# NOTES FOR A THIRD MILLENNIAL MANIFESTO: RENEWAL AND REDEFINITION IN BUSINESS ETHICS

#### William C. Frederick

Abstract: Business ethics in the new millennium will confront both new and old questions that are being transformed by the changed pace and direction of human evolution. These questions embrace human nature, values, inquiring methods, technological change, geopolitics, natural disasters, and the moral role of business in all of these. The emergence and acceptance of technosymbolic phenomena may signal a slow transition of carbon-based human life toward greater dependence upon silicon-based virtualities across a wide range of human possibilities. The resultant moral issues call for a renewal and redefinition of business ethics theories and methods.

If business ethics is to remain a viable inquiring enterprise into and beyond Lathe opening years of the third (Christian) millennium, its scholarly advocates will need to cope with a range of questions that, while familiar in some respects, have begun to take on new meanings and more complex dimensions not envisioned by established theory or philosophy. The driving force of these intellectual transformations is the heightened pace and range of a human evolutionary process that is opening up new behavioral, cognitive, and societal realms only incompletely understood while simultaneously revealing the inadequacies of present answers and of the conventional ways of seeking those answers. Now in its 4,000th millennium (some would say only the 2,500th), human evolution is altering not just the ways in which people behave toward each other but, more importantly, may be removing and replacing the organic limits and constraints previously imposed on thought and action by the traits of a carbonbased organic life. Human attempts to outwit or out-game natural selection, whether successful or not in the far-distant long run, have already gripped the business imagination and spilled a host of ethics dilemmas onto the corporate boardroom table. That business will continue to be drawn into the fierce vortex of managerial qua philosophical controversies of the third millennium is of little doubt. That it will be given the guidance it will need, especially by business ethicists, is uncertain. It depends upon the ability and willingness of business ethicists to grasp the nature of the evolutionary transformations taking place and to convey that understanding into the workplace where business managers daily render decisions fraught with personal, societal, and planetary significance.

The questions featured here are by no means a complete register of the normative puzzles newly twisted and transformed by the upsurge of scientific discovery. Some are as old as philosophic inquiry itself, others more recently thrust upon us. But fragmentary as they are, they may serve as symbolic markers of the pathways that business ethicists must tread as they venture into the third millennium.

### The Questions

## What is the nature of human nature?

An arc traced from Charles Darwin through Sigmund Freud and to Francis Crick pinpoints the journey of modern science toward a greatly modified concept of human nature. Genetics explorations alone have shaken the old Nature versus Nurture conundrum to its foundations. The supreme, dominant posture of culture as the master principle of human behavior suddenly looks less secure. Ethologists and linguists boldly proclaim the presence of innate behavioral impulses that underlie and sustain what has previously been traced to acquired social learning. Culture itself is revealed as a stream of symbols flowing out of complex cognitive networks composed of neuronal circuits activated through electrochemical impulses. In this picture, brain and environment interpenetrate one another, each able to influence the other, with no obvious boundary between the two processes. Nature and Nurture literally disappear and dissolve into a common realm of biochemical processes.

The resultant business ethics challenge: Are business practitioners, their actions, decisions, policies, and companies, driven and shaped by nature? To what extent, if any, can, or should, they be deflected from such natural courses? The point here goes far beyond the simplistic notion that the natural business impulse is greed, a comfortable if erroneous assumption of many business ethicists. The issue is broader and more open-ended: Is the business function itself a manifestation of natural forces that are part and parcel of human evolution? If so, what is that function?

# Are values imposed, or are they emergent?

The 20th century's social sciences have taught that values are imposed upon the newborn by virtue of learning cultural routines that are socially approved. Parents, peers, teachers, and authority figures, aided and reinforced by institutional and organizational structures, write society's values onto the *tabula rasa* of the young. Laying to one side the still-incomplete genetics revolution that in time might cast doubt on the sociocultural origin of values and ethical predispositions, one need turn only to chaos-complexity theory to discover that values appear to emerge spontaneously through natural self-organizing processes as individuals interact in a wide variety of social contexts. In this view, values are *discovered* and are entirely an emergent consequence of one's experienced relationships. Each

camp faces further challenges. If values are imposed by society, can they be anything other than culturally relative? If values are emergent, are they in any way constrained toward desirable or sought ethical outcomes?

