

THE BUSINESS ARENA by Geoffrey Klempner

Plato's Philosopher in the *Republic* escapes the Cave of illusions, to experience the brilliant Sun, the Good, the Ultimate Reality, but then goes back to the cave to rescue the other poor souls who got left behind.

Then he does what? — teach them metaphysics? are you kidding??

That was not why Socrates went to the market place, why he sought to engage anyone and everyone in dialogue, challenging their prejudices and forcing them to *think* about their lives.

The Philosopher teaches the physician to be a *good* physician, the statesman to be a *good* statesman, the stonemason to be a *good* stonemason, the motorcycle mechanic to be a *good* motorcycle mechanic... the businessman to be a *good* business man.

Glass House Philosopher Notebook II, page 5

The phrase 'business arena' might seem a rather quaint metaphor, the sort of thing you would expect to see in *Time* magazine in the 50's or 60's. Why is that? Today, there is no business arena. Business encompasses the world. The world *is* the business world. I see this as a retrograde step. It also makes it harder to understand and appreciate the true nature of business, which I take to be the central task of a philosophy for business.

The title of this paper was originally going to be, 'What They Didn't Teach Me At Oxford University' in homage to Mark McCormack's *What They Don't Teach You At Harvard Business School* — which comes a close second to Robert Pirsig's *Zen and the Art of Motorcycle Maintenance* in the list of books that have changed my life.

I mentioned to a couple of business people that I had read Mark McCormack's book. The book was a bit dated, they told me. Things have moved on since the 70's, when McCormack founded his sports marketing and management empire. Cultivating personal relationships is less important today. The predominant climate is far more 'macho'. The 'money men' are taking over.

As a philosopher, this image of super-toughness is instantly recognizable to me as *ideology* — as a false self-image which holds us captive. However, it is a waste of words telling that to those who are in the grip of that ideology. Instead, I shall simply present an alternative view.

In Mark McCormack's world, success in business is about 'getting an edge' — using psychology to understand more about the person you're dealing with than they understand about you, projecting an effective 'image' of yourself to the outside world, catching the other off guard with the unexpected word or action.

Much of what I say and do in business, from a self-effacing comment to an intentionally provocative one, is designed to give me a slight psychological

edge over others, or to help me get the most out of others... that is exactly what this book can teach you — how to read people, how to influence their reading of you, and how to apply or customize both to any likely business situation... Based on my own experiences and observations I have recommended many specific techniques which can be directly applied with immediate and tangible results.

What They Don't Teach You At Harvard Business School p. 11

Throughout the book, every observation, every piece of advice is illustrated by an actual incident from McCormack's business experience. The examples have the ring of truth. They would pass muster with any professional psychologist. What's more, McCormack speaks with authority as someone who has been there and done it all, not merely observed from a safe distance.

Whether it is a matter of closing a deal or asking for a raise, of motivating a salesforce of 5000 or negotiating one-to-one, of buying a new company or turning around an old one, business situations almost always come down to people situations. And it is those executives with a finely tuned people sense, and an awareness of how to apply it, who invariably take the edge. (ibid.)

You might think that this is all in the grand tradition of Dale Carnegie *How to Win Friends and Influence People*. But that is only half true. This book is about how to maximize your *influence* as a business person. In business, one makes friends for a purpose, with an end in view. With ruthless consistency, McCormack avoids any discussion of why anyone should *seek* friendship for its own sake.

He's right, of course. In a book of advice to would-be business men and women, the question of the intrinsic value of friendship would be a total irrelevance. — We are only concerned with success *in business*.

As a philosopher looking at objectively at business, I want to know *how this can be possible*. How can it be legitimate — I believe that it is legitimate, and legitimate in a deep and interesting sense, otherwise I would not be asking the question — to conduct oneself in this way? By 'legitimate', I mean 'right', 'decent', 'ethical', whatever your favourite word for of moral approval.

Not long before I came across McCormack's book, I had written:

When the young Marx in his 1844 *Manuscripts* railed against the evils of money and the reduction of all forms of value to exchange value, he not only attacked theories of capitalist economics that equated rationality with the pursuit of narrow self-interest, theories in which each agent ruthlessly pursued his own gain in driving the hardest bargain for goods or labour. He also went further in exposing the ideology of capitalist 'morality', whose main aim was to ensure that the processes of exchange were governed by rules of fair play, ignoring the huge inequalities of power between the negotiating parties. The ethic of charity, or giving something back to the needy — something we can 'afford', depending on our circumstances — was itself fatally polluted in Marx's view by its implication in a system whose worse effects it sought to ameliorate.

The Ethics of Dialogue (1998)

From the same article, here is how I contrast *moral dialogue* with a business negotiation:

When I engage another person in moral dialogue, there are not two parallel processes of practical deliberation going on, his and mine, but only one. (Contrast this with the case of a 'dialogue' between politicians or traders, where each is privately deliberating how to gain the upper hand.) In opening myself up and addressing the other as a *thou* I am already committed to the practical consequences of agreement, of doing the action which, by the combined light of his valuational perspective and mine is seen as the *thing to be done*.

(*ibid.*)

What do the words 'ethics', 'morality' mean? My view is that ethics is about moral dialogue, the *I and thou* relationship. In the ethics of dialogue, our obligation towards others is unlimited, an obligation that goes far beyond what is theirs 'by right'. This is not a very popular view, especially in the bastion of capitalism, the United States. Here, I am not seeking to defend my view, but merely to create the conceptual framework which will allow such a demanding view of ethics to be considered as *possibly true*.

