managers in concrete real life ethically charged situations” (Solomon, 1968). A Williams-style model provides a solution to Solomon’s first crisis by providing systematicity for what counts a business ethics. As for Solomon’s second crisis, the Williams-style model for business ethics I will now offer sets up the research of philosophers and business social scientists, from the beginning, as producing practical/relevant and ethical advice for real life business practitioners.

### **Categorical Desires and Internal Reasons**

In “Persons, Character, and Morality,” Williams explains what it is that makes up a *person*. “[A]n individual person has a set of desires, concerns or, as I shall often call them, projects, which help constitute a *character*” (Williams, 1983). On Williams’ account, individual persons, throughout their life experiences, develop and establish projects that form their character. In other words, people develop certain desires, concerns, goals etc. from which they end up identifying themselves. Even further, persons are propelled to move forward in life in order to satisfy their projects. On this account, a person’s projects turn out to be what make his/her life worth living. Williams calls these “categorical desires.” “The first issue concerns the connection between [a man’s character] and the man’s having a reason for living at all” (1983).

Insofar as character is concerned, one's character is tied to one's projects. If these projects are neglected or taken away, then so is what one takes oneself to be. One's projects turn out, on Williams' account, to determine one's *reasons* for action. For any individual person, he/she will only have a reason to act if that action links up to or satisfies some part of his/her projects. According to Williams, if the action fails to coincide with his/her projects, then he/she fails to have a reason to act. Even further, the disregard of categorical desires will leave the agent without any reasons to go on or at the very least, leave the agent with the feeling that he/she might as well stop living.[1]

In "Internal and External Reasons," Williams argues that for anything to count as a reason for action, it must be an internal reason, for there are only internal reasons for action (1983). For something to be a reason for action, that reason must correspond with an element in one's motivational set. Crudely stated, one has a reason to act in a certain way, only if one already wants to or if one can be effectively persuaded. "[N]othing can explain an agent's (intentional) actions except something that motivates him so to act" (Williams, 1983). Although there may be a confusion between what counts as a reason to act and what actually motivates a person to act, the point is that on Williams' view, having a motive is to have a reason. For Williams, it does not make sense to consider unmotivated reasons. "[A]ny model for the internal interpretation must display a relativity of the reason statements to the agent's *subjective motivational set*, which I shall call the agent's *S*" (Williams, 1983).

Williams is insisting that a moral theory must fit into how we are motivated to take action in order to *require* us to take certain actions. At the end of the day, Williams has offered a justificatory theory, that is, a moral theory is only reasonable if it takes into account what motivates a person to act. If it does not, it fails to be a reasonable moral theory. Even further, if



all reasons are internal reasons which correspond to some element in an agent's motivational set, then to require one to perform an action based on an external reason statement where there is no corresponding element in an agent's motivational set is to require that the agent do something that the agent has no real reason to do.[2] And if one is demanded and obligated by external pressures to perform the action, then one's own reasons for action are trivialized and dismissed.

### **Categorical *Professional* Desires**

Williams has directed his account toward individual motivation in regards to that individual's life and what is required to make it a life worth living for that individual. But we need not limit Williams' account to what propels one forward in the general topic of *life*. It seems right to say that given a particular area of one's life, there are goals and desires that are present, specifically associated with that particular area. One may have a categorical desire to be a husband. Even further, one may have a categorical desire to be a specific kind of husband; perhaps to be a good, supportive, loving/loved and non-destructive husband. Within the categorical desire to be a husband, it could be claimed that there may be a categorical *spousal* desire to be a certain type of husband, the denial of which would make one cease to want to be a husband altogether. It seems just as appropriate to apply Williams' motivational framework to specific areas of one's life since one's life is usually broken up into clusters of splitting branches such as family, friendship, pet companion, work, and so on.