The resultant business ethics challenge: Whether imposed or emergent, certain identifiable value sets drive business practitioners to do what they do. If one's moral identity has been tattooed indelibly by strong cultural tradition, flexibility in the face of rapid change will be hard to come by; and the business practitioner may project a learned, inflexible set of values into all arenas of business action and policy, regardless of environmental setting and business consequences. If, on the other hand, business people learn as they go, adapting their value sets to circumstances faced, and giving free rein to their emergent natural impulses, then their firms and the societies they serve may prosper. In either case, the business ethicist will need to identify the moral center of the value sets involved.

Does the global future belong to universalist values or to emergent multicultural, multi-ethnic diverse values?

Philosophers have long sought common human values, while culturally inspired clashes of all kinds break out in a rising tide of conflict over right and wrong. With the United States now positioned as the economically and militarily dominant world power, it and its extended family of Western European nations, seem willing (certainly) and able (arguably) to make Euro-American values the core of a world-embracing moral system. Simultaneously and contradictorily, a tidal wave of ethnic identity, diverse and resurgent religious faiths, linguistic separatism, devolution and decentralization of large-scale government authority, and a search for new national identities—all of these reflecting value systems of the widest variability—washes across broad regions of the globe. It is at the boundaries where these powerfully driven, diverse moral systems intersect that some of today's most serious and tragic human encounters occur. Finding and agreeing upon common values seems at once less likely and more necessitous.

The resultant business ethics challenge: Global business firms need moral direction if they are to be economically successful and if their presence is to be socially acceptable. These goals would be eminently more reachable if business decision makers could be guided by globally agreed principles and standards. Although first steps have been taken in a number of areas—trade, environment, commercial law, patent protection, exploitation of oceanic resources, and many other specific industrial areas—the second millennium has closed on an economic scene of great rivalry, fierce competition, enormous gaps between rich and poor, and a widespread condemnation of the very nations who at times act to promote their own sociocultural values as the world standard. Left to their own naturalistic drives and ethnocentric moral inclinations, business firms everywhere maneuver without either compass or rudder calibrated to the needs of a global economy. Does the corpus of present business ethics theory hold the answers to

such puzzles—answers both workable for business practice and morally acceptable to the globe's many and diverse peoples?

What methods of inquiry are likely to be the most effective in revealing the core ethical issues of business practice in ways that might lead to improvement in comprehension and resolution of those issues?

The most popular and the oldest methods employed by professional philosophers—abstract, non-contextual, logical analysis—have revealed little of practical import and nothing beyond exhortation that would lead to the direct improvement of ethical practice in business. Social science methods, less frequently applied, have yielded positivist descriptions of business and corporate behavior but only arguable normative propositions and pluralist/relativist interpretations that are of uncertain worth to practitioners. While philosophic method is conceptual but not contextual, social science method is descriptive but not directive. Leading figures on both sides insist that this state of affairs not only should remain as it is but cannot be otherwise. Natural science approaches—such as sociobiological explanations of behavior, evolutionary psychology's emphasis on the persistence of anciently inherited behavioral traits, comparative primatehuman studies, genetics theory and analysis, neuroscience and artificial intelligence, game theory, and emergent chaos-complexity theory—are only newly applied, highly controversial, resisted by philosophers and social scientists, and largely unknown and inaccessible to practitioners. Could a blend—a consilience, as one observer has called it—of the best from each of these three approaches hold the answer?