Books and articles on business ethics are full of advice about treating customers, colleagues, employees fairly, being honest, being responsible. In the eyes of the cynic, all that advice can be recast as advice for keeping up good business relations and a clean public image. The ultimate appeal is to the bottom line. *I and thou* doesn't come into it.

How can you tell when you're dealing with a question of ethics, rather than merely a question of selfish self-interest? In the *Republic* Plato sets the problem of justice as a question of what we would do if we were granted a magical power of invisibility — the Ring of Gyges. (There was a film on this theme recently, *The Hollow Man*.) Just think what a businessman could accomplish armed with such a power *plus* a book of business ethics to remind him how to behave when the power was temporarily switched off!

Here is an alternative, less cynical interpretation.

The rich canvas of human life encompasses many possibilities. Each of us plays a multitude of roles. What philosophers writing in business ethics have failed to grasp is that in *some* of these roles — and this list is very specific, very constrained — something strange happens. Ethics appears to be suspended. We are no longer required to consider the interests of others *in the way we are required to do* outside those roles.

Or perhaps they see it, but they fail to grasp its 'strangeness', fail to appreciate the paradoxical, almost self-contradictory way in which human beings have contrived to switch seemingly effortlessly from one role to another.

One example is sport. (It does not seem to me to be accidental that Mark McCormack made his fortune in sports management and marketing.) The boxer in the ring has

one objective: to win. Not at any price. If as a result of sloppy refereeing, a fight is not stopped and you are presented with the opportunity to kill your opponent, the responsible fighter does the minimum required to win, not the maximum. Unless you are a merciless sadist, you don't actively seek to inflict permanent brain damage. But suppose that your opponent needs to win much more than you do. Perhaps it's his last fight, or he has a large gambling debt to pay off. It wouldn't be an act of moral compassion. It would be a betrayal of the sport to allow your opponent to beat you. More than that. It would be an out-and-out *absurdity*.

I have chosen boxing because of the pungency of the metaphor of the boxing *ring*. It is not an accident that sport takes place in an *arena*. The architecture of the boxing ring or the sporting arena is not merely utilitarian, but is symbolic of the frame which we choose to place around this area of human endeavour. Sport would not be sport, were it not for that frame.

Sport was an invention, like the wheel. It is possible that there is a planet somewhere whose inhabitants have never competed in athletics, or a game, or a martial art. It seems to me far *less* likely that in our future interstellar travels we shall ever find a planet where *trade* or *quid pro quo* had not been invented. The very first act of deliberate trade created the frame within which business activity takes place.

It would be possible — and this was the young Marx's vision of a communist society where everyone lives by the rule of brotherly and sisterly love, just as Christ preached — to abolish business, trade and money altogether. Just because an activity is natural, inevitable does not mean that human cultural creativity and ingenuity cannot find a way to eliminate it. Should we wish to? To me, that's a meaningless question. Because (contrary to what the older Marx of *Capital* thought and generations of Socialist governments have taken on trust) we have not the slightest clue how that end state would be achieved. We have no conception of the price that would have to be paid in permanently altering human culture and behaviour in order to reach that idyllic end state.

Just as there are certain moral virtues which we readily recognize as the virtues of the *good boxer* so there are moral virtues which we associate with the *good businessman*. In both cases, I am using the adjective 'good' in the attributive sense. I don't just mean 'good and a boxer' or 'good and a businessman'. I mean good *as a boxer*, or *as a businessman*.

In the business arena, we are the players and also the audience, continually monitoring one another's performance. The object of the exercise is more than its stated aim, more than just making a successful deal or winning a contract. One cares about how the deal is done, or how the contract is won. It is a matter of pride. Of course, I am not saying that there are not those who take pride in being underhand, ruthless, cold-hearted, merciless. The gangster world has some features in common with the business world. Perhaps this is the dangerous direction in which the 'macho' business culture is heading.

In his article, 'A Brief on Business Ethics' ([Philosophy for Business Issue 1](#), 2nd November 2003) Tibor Machan argues the case that the good which commerce strives to fulfil 'is the virtue of prudence, which requires of us all to take reasonably good care of ourselves in life.' This seems to me a rather narrow and instrumentalist view. The business arena provides the opportunity to practice all the Aristotelian virtues —

including temperance, justice, courage and magnanimity.

My point, however, is that *this is not ethics*.

The gap between the practice of the Aristotelian virtues and ethics in the full sense is explicitly recognized in Christian teaching, with its emphasis on the virtues faith, hope and love.

Ethics, as I understand it, is based on the *I and thou* relationship, on unlimited obligation and unconditional love and respect for the other. This tension cannot be resolved by attempting to cobble together a 'business ethics' in the accepted sense of this term. There can be no compromise between unconditional obligation and the limited obligations that hold between players in the business arena.

That hasn't stopped philosophers from trying anyway. The only result that can be achieved by adopting this muddle-headed strategy is an ethics which is too demanding for the business arena, and insufficiently demanding outside that arena. While those who have seen clearly that compromise is impossible have either gone the hopeless way of Karl Marx — or, at the opposite extreme, Ayn Rand.

I therefore put forward the following as a *prolegomenon* to a philosophy for business:

Business and commerce take place in a frame, an arena defined by unwritten rules.

Within the business arena, *normal* ethics is suspended.

The aim of a philosophy for business is to understand the rules that define the business arena, in other words, to grasp from an ethical perspective *how business is possible*.

It is important in philosophy to be aware when you have a *theory*, and when you haven't yet got a theory, but have merely succeeded in formulating a *question*. That is all I am claiming here.

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