"You Really Should Get To Know Tim Fort"

Timothy L. Fort, *Business, Integrity, and Peace: Beyond Geopolitical and Disciplinary Boundaries*
(New York: Cambridge University Press, 2007)

A Review by William C. Frederick, June 2008

Honestly, you should. Fort's ideas are original, bold, daring, provocative, challenging ---
yet well grounded in theory, concept, research, and philosophy. He brings to his task an
academic background in theology (PhD in theology from Northwestern University), law
(*Juris Doctor* also from Northwestern) including a stint as a practicing lawyer in his
father's law firm, Master's degree from Notre Dame University, and extensive postdoctoral
self-studies in cultural anthropology, natural law, and evolutionary psychology. Presently
the Lindner-Gambal Professor of Business Ethics at George Washington University and
adjunct law professor at GWU's law school, he previously served on the business school
faculty at the University of Michigan for several years.

From his impressive interdisciplinary background, Tim Fort invites you to explore new
pathways, take unexpected turns along the way, dare to step into what some may consider
forbidden theological/philosophic territory, and even urges you to accept that business
firms—including those big bureaucratic corporations directed on occasion by ego-driven,
power-aggrandizing executive maniacs (think Enron, WorldCom, Bear Stearns et al.)—can
be major players in securing a peaceful world. That sounds like a real stretch, all right, but
that's Fort's goal.

So, what's his argument? Here it is in a nutshell, which does not do justice to the
sophistication and comprehensiveness of the full statement.

- Socially acceptable business behavior rests upon a sense of trust between firm and
  society.
- Three different modes of establishing and securing this kind of reciprocal trust are
  what he calls Hard Trust, Real Trust, and Good Trust.
- **Hard Trust** is government regulation through well-known laws and principles such
  as fiduciary duties of loyalty and care; Federal Sentencing Guidelines for legal
  compliance; Sarbanes-Oxley rules regarding executive responsibilities and financial
  reports; corporate governance safeguards such as codes of conduct, whistleblower
  protections, independent audit committees; and regulatory agencies and rules to
  protect consumers, employees, environment, market competition, workplace safety,
  etc. This "whip of the law" is a needed check on "our natural heritage of power-
  seeking behavior. Hard Trust assures public confidence by checking [business]
  power" and its abusive use. Accountability for obeying the law is the prime virtue
  of Hard Trust.
- **Real Trust** is a blend of familiar CSR concepts: social capital, stakeholder rights,
  workplace justice, corporate citizenship duties, ethical organization climates—all of
  these built on a philosophic platform of Kantian rights, Rawlsian justice, utilitarian

practicality, and natural law. Real Trust occurs when for-profit companies consciously create and sustain a culture that values moral integrity. "Real Trust is about how moral values make business sense." The prime virtues here are honesty, promise-keeping, fairness, respect, and decency. The payoff is a kind of harmony and mutual benefit for both business and society.

- **Good Trust** is a significant step beyond both Hard Trust and Real Trust. Good Trust is all about a personal search for moral excellence and spiritual identity, whether pursued through religion, driven by innate nature-based tendencies, or manifested in secular non-theistic ways. It involves "a quest for transcendence that transforms our sense of self-interest"—going beyond the possibilities offered by Hard Trust's legal rules for good behavior and Real Trust's reliance on organization-inspired moral rules. A corporation that organizes itself as sets of small-scale units—called "mediating institutions"—enables employees to find and secure a sense of their own moral identity and meaningfulness within the firm, their communities, and the broader cosmos. Under these conditions, "Good Trust is then about the aesthetic/spiritual quests for moral excellence" pursued in and through workplace life.

Now, put these three forms of trust together—legal, managerial/organizational, and aesthetic/spiritual—and you have Fort's master concept—**Total Integrity Management (TIM)**—on which he builds his case that business can contribute to Peace Through Commerce. For Fort, "peace" means nonviolence (whatever form it may take), not simply the absence of armed conflict or its imminent or constant threat (as currently in Myanmar, Afghanistan, Iraq, and Israel-Palestine). Therefore, any and all business operations that lead to nonviolent outcomes may be considered a contribution to "peace". This is not quite a matter of simply defining the potential problem away, because business's peace-building actions do not happen as a matter of course but must be crafted by consciously and deliberately integrating the elements of Hard Trust (law), Real Trust (organizational ethics), and Good Trust (a quest for moral excellence) *as goals of corporate policy and practice*. This can be done by in three specific ways: contributing to general economic development that generates jobs, training, and equitable pay; avoiding corruption by respecting the rule of law; and community building—externally through corporate citizenship and internally through small-scale mediating units where moral identity and excellence are cultivated. Fort maintains that business contributes to peace *just by doing what it has always done in these socially responsible and ethical ways*.

Well, just how much of this argument should one accept? It *sounds* good, to be sure. The idea of business being a peace maker is appealing—and quite a departure from the usual way of thinking about business as a war profiteer. Is this just a concealed social dividend that has been overlooked by business-and-society scholarship? Let's look at some of the questions that Fort and others of this persuasion would have to wrestle with.

· Can't Hard Trust be overwhelmed, or greatly shaped in business's favor, by well-financed lobbying, business-friendly regulators (and regulatory law itself), conservative rightwing (and/or liberal leftwing) court rulings, pro-business political victories, and explicit legislation (e.g., tax-payer subsidies) in support of business actions and policies?