The resultant business ethics challenge: The mark of business ethicists on business practice is not large and never has been. Practitioners frequently arrive at an ethical posture on their own and in their own pragmatic way, sometimes from religious precepts absorbed early in life, other times inspired by parental role models or other admired figures. The prescriptions offered by business ethicists may appear, and may be, couched in language and logic not translatable into the routines of the work day, so they are unable to touch the moral sensitivity of the practitioner. Whichever method or approach is to be used, it must come to terms with the kinds of demands the business professional feels on a day-to-day basis.

Why is technology so infrequently discussed by business ethicists?

Technology is a transformative force in human culture, bringing people together and splitting them apart in bewildering ways, thrusting fierce and poignant moral questions forward, generating strikingly new and dazzling dimensions of communication and sensing and experiencing and intellectual exploration. Today's technology is literally revolutionizing corporate organization by leveling dominance-and-control hierarchies, decentering authority, universalizing data

possession, creating self-organizing work units, crumbling corporate walls and boundaries, creating cross-cultural alliances and cross-sector coalitions, blurring the lines between buyer and seller, producer and supplier, domestic firm and global enterprise. The Internet alone—that worldwide, never-sleeping, ever-conscious intelligent network—promises transformations in human knowledge and conduct never before imagined. Advanced medical technology now reaches into the womb to repair defects at the beginning of life and into the brain of the aging to forestall the end of life. Technology is the fire that heats a roiling stewpot of moral issues and questions that sweep across many facets of human life.

The resultant business ethics challenge: Like it or not, society has made business the arbiter of new technology. Even in those cases where the technology serves governmental purposes, such as military preparedness or space exploration, it is from business laboratories or government-and-business-subsidized university research sites that new technology flows into societal uses. The computerized technology that has cut like a scythe through the ranks of downsized employees has simultaneously opened up a myriad of new professional pathways. The cost-effective technologies that have driven work and jobs from advanced industrial societies into Third World sweatshops has at the same time spawned droves of high-technology entrepreneurs who rejuvenate older industrial regions and create new and better jobs. Increasing reliance on electronic technology has somewhat leveled the playing fields on which men and women compete for work and opportunities while still placing much of the environmental burden on urban minorities and the urban underclass. Justice, fairness, equal opportunity, the preservation of and access to meaningful work, the kinds and quality of public images projected into society, and basic life choices of all kinds are now held hostage to technological decisions made in corporate boardrooms. Count on even more of the same as the third millennium unfolds. One would be hard-pressed to find a field more ripe for ethical analysis and workable responses than this one. Tennis, anyone?

# What is the moral role of business in geopolitics?

Global free market capitalism is rampant, violating cultural borders as it has long done, repeating many of 19th-century capitalism's worst excesses, at times exploiting Third World workers, raping the globe's environments, stripping away ecological diversity, overworking the earth's fertile soils, amassing and hoarding and wielding mammoth fortunes, recruiting the West's armed might to secure existing markets and to open new ones, manipulating world financial institutions to promote market-centered economies, resisting full-scale, good-faith United States participation in regional and international environmental compacts, and supporting various saber-rattling and saber-wielding policies of governments here and abroad. Clearly, one cannot treat business actions as if they are separated from today's major geopolitical struggles, because the actions taken by governments often mirror the interests of business.

The resultant business ethics challenge: The need is urgent for business ethicists to step more fully into the geopolitical arena. Some have done so already, proposing global principles of conduct for multinational enterprises, meeting with groups of international business leaders, and participating in international conferences of ethicists and corporate practitioners from several nations. Still others have embraced the sustainability doctrine as one way to move beyond abstract philosophic analysis toward economically workable and environmentally protective possibilities. Ethicists who work out of law school faculties have produced impressive approaches to problems that occur where national jurisdictions overlap. Yet there is a political timidity among too many business ethicists, an apparent hesitation to focus the profession's analytic ethical apparatus on the core nationalistic, ethnic, and religious competitions and conflicts that lie at the heart of today's geopolitical scene. Why should it be left to one of capitalism's most richly rewarded figures to declare that "the system is deeply flawed. As long as capitalism remains triumphant, the pursuit of money overrides all other social considerations"? Or that "Profit-maximizing behavior follows the dictates of expediency and ignores the demands of morality. . . . [W]e must have a sense of what is right and what is wrong, an inner light that guides our behavior as citizens and politicians. . . . The profit motive dims that inner light. The principle of expediency takes precedence over moral principles"?1 There could be no clearer invitation to business ethicists to engage business practitioners in moral dialogue about the geopolitics of global capitalism.

