

"... and He Hewed a Mighty Stone"

Kenneth Goodpaster, *Conscience and Corporate Culture* (Oxford: Blackwell, 2007)

A Commentary by William C. Frederick, April 2007

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During the last half century, American business ethicists have laid down the conceptual foundations of inquiry into the normative practices of large business corporations. The major theoretical contributions include, in more-or-less chronological order, Norman Bowie's Kantian capitalism, Robert Solomon's Aristotelian virtues, R. Edward Freeman's stakeholder claims, Thomas Donaldson's and Thomas Dunfee's integrated social contracts, and Sandra Rosenthal's and Rogene Buchholz's pragmatism. Interestingly, all authors are formally prepared philosophers except for Dunfee's legal grounding and Buchholz's managerially oriented education. As philosophers, they have created the primary analytic frameworks used to judge the practices of corporate executives, drawing heavily on the long history of Western philosophic thought.^[1]

^[1] This is not to overlook or slight the work of countless other business ethicists, or yet other scholars in the social, organizational, and natural sciences who study Corporate Social Responsibility from a managerial perspective, taking a rather more practical, workplace contextual point of view. Of the Big Five above, Freeman and Donaldson-Dunfee overlap with the more activist CSR approaches.

Now comes Kenneth Goodpaster, yet another philosopher, whose *Conscience and Corporate Culture* adds a distinctive foundation stone to the continued quest for social justice, human rights, and virtuous behavior within the corporate workplace. And it's about time, for the field has been theoretically adrift just as global dynamics threaten to rip asunder the Western-rooted stream of business ethics theorizing and advocacy. Goodpaster's case for making conscience the center piece of business decision making may well anchor normative inquiry where it needs to be—at the core of corporate consciousness and action—wherever it may occur around the globe.

Holding a doctorate in philosophy from the University of Michigan, Goodpaster served 10 years on the Harvard Business School faculty before accepting an endowed professorship at the University of St. Thomas in Minnesota. One of the lessons left over from his HBS case-teaching years was that you can't expect to influence business practitioners from afar—or as many

of his business-ethics philosopher companions try to do, by simply throwing abstract philosophical ideas at them. They are too smart, too busy, too practical-minded, too pressured to put up with what Plato, Socrates, Aristotle, and Other Ancients might have opined in their day. Oh, they'll listen for a while—but then, it's back to their cell phones and Blackberrys to see how the market is treating their stock today.

It is that hard-driving—and driven—executive psyche that causes all the trouble. Goodpaster calls it “teleopathy”—a “mindset,” a “condition,” a “syndrome,” indeed a “disease”—of intense ambition, focused dedication, and “a singleness of purpose” afflicting individuals as well as organizations, when broader moral considerations are left out of decision making. His examples of teleopathy in action include NASA'S Challenger launch decision, the Columbia space shuttle reentry disaster, Wall Street's Martin Siegel/Ivan Boesky duo, and Enron CFO Andrew Fastow's criminal overreaching. The main symptoms: fixation on goals, rationalization of means, and emotional/moral detachment from potential results.

As a remedy, Goodpaster proposes to develop and embed an offsetting mindset—a moral conscience—in managers and their corporate cultures. Its presence, he believes, will enable ethical awareness by encouraging reflectiveness rather than unthinking activism, humility rather than unrestrained ambition, anticipation of possible ethical entropy under changed market conditions, and community connectedness and service.

To anchor conscience firmly within the workplace, Goodpaster draws on both his earlier HBS case-study orientation and his subsequent consultancy experiences with the practical side of business decision making. Using many cases demonstrating success as well as failure, he proposes a three-stage process to instill an ethical conscience in company and executive: “Orienting” company and employees to the desired ethical value sets; “Institutionalizing” these principles into everyday routines, practices, and policies; and “Sustaining” corporate conscience by achieving a consistent fit between the values of employees, the company's economic function, and community needs.

In achieving corporate moral standing, only conscience—not market restraints, nor the rule of law (public policy, government regulation) by themselves—will tame business's teleopathological tendencies. Civil society NGO actions apparently don't count for much either, for they are scarcely mentioned. Nor is much value assigned to stakeholder pressures as the instrument to bring bad corporate actors into line (Goodpaster has long been

skeptical of stakeholder theory, famously referring to it as a “paradox”). For him, the solution lies *inside*, not outside, the corporation.

Are there tools for inculcating conscientious attitudes and behaviors? Yes, he offers an extensive toolkit: an integrity measurement survey to gauge ethical climate and employee attitudes, a self-assessment and improvement questionnaire to help board members and top executives build an operational conscience into policy and strategy; and he advocates company retreats, logos symbolizing ethical commitment, ceremonies and celebrations acknowledging employees’ conscientious behavior, and ethics seminars for all company personnel.

Then, to nail things down, Goodpaster identifies three buttressing “academies”—business schools, executive development programs, and global associations of business leaders (his favorite is the Caux Round Table)—to reinforce the corporate moral agenda.

Getting from here to there is a shared dilemma of all such foundationalist proposals. None of Goodpaster’s predecessors has explained just *how* their proposed schemas are to be realized. Erecting a scaffolding of behavior and decision making on those foundation stones is what ethical inquiry is all about—or should be, if it is to be useful to business practitioners. Goodpaster’s approach—his foundation stone of conscience—carries more architectural promise than his predecessors for one simple reason. In true HBS style, he is closer to the action-on-the-ground, and he puts practical tools in the hands of business executives, demonstrating their workability in real companies. For a philosopher, that’s quite an admirable feat, rarely achieved.

As Goodpaster works toward completion of a superstructure of corporate conscience, he may hear kibitzers from time to time. Among their concerns will be the pitfalls of a *faux* conscience that fails to protect human rights—tobacco companies like Philip Morris that sell a deadly product while “conscientiously” supporting various “good causes”—or others like well-respected Abbott Laboratories that uses patent powers to bully Thailand into accepting its high-priced medicines or going without them. And one should not overlook an increasingly competitive global economy, where companies—U. S. auto makers being a current example—operate under intense market pressures that dominate strategy and put at risk any good intentions based in conscience alone. A more generous appeal to conscience than one centered in Christian theology, as this one is, could perhaps gain more purchase among peoples and businesses where other religious orientations guide behavior and thought. The same could be said when religious doctrine of any brand is seen

by skeptics as irrelevant and inappropriate in the workplace or indeed risks contradicting the very meaning of freely expressed individual conscience. It might be worthwhile also to expand the search for corporate teleopathy's sources by probing for its deep genomic roots expressed as an unchecked drive for power and domination, thus relying less on the *faux* science of currently-popular "intelligent design" advocacy. Cognitive neuroscience research reveals the genomic presence of countervailing altruistic impulses that embed a sense of conscience closely akin to Goodpaster's central goal.

Building a house of philosophic inquiry roomy enough to accommodate the many vexing problems and issues arising from business behavior takes many hands and diverse skills, as the earlier Big Five conceptual theorists have shown us. We can make that the Big Six now, as Goodpaster's foundation stone of corporate conscience is cemented firmly in place.

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