I will be calling those desires that propel one forward in one's job tasks and requirements *categorical 'professional' desires*. Using Williams' motivational framework, identifying categorical professional desires should help us determine whether current avenues of research are

appropriate, that is, for business social scientists concerned with ethical behavior and philosophers working in applied ethics. If the focus of current research is shown to be outside the scope of categorical professional desires for either academic field, we now have the framework to justify and motivate the redirection of that focus in a way that corresponds to the categorical professional desires of each field. On my account of Williams, the alignment of research contributions with the categorical professional desires of the researchers should propel the researcher to progress in their chosen field of study. In addition, exposing a misalignment should motivate the researcher to adjust the focus of his/her research.

### **Business Social Scientists and Ethics**

There has been a recent surge in the number of business social scientists who are concerned with the ethics of business, corporate social responsibility, sustainability, etc. These scholars aim to provide the tools and advice for practitioners to maneuver with and direct more ethical behavior in the workplace. As stated earlier, business social scientists provide empirical knowledge about business practitioners and the world of business *for* business practitioners to use in order to create desired and expected outcomes.[3] For those practitioners concerned with ethics, this empirical knowledge is understood as contributing to the desired outcome of how to establish ethical business practices and environments. For instance, a business social scientist may produce research that shows that the hiring of an official ethics officer results in a stronger perception of ethical expectations than merely promoting an anonymous ethics hotline. Managers who are concerned with establishing a corporate culture that emphasizes the importance of ethical behavior would then choose to hire an official ethics officer rather than

implementing an anonymous ethics hotline. I have provided only a simple example. But, I believe, this example is illustrative of how empirical studies can benefit business practitioners. I am not a business social scientist, so I will not presume to know what all of their categorical professional desires are; however, given that their goal is to provide tools for practitioners to guide ethical behavior, it follows that at least one fundamental categorical professional desire would involve providing advice that *actually is* ethical as opposed to unethical or ethics-neutral. After all, it seems quite plausible that a business social scientist concerned with business ethics, upon discovering that his/her research was used to implement policies resulting in unethical business behavior, would be motivated to adjust his/her research to meet his/her original concerns.

Suppose the same business social scientist has the goal of providing information that helps establish a corporate culture that incorporates high ethical expectations among employees. If it turns out that managers begin to create the position of an official ethics officer as a strategy to establish a *perception* of ethical expectations among employees simply for appearances or what is called ‘window dressing,’ then the social scientist has contributed knowledge that helps create effective window dressing. One can argue (most likely by a philosopher) that that the empirical study only shows how to establish *perceptions* of ethical expectations. Even further, since his or her goal was to provide tools for establishing an environment which prioritized ethical expectations, one could argue that the social scientist (albeit unintentionally) has established the value of a perceived ethical climate or window dressing as equivalent to the value of ethical behavior. In order to satisfy the original goal of the social scientist, he/she would need to re-adjust the focus of his/her research, perhaps by showing which option, the hiring of an official ethics officer or the creation of an anonymous ethics hotline, produces a greater

willingness, on the part of employees, to *report* perceived wrong-doings among their peers. In other words, the empirical research should establish what motivates actions rather than perceptions.

At present, the empirical/descriptive end of business ethics research produced by business social scientists lacks the systematicity needed to judge when something counts as producing *ethical* advice. Social scientists are not in the business of judging or evaluating whether their results ought to fall under the category of business ethics. They usually shy away from value judgments. They are in the business of determining whether or not their method of producing their results is reliable or whether the empirical findings presented actually are supported by their methodology. As a result, arguably through no fault of their own, there is much social science research that is lumped into the category of ethics that perhaps should not be there, as in the case of window dressing. Given that there is a real concern for ethical behavior by these business social scientists, if there were a systematic process that could determine when something counted as ‘ethical’ advice, it should then be considered a valuable resource for satisfying their categorical professional desires as business social scientists. And this is what I believe to be a unique resource (one of many) that philosophers can contribute.