What are business's ethical responsibilities when natural disasters occur, or especially before they occur?

Conventional economic theory places nature outside the models of economic behavior, or at best treats nature as an "externality" and therefore not a central part of economic reality. This tendency repeats and reinforces a long-established cultural habit of drawing a sharp line between nature and culture. One result is to insulate human actions from moral culpability when or after natural disasters occur, on grounds that such "non-economic" events cannot be accurately predicted or controlled or that they are inexplicable "acts of God." This would be true, for example, of a long list of natural disasters that have human consequences, including earthquakes, volcanic eruptions, floods, ocean storm surges, hurricanes, tornadoes, tsunamis, typhoons, cyclones, windstorms, snowstorms, sandstorms, ice storms, torrential rain storms, droughts, asteroid and meteor impacts, meteor storms, dust storms, solar wind storms, rock slides, mudslides, snow avalanches, polar ice-cap breakups, coastal red tides, forest and brush fires, etc. Because they seem beyond human ken and control, and because most such events affect large communities of people, any responsibility for preparedness beforehand and recovery afterwards is thought to lie with government and not with major economic actors.

But clearly, the human face-off with nature's rampages is not just a governmental responsibility. Business too incurs a direct moral responsibility well before natural disaster strikes. Indeed, business actions or inactions have contributed to or exacerbated the human costs and toll of lives in many of these natural events, e.g., by failure to develop or support earthquake-resistant industry building codes; or building housing and shopping malls on flood plains, in low-lying coastal areas, on unstable coastal slopes, and in brushfire-prone regions; or burdening water tables with unrestricted urban and farm development; or providing inadequate fire protection for multiple-unit dwellings and office complexes, especially high-rises; or poor shielding of communication satellites from cosmic and other types of disruptions originating in outer space; or weak enforcement of ski regulations in face of avalanche potentials; etc. Moral responsibility for recognizing and anticipating potential disasters in the making falls heavily, not just on insurance companies but also on builders, developers, bankers, and all others who do business along the margins of nature's most powerful forces. But it doesn't end there, for business is also implicated in a whole range of well-known natural threats such as global warming, habitat and biodiversity destruction, air and water pollution, creation and improper disposal of toxic wastes, depletion of oceanic stocks, rain forest decimation, saline invasion of water tables, acid rain, toxic runoff from mines and farm feedlots, land erosion of clearcut forested areas, PCB contamination of rivers and lakes, toxic dumps, accumulated nuclear wastes from power plants, and disruption and thinning of the earth's atmospheric ozone layer, among others.

The resultant business ethics challenge: Business ethicists need to recognize that nature is not an "externality." On the contrary, nature not only lies at the very center of human economic endeavors but the powerful and disastrous forces it generates are integral to the operation of human economy generally. Simply put, natural disasters are "natural"—an expected, normal, irregular expression of physical, biological, meteorological, atmospheric forces. Economic behavior is nothing more nor less than nature in action. Unless and until nature is accepted as integral to human behavior, to economic enterprise, and to moral analysis, it will not be possible to formulate ethics principles adequate for the moral guidance of third millennial business practitioners.