Isn't public policy itself sometimes "captured" by the very business interests it is intended to protect the public against? Can Hard Trust really be fully trusted?

·   Can't Real Trust be undermined, less by anti-social corporate intention than by the sheer complexity of building a central ethics component into corporate culture? Codes, mission statements, visionary goals—even when sincerely generated—are not easily crafted nor enforced. Ethics Compliance Officers characteristically emphasize legal compliance over ethics. Ethics hotlines may go unused for fear of retaliation through job loss. Whistle-blowers—a rare breed—may pay heavy penalties imposed by corporate authority or even by co-workers (as happened at Enron) or spend years in costly and ultimately fruitless court proceedings. Is Real Trust really real?

·   Can't Good Trust—the individual employee's and manager's quest for transcendent spiritual meaning—risk injecting religious controversy into workplace relations? Does moral excellence mean the same thing to everyone? Do the demographics of a company's workforce alone suggest a complexity of values beyond easy, or even desirable, resolution? Even more basically, does an on-the-job spiritual quest risk diverting business professionals from their customary (some would say primary) task of producing and marketing goods and services? Are workers to be spiritual—or just pragmatically spirited? Is Good Trust too much of a good thing?

·   Doesn't the continued presence of the military-industrial complex—famously noted by President (and former WWII General) Dwight Eisenhower, and spurred on through decades of Cold War tensions—generate and encourage immensely lucrative corporate contracts for arms production, military supplies, large armed forces, and military adventures around the world (think Haliburton)? Business does indeed profit handsomely from war making and war preparation—conceivably even while adhering to Hard Trust's legal rules, accepting Real Trust's corporate citizenship role, and possibly linking defense ideology to a spiritual quest for "freedom and democracy" on a global scale. Beyond the military spending itself lie the stimulative economic dynamics felt widely throughout both domestic and foreign economies whose business firms and their employees therefore benefit from these violence-producing potentials. Current examples might well include the Bush-Cheney military policies in Iraq, Afghanistan, Pakistan, Iran, and Europe (the U.S. anti-missile "defense" system), which are by no means opposed by the business system.

·   Is the Business as Mediating Institution (BMI) idea consistent with organizational and technological realities found in most workplaces? Let's accept Fort's contention that values are formed in small groups where individuals are disciplined by the consequences of their actions. While that might work in, let's say, a coal miners' team where each life is directly dependent on other team members' actions, but would the same be true in a large-scale assembly line? Or a steel mill? A warehousing operation? A white-collar cubicled computerized financial institution? On the shop floor as well as in the executive suite—and at all levels in between? If there is to be an organizational revolution that replaces today's hierarchical, authoritarian scheme—which wouldn't be a bad idea at all—then we need to know the organizational dimensions and technological possibilities of BMI more clearly.

Tim Fort is no fool; he knows about these problems and says so. His lawyerly side brings him to claim that he has made only a *prima facie* case for Peace Through Commerce, lacking both a preponderance of evidence and proof beyond reasonable doubt. He goes so far as to say, "Historically, the systematic evidence suggests that businesses may be prone to foster violence rather than peace." But I hear him saying also that there is more potential for Peace Through Commerce than most people realize -- and that the basic components of nonviolence are already in place and functioning within corporations dedicated to the principles of stakeholder rights, ethical corporate culture, community building, and a personal quest for transcendent meaning through work. Through meaningful work, production of the things people need, respecting the environment, and supporting host communities, corporations are indeed fully engaged in nonviolent activities. In a world increasingly beset with shortages of life's basic necessities, one needs to heed UN Secretary General Ban Ki-moon's warning that "hungry people are angry people" and that hunger breeds "social disintegration, ill health and economic decline." There is, if you will, a large global "market" for nonviolent corporate citizenship responses to today's global challenges. That's Fort's central point.

I have saved to last, one of this book's most intriguing themes: Fort's contention that nature plays a central role in securing a nonviolent future for business and society. While recognizing the inborn tendency of *Homo sapiens* to act aggressively towards fellow human beings, Fort also sees a counter tendency to act in reciprocally supportive ways, particularly within family groups and small-scale "bands" numbering no more than 150 or so members. These hunter-gatherer bands of the Paleolithic Era were the brain-forming and value-forming precursors of contemporary human populations, as well as the organizational model for Fort's "mediating institutions" where values are formed and enacted. Crafting business firms along such lines allows them to give full expression to their nature-based *nonviolent* impulses of productivity ("economizing") and mutualistic community interactions ("ecologizing"), while muting the *violence-prone* aggressive ("power-aggrandizing") impulses of top-level executives. To support his case, Fort draws on a rich tapestry of research by primatologists, evolutionary psychologists, anthropologists, historians, social contractarians, natural law traditions, and communitarians—and in all modesty, I must admit, my own formulation of the economizing/ecologizing/power-aggrandizing trichotomy. But his reach is even broader. Believe it or not, but you will find here some of the main characters of Tolkien's *Lord of the Rings*—no less than Frodo, Sam, Gollum, Gandalf, Sauron, and others—struggling with the same kinds of contentious issues confronting the managers of today's global corporations. From this literary and scientific stewpot Tim Fort presents an admirable picture of business enterprise as a peace maker and champion of a nonviolent business-and-society relationship. Total Integrity Management, he says, "is a powerful enough good to get individuals to drop their cost-benefit guard for a time to consider how their actions might prevent a kid from getting his head blown off." Need anything else be said?