### **Philosophers and Applied Ethics**

For my purposes, the relevant question is, “What are some plausible categorical professional desires of the philosopher who specializes in applied ethics?” However, conforming to philosophical tradition, it seems more appropriate to identify what *ought* (used loosely) to be their categorical professional desires. These desires will turn out to be somewhat

fundamental once identified, hopefully leaving very little room for disagreement. First, it would seem right to say that philosophers, regardless of specialty, want their ideas and research to be philosophically interesting and robust. “[Y]ou can demonstrate that a problem is of philosophical interest by showing that you would have to solve it in order to solve other philosophical problems” (Millgram, 2009). Second, if these philosophers are concerned with the practical world and how morality applies to it, then it also seems right to say that they should want their work to be relevant to practitioners, as Williams has pointed out (2005).[4]

The next logical step is to determine whether these desires should count as categorical professional desires for the business ethicist. In other words, would there be a reason for applied ethicists to continue with their research if it turned out that their work was not philosophically interesting, and if their work was inconsequential and irrelevant to the practical world? These questions are hard to answer without offending one group or another. The problem, however, is this. If it turns out that philosophers do consider these desires as categorical for continuing in the field of applied ethics, then showing that their work is, on the face of it, philosophically uninteresting and inconsequential to the practical world would leave them with no reason to continue in this field. But given that business ethicists are continuing in this philosophical specialty, it should mean at least one of three options; either they do not hold these desires to be categorical, they are conforming to their categorical professional desires already, or they do not recognize that their research is not conforming to their categorical professional desires. As previously stated, it seems difficult to believe that applied ethicists would be content with being philosophically uninteresting and inconsequential. It seems equally difficult to believe that applied ethicists would argue that these are not categorical professional desires. This leaves the question of whether some philosophers working on business ethics have neglected to verify if

their work satisfies these categorical professional desires. There have been discussions about the relevance of business ethics by prominent philosophers such as Robert Solomon, Richard De George, Ben Wempe, etc. And these discussions imply the existence of what I have identified as categorical professional desires. They want their work to *matter*. However, from my experience, attempts to criticize philosophical business ethics from within the field have been dismissed as uninformed and unpersuasive. Given my account of Williams, this reaction makes sense since understandably, some business ethicists in philosophy would be reluctant to consider their research as failing to be philosophically interesting and consequential, if these were indeed categorical professional desires.

For this particular paper, I am not at all interested in criticizing the work of and offending philosophers working in business ethics. It is not necessary to argue for whether these categorical professional desires are satisfied. Given that I am applying Williams' conception of categorical desires to a person's professional life, it is necessary only to identify what could be considered plausible and probable categorical professional desires of applied ethicists. I have identified at least two.

Using a Williams-style model to construct a business ethics that is partial to the categorical professional desires of both philosophers and business social scientists, I believe, can incorporate the unique aspects of business practice into theories of morality and ethical business behavior. Ultimately, the Williams-style model can produce business ethics research that provides various normative evaluations, by philosophers, of the empirical findings in the world of business provided by business social scientists. Business ethics research can then be both

practical/relevant and will have a legitimate foundation in ethics/morality which hopefully will begin to resolve the disconnect between the research of business social scientists and philosophers previously described. As stated previously, bioethicists have managed to adapt principles of morality into the inner workings of the medical profession incorporating the unique aspects of doctor/patient relationships and this has influenced how we think about and regulate this particular relationship.[5] For the remainder of this paper, I will be constructing a research agenda for philosophers and business social scientists that allows their work to satisfy their categorical professional desires thus producing advice, as Williams calls it, that can influence business practitioners and policies in an ethical direction.