These seven questions are the easy ones. More difficult ones loom in the near future. The combined forces of science and technology are beginning to break down the ancient connection between a carbon-based organic life and an abstract, symbolic realm of human meaning. Humanly created symbolic meanings and actions can now supersede their organic hosts and creators across a broadening range of human endeavor. Myriad electronic pulses, numerous magnetic nodes that define a network of possibilities, computer languages never spoken, the blanket of telephonic signals constantly pervading the air, the ceaseless murmur of the global Internet, the countless computerized data banks, the electronic

ears listening for life signals from outer space, the robots that explore other planets—all of these non-organic human creations exist in a techno-symbolic realm that is virtually detached from and no longer dependent upon the organic carbon cycle we call "life." Without exaggeration or excessive imagination, it seems possible to say that human evolution appears to be moving beyond the organic and on into, and perhaps beyond, what some have called a virtual dimension, one into which human meanings can be projected *sans* the humans themselves—an ecology of non-organic, largely electronic, silicon-based abstractions. Some notable cosmologists have even suggested that the far distant future belongs to such a virtual ecology, as organic nature subsides and is replaced by hardier human (electronic) forms.

Somewhere and sometime within the third millennium, ethicists who track business practice will need to ponder the moral significance of such science-fiction-sounding scenarios as the following possibilities, all of which are even now in sight if not yet in the range of actual attainment. Each one brings forth a strange virtual world where organic reality fades into an abstract symbolic realm. The third millennium will see:

- Workless societies ———> (leading to) Virtual leisure
- Interplanetary robotic visits ———> Virtual travel
- Genes-by-design ———> Virtual human nature
- Neurochip brain implants ————> Virtual cognition and memory
- Organic programmed nutritional intake ————> Virtual metabolism
- Genetic design of immune systems ————> Virtual immunology
- End of disease ———> Virtual health
- Reproducing all known forms of life and generating new, presently un-known forms —————> Virtual (compressed) evolution (and retro-evolution)
- Human meaning extended to all regions of the cosmos ———> Virtual spirituality

Each of these possibilities portends literally unimaginable and presently inconceivable ethical and moral dilemmas, thereby generating virtual ethics and virtual morality. One way or another, and in one form or another, business will be drawn into this vortex of virtualities. Its societal stewardship of technological change puts it in a commanding position to alter, though not to control, the pace of human evolution. Its premier economizing function makes possible the productivity from which the virtual dimensions emerge. Its irrepressible (because nature-based) impulse to grow, to expand, and to dominate makes it a natural ally of a virtual evolution that promises to bifurcate the organic and the symbolic. Indeed, business already sponsors or coauthors some of these movements to break the carbon bond. At every one of these junctures, moral issues will arise.

### Toward a Millennial Manifesto

Business ethicists, as a group, are not given to political programs or revolutionary upheavals as a way of accomplishing their purposes. Neither are they inclined to post authority-challenging theses on church doors or to issue manifesto calls to arms. But if such a declaration were to be brought forth—a manifesto suitable for the coming challenges of the new millennium—its opening paragraphs might go something like this:

"Business ethicists! Awaken from your philosophical slumbers! Social scientists! Cast off your positivist chains! Loosen the antique grip of encrusted, ancient, outworn philosophies and methodologies! Do not reject but seize the hand of science, the better to guide business into normative channels! Take the outstretched hand of relativism, pluralism, and diversity offered by the world's peoples! Grasp the hand of nature that rests upon every human endeavor! And yes, grip the hand of the business practitioner who can infuse your moral quest with the experienced dilemmas of the workplace!

"A new millennium beckons, whether the Christian third, the human 2,500th, or the earth's 5,000,000th. Virtual ethicists, arise! The business world awaits your answers and needs your guidance!"

#### Note

<sup>1</sup>George Soros, *The Crisis of Global Capitalism: Open Society Endangered* (New York: Public Affairs, 1998), pp. 102, 208. A similar perspective has been developed in David C. Korten's *When Corporations Rule the World* (West Hartford, Conn.: Kumarian Press and San Francisco: Berrett-Koehler, 1995). Like Soros, Korten has establishment credentials.