### **A Williams-Style Model for Business Ethics**

For any model of business ethics that integrates the work of both philosophers and business social scientists, that model must acknowledge and respect the unique skill set each field brings to the table. Both academic fields have their own *internal* reasons for why they believe their contribution to business ethics is important, whether that contribution is normative or empirical in nature. According to Williams' account of reasons, these individual reasons are the only thing that will motivate them to act. That said, the Williams-style model I propose is framed by the three following assumptions. First, there needs to be an environment for both philosophers and business social scientists working in business ethics to satisfy their categorical professional desires. Second, business social scientists are closer in reach and influence to the target audience, namely business students and practitioners. And third, the vast empirical findings researched by business social scientists provide a realistic and reliable window into the business world and how it functions. From these assumptions, I draw the following conditions

needed to frame a procedural model which, I believe, will produce business ethics advice that can inform and influence business practice following the same path as bioethics.

Before presenting the conditions, it is important to mention that although some of these conditions will seem self-evident from within each field, these conditions are not self-evident from outside the given field. In other words, philosophers do not fully understand the gravity of empirical results, and business social scientists do not fully understand the gravity of normative results. Even further, each field does not seem to grasp the side-effects of such misunderstandings for the field of business ethics. If they did fully understand the significance of each other's research, it would seem that the disconnect between the two fields would not be so prevalent.

The goal is to anticipate scholars in each field from dismissing the other's contribution as inconsequential since it will take a cooperative effort to produce useful business ethics advice. As stated earlier, it will take the contributions of both philosophers and business social scientists to produce business ethics research that is both grounded in ethical theory and practical for the business world. First, since most philosophers are trained to produce analytic and normative arguments, utilizing this skill is the most reasonable and efficient way for philosophers to contribute to business ethics. There should be no expectation among business social scientists that philosophical contributions be empirical. This is not to say, however, that the focus of normative results should remain the same as they are currently, as I will explain later on. The second condition is that philosophical contributions, although normative in nature, must be consequential to the business social scientist, especially since the business social scientist has



much closer access to and influence on the target audience.[6] In other words there needs to be clear and substantial benefits for the business social scientist. One way to do this is to produce philosophical work that is *about* the empirical work of business social scientists. As I will attempt to show later on, this strategy will make much sense given that the empirical findings of business social scientists provide knowledge about implicit values and expectations among business practitioners working within in the business world. And if as philosophers, we are concerned with influencing business behavior, it seems to follow that we should be interested in these empirical findings. Finally, the last condition is that the work of philosophers in business ethics needs to provide an on-going research agenda aimed at clarifying and correcting previous research in addition to providing new theories and conceptions. Critical analysis is important in motivating continuous progress and to expose the next logical step in business ethics research.[7] Bioethicists are still arguing about what counts as autonomous decision making and whether or not it really is best for the patient (O'Neill, 2002). Kantian scholars are far from agreeing about how to interpret Kant's imperfect duties and Mill's conception of higher and lower pleasures are still the subject of much debate and confusion. Traditional moral philosophy is organized and situated so that it is, in a sense, self-policing and progressing accordingly on its own. Critical analysis of each other's work should be expected, sought after, and well-received by philosophers working in business ethics as well, producing theories and making claims that are more refined and accurate for the business world.

With these conditions in place, I will now explain a procedural model that will provide what I take to be the missing link between the normative work of philosophers and the empirical work of business social scientists in the field of business ethics. If I am right, the research of the two distinct academic fields can be connected gradually in a way that produces advice that is

practically relevant and influential to business practitioners who are concerned with making ethical decisions.

### **The Missing Link: Theories of Agency**

Legitimate evaluative claims cannot be made until philosophers have an explicit theory of who business practitioners *are* and expected to be. Just like in bioethics where the context mattered for understanding ethical behavior between doctors and patients, context should also matter for understanding what should count as ethical behavior for business practitioners in a competitive and sometimes hostile business environment. The environment of business activity includes many implicit norms and expectations that must be weeded out and explicated before any claims for how business practitioners *should* behave can be defended. This was also true of the doctor/patient relationship in that embedded within this relationship were unique conditions and situations that needed to be understood explicitly before any normative claims could be made about how doctors should treat patients.

In traditional moral philosophy, it is a long standing practice to characterize theories of theories of agency, that is, theories of how people *are*. If we look to traditional moral theories, we can see what philosophers have brought to the table. For instance, Kant has his rational agent (Kant, 1797), Utilitarians have their pleasure-seeking, pain-avoiding agents, Bernard Williams has his agent consisting of projects and categorical desires (Williams, 1983), Michael Bratman has his plan-making agent (Bratman, 1999), Adam Smith has his self-interested, yet sympathetic and compassionate agent (Smith, 1759), etc. Given a specific theory of agency, philosophers can engage in normative theorizing and evaluation about permissible behavior.

Only by explicitly characterizing the agent in question *first* can one explicitly identify when an agent becomes a faulty agent.

Because it is important to identify when an agent becomes a faulty agent, it is important to characterize theories of agency as accurately as possible. This identification is usually done systematically by way of logically valid and sound arguments providing the foundation to clear up ambiguous attributions of praise and blame. Traditional ethicists usually provide or assume an explicit theory of agency before they produce prescriptions for agent behavior. Given that the business ethicists is providing prescriptions for business agent behavior, it would seem to make sense that they would need to provide an explicit theory of *business* agency.

The empirical research of business social scientists describes the world of business, not how it *should* be but how it actually *is*. It seems reasonable, then, that philosophers should be able to consider the empirical findings of business social scientists as a realistic and reliable window into the norms and expectations of business practitioners. As a side effect, we should be able to flesh out the implicit norms and expectations within the business community, revealing the nature of business practitioners and how they are expected to behave. Only after a theory of business agency is explicitly defended and characterized will prescriptions for business practitioners make sense. What we want are prescriptions that are internalized since according to Williams, only internal reasons can motivate action and this means we need to understand the implicit values and norms that are embedded in business practice in order to provide reasons for actions that can be internalized by business practitioners.

I suggest to philosophers working in business ethics a new and supplemental task: from the empirical research of business social scientists, philosophers can characterize the decision maker or agent that is implicitly assumed or embedded within the empirical research. In other words, philosophers can identify the implicit characteristics of corporate decision makers portrayed in the empirical research of business social scientists. Philosophers working on business ethics can establish and argue for theories of who the business practitioners and managers *are* or, more accurately, how they are expected to be. From within these characterizations philosophers can then argue for various positions including whether given characterizations are justified (since various interpretations can be argued for), what rules and regulations ought to be in place, how traditional moral theories can be applied effectively, which conditions ought to be in place for the agent to be motivated to perform ethically, how different stakeholder relationships should be handled, etc.

Benefits of characterizing implicit theories of agency can be had by business social scientists as well since it provides a way to check the ethical integrity of their work. After all, business social scientists working in business ethics are concerned with ethical behavior and so it seems fair to say that they would be interested in how they have implicitly portrayed the values and expectations of managers. If the explicated theory of agency they have implied in their research matches the one they intended, they now have the justification that they are on the right track. If it does not match the intended theory of agency, they now have the motivation to adjust their future research.

### **An Abstract Example**

Philosophers using inductive reasoning to explicate theories of agency from empirical observations provided by business social scientists turns out to be a daunting and tedious academic task. But this type of reasoning has been offered and popularized by other mediums. The 2005 documentary titled *The Corporation* advances a *prima facie* convincing argument that the behavior of modern day corporations resembles the behavior that we categorize typically and clinically as the behavior of psychopaths (Chang, 2008). The documentary filmmakers compiled empirical observations of corporate behavior and then explicated a theory of corporate agency from the data they collected. Then they compared their theory of corporate agency to a clinical DSM IV theory of individual agency. From this comparison, the filmmakers were able to show the similarities between their theory of corporate agency to a faulty psychopathic individual agent, thus making the corporation, if considered an agent, a psychopath as well. From this conclusion, several claims can be made regarding the moral permissibility of corporate behavior. *The Corporation*, although from a different medium, can serve as a quick conceptual analogy for understanding what I have proposed for business ethics.

That said, to demonstrate how explicating theories of agency would begin, I will use a select group of management literature which focuses on the topic of whistleblowing. There is a distinct group of management articles within whistleblowing more generally that is concerned mainly with how managers can influence the decision to blow the whistle given that there already is a presupposition of wrong-doing.[8] For the sake of example, I will be referring to the following articles:

- Gundlach, M. J., S. C. Douglas, and M. J. Martinko (2003). A decision to blow the whistle: A social information processing framework. *Academy of Management Review* 28(1), 107-123.

- Rehg, M. T., M. P. Miceli, J. P. Near, and J. R. V. Scotter (2001). Individual differences and whistle-blowing. In *Academy of Management Proceedings*.
- Rehg, M. T., M. P. Miceli, J. P. Near, and J. R. V. Scotter (2004). Predicting retaliation against whistle-blowers: Outcomes of power relationships with organizations. In *Academy of Management Best Conference Paper, Social Issues in Management Division*.

The first step is to weed out implicit values from the selected literature: Suppose I can provide analytic arguments showing that from observations of agent behavior in the selected literature, the following beliefs are implicitly assumed: Owners expect their employees to be loyal, truth-telling is expected in some situations but not all situations, truth-telling in the form of whistleblowing causes significant amounts of harm to the corporation, and whistleblowers fail to meet their employers expectations. Given that I can justify my claim that these beliefs are implicitly assumed in the selected literature, it seems reasonable to claim that this grouping of whistleblowing literature in management has as an aim to aid managers in finding ways to increase the loyalty of employees or, at the very least, minimize managerial behavior that negatively affects employee loyalty. It may then be concluded that the authors of this select group of management literature have implicitly accepted an empirical characterization of the corporate decision maker as one who prioritizes loyalty to their company over truth telling, at least in some cases. Even further, an argument could be made that the authors perpetuate a conception of corporate decision makers who value loyalty over truth-telling and the avoidance of harm to the public.[9]

The second step is to explicate a theory of agency from the implicit values: From the implicit values just mentioned, the next logical step is to identify an implicit theory of agency.

In other words, the philosophical task is to explicate the implicit theory of how corporate decision makers *are*, so that these values make sense coming from *them*. The following is only none of many possible characterizations of the corporate decision maker given the values mentioned above:

Theory of Agency A: Managers are expected to make decisions by using a cost-benefit analysis. They are expected to work under the belief that they are dispensable and easily replaceable. Managers understand that they can be evaluated at any time which means their actions and decision making must (at least) appear transparent. Managers understand that their decisions represent the decisions of their employer. It is important to satisfy owner interests even if they sometimes do not overlap with individual interests. Owners have the power and are expected to influence the managers. Managers have the power and are expected to influence the actions of their subordinates.

It seems that given this particular theory of agency, it makes sense that whistleblowing is considered mainly as a hostile act of disloyalty, even if blowing the whistle prevents harm to the public. Consequently, it seems quite reasonable that managers are expected to find ways to minimize instances of whistleblowing, however, not for reasons that ethicists tend to give such as preventing harm to the public. Rather, from this particular characterization, the actual reason (i.e. internal reason) would be something like preventing harm to the company or preventing harm to oneself (in the form of getting reprimanded or fired).

So far my procedure has made explicit one possible theory of agency from the selected group of whistleblowing literature. I say 'possible' only because other theories of agency could be argued for as well by other philosophers, in which case, the arguments and debates can begin as to which theory of agency is more accurate according to the selected literature.[10] For the sake of the example, let us now suppose that the above mentioned theory of agency is an acceptable interpretation of the business agent implied by the authors of the selected whistleblowing literature. These particular business social scientists can now compare and

contrast the provided characterization of the decision maker, explicated from their own empirical findings by philosophers, to the model of which they actually intended to portray.

There are at least two possible outcomes. The business agent implicitly assumed is one who either has or does not have the sufficient values and character needed to recognize, adhere to, and make ethical decisions. Given these outcomes, the business social scientist can use these evaluations to direct their own future research. That is, if it turns out that they thought they were assuming a business agent with the capacity to make ethical decisions but ended up assuming a business agent without that capacity, they can now choose to redirect the focus of their future research, perhaps from the value of employee loyalty to the value of managerial accountability, in which case, the following could be an alternative theory of agency:

**Theory of Agency B:** Managers are members of society. Managers are those who are in positions that can affect the lives of others including their own. As members of society, managers are sympathetic to how their decisions can affect society. Managers have degrees of autonomous decision making power. Managers are morally responsible for their actions. Managers have individual and personal interests and values. Managers want an employer that respects their concerns.

It should be made clear that the subject of whistleblowing can be discussed from the perspective of theory B as well, in which case prioritizing the value of transparency would make sense given the assumed characteristics of the agent in theory B. This is in contrast to the assumed agent in theory A where it makes sense to prioritize loyalty as I have already stated. A further argument could be made that the business social scientists *should* assume theory of agency 'B' rather than theory 'A' if they really believe in the value of ethical decision making.

On the other hand, if it turns out that the authors of this select group of whistle blowing literature are already portraying the business agent as one who has the values and character



needed to recognize, adhere to, and make ethical decisions, they now have explicit verification, by philosophers, that they are on the right track; that their original intentions and goals are satisfied.

**Possible Objection: We already have a theory of economic agency**

I anticipate at least one possible objection against what I have proposed as a task for philosophers working in business ethics, that being, explicitly characterizing theories of agency implicitly assumed in the empirical research of business social scientists. It is not as if philosophers do not already have a characterization of corporate decision makers. Moore presents an interpretation of MacIntyre's view of how business practitioners *are* in his article "Re-imagining the Morality of Management: A Modern Virtue Ethics Approach" (Moore, 2008). Other philosophers such as Goodpaster, Donaldson, Freeman, De George, and others working business ethics have a theory of how business practitioners *are* as well. It seems that we already know who we are talking about, so why bother with the tedious philosophical task of establishing theories of agency to show what we already know?

My response is this. The commonly advanced and accepted theory of business agency is the economic view of the self-interested agent. However, the economic self-interested agent is far too general and simplistic a characterization of agency to be applied to the complicated and often morally ambiguous context of business activity. The general claim that humans are self-interested beings does not provide enough depth to explain certain actions and it does not provide enough information about humans to determine what decisions ought to be made in specific situations. To think that the self-interested economic agent is all we need to understand business activity is to trivialize the complexity and significance of how context can affect what

business behavior ought to be permitted. And this type of trivialization is a product of the original problem, namely that there is a disconnect between the philosophers and business social scientists working in the field of academic business ethics.

In “Politics and Moral Character,” Williams took seriously the influence of environmental pressures and attempted to answer the question of who it is we want in political offices given these pressures (1983). In other words, the context of politics *matters* in determining the appropriate character best suited to be a politician of whom we would approve. The same question should be asked of whom it is we would prefer to populate the business world given the unique pressures of the business environment. Identifying the norms and expectations embedded in the business world would help us determine which character traits would be best suited for the sometimes morally questionable demands involved in business activity. And given that we have access to empirical literature that can deepen and strengthen our understanding of the norms and expectations of business practitioners, it seems that it would be a mistake not to do so.

## **Conclusion**

I have provided only an abstract example of how the empirical work of business social scientists can be of interest to philosophers working on business ethics and how theories of agency provided by philosophers can inform the work of business social scientists. This strategy, I believe, results in a Williams-style model for business ethics for several reasons. Since the contributions of both philosophers and business social scientists are incorporated into business ethics, research in this area will be more complete than it is currently. And this means that business ethics research will have the potential to be good advice for practitioners, as

Williams believes it should be. This is because business ethics research or advice would be generated from within the implicit values and expected norms of business practitioners making the advice internally reasonable to business practitioners, as Williams claims reasons needs to be. Even further, given the potential to be good advice, the field of business ethics will have the potential to be influential and successful in the way bioethics has shown to be. The success of business ethics, then, will have satisfied what I have pointed out as the categorical professional desires of both philosophers and business social scientists working in business ethics. According to Williams, the categorical desires of an individual are what propel that individual forward in life. The satisfaction of one's categorical desires makes one's life worth living. If Williams is right about categorical desires, and if I am right about categorical *professional* desires, it would seem to follow that satisfying the categorical professional desires of philosophers and business social scientists working in business ethics would also propel them forward in their profession, thus making their research worthwhile not only to their academic field but to themselves as well.[11]

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### **Notes**

1. It is important to note that Williams does mention that categorical desires can change and be replaced. However, it seems reasonable to believe that this will not always be the case so one could be left feeling as if one might as well stop living.
2. Philippa Foot has a similar point in her paper "A System of Hypothetical Imperatives." "He is forced to do something he is not motivated to do" (1972).
3. It is important to note that the term 'knowledge' is perceived of differently by philosophers and social scientists. For the former, a justified true belief is a common way to refer to knowledge. Consequently, for an epistemologist, getting to what counts as knowledge is a large task consisting of whittling away at beliefs about the world until

they can be considered a justified true belief. For the latter, knowledge is empirical observations about the world that contributes to our body of evidence and beliefs. Social scientists usually view knowledge as something to be added to generating a large body of evidence for beliefs about the world.

4. Notice that this preference would be specific to the applied ethicist in philosophy versus a metaphysician or even a traditional moral philosopher. Although I would not be surprised if even a moral philosopher had a categorical professional desire that his or her work be relevant to the individual. This seems right since so much of traditional moral philosophy uses real life examples to generate intuitions to defend their theoretical points.
5. Chandran Kukathas, a political philosopher, begins to offer but does not expand on a similar idea in *Political Question: 5 Questions on Political Philosophy* (2006). Although Kukathas is talking mainly about political philosophers rather than applied ethicists, I believe the similarities warrant an analogy. “If we need a model of political philosophical knowledge, I would suggest that the political philosopher is a kind of [*tour guide*]” (2006). Kukathas argues that in politics the concern is motivating action and that in political philosophy the concern is with the virtue of coherence (2006). It then seems legitimate for political philosophers to consider as a plausible research avenue the coherence of how politics motivates action. Adopting this option would put political philosophers in a position to serve as a ‘guide’ for the concerns of politics. Analogously for business ethics, a plausible research avenue could be the coherence of how social science motivates business decisions.
6. It has been mentioned by Cynthia Lengnick-Hall that in this argument, I make the assumption that the close contact business professors have with business students leads to the act of influencing these students. The complaint is that just because business professors have direct contact with practitioners, it does not mean that they are actually influencing them. It is true that I take it as the business professors’ task to influence their students. I believe this is a fair assumption to make and if I am wrong there would seem to be a problem. However, not my problem. I believe it would be quite insulting to business professors if I did not assume their close proximity had an effect on their students.
7. This condition is patterned after the practices in theoretical ethics.
8. It is important to note that the specific selection of business literature is insignificant. The task I propose can be done with any group of selected social science literature.
9. I say this argument *could* be made because alternative arguments could lead to different conclusions.
10. Recall that this is the standard procedure in traditional moral philosophy. Only those moral evaluations that assume a relevant theory of agency are taken seriously.
11. For those philosophers who are researching only to publish and correspond with other philosophers, it seems that I have introduced a moot point since I have mistakenly attributed categorical professional desires they do not have. However, the field of applied ethics has at least one point of difference from other areas in philosophy; it is burdened with the expectation to be useful and practical to non-academics. Williams was very aware of this expectation and I have drawn greatly upon his insight.



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