PRAGMATISM, NATURE, AND NORMS

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I f ethicists are to reach the business mind and thereby influence business decisions and policies, their ideas and theories need to be framed in ways that are meaningful and compelling within the workplace where those decisions and policies are made. Failure to take this necessary step has kept many an ethically appealing idea from penetrating to the core of business consciousness. The practitioner's innermost cognitive regions are keenly attuned to the immediate setting where problems continually intrude, whether from competitive pressures, government regulations, technological uncertainties, employee/labor union demands, consumer protests, environmental/ecological events, or myriad stakeholder pressures. Keeping the firm afloat, guiding it toward multiple, diverse goals, discovering new opportunities, striving for sustenance, growth, and continuity rightly occupy the business mind. In a word, *problems* are necessarily uppermost in the practitioner's thinking, for that is the nature of business activity and those problems constitute the day-to-day experiential setting for the business practitioner.

PRAGMATISM

If we ask which philosophical pathway is most likely to lead ethics analysis into this problem-generating, experiential business arena, and which one is uniquely more capable than others of touching the core of the practitioner's problem-solving focus and interest,

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the question almost answers itself. Pragmatism, or perhaps one should say American pragmatism, has long been known as the premier problem- and experience-oriented inquiring discipline.[1] Neither virtue ethics, Kantian ethics, Rawlsian ethics, natural law ethics, or conventional utilitarian ethics takes problems and experience to be a primary focus of inquiry. Nor have they collectively or individually been notably successful in coping with the kinds of problems, including those displaying an ethical dimension, encountered on a daily basis by business practitioners. One can detect a sense of frustration and disappointment, or even despair, arising from these establishment ethicists that their preferred ethical remedies are so frequently rejected, or worse, simply ignored by the practitioner class.

If getting into the business mind calls for an ethics of problem solving, a pragmatist view becomes the starting point of a dialogue between ethicists and practitioners, each seeking ways to confront and resolve business problems in an ethically acceptable manner that simultaneously acknowledges and comes to terms with the economizing needs and constraints operative within the business firm. Though the beginning point, pragmatism need not be the sole ethical approach that can be employed. Once a pragmatist entry has been gained into the problem-generating workplace, the application of Kantian rights principles or Rawlsian justice concepts or a virtuous-character orientation may prove to be quite helpful. In other words, if ethics analysis is first rooted firmly within the realm of practitioner experience where problems arise, and if pragmatism's insistence on viewing those problems as amenable to intelligent analysis is sustained throughout the dialogue between ethicist and practitioner, it is possible to envision a multi-headed ethics approach where the best of the various schools can participate. A similar point is made by Andrew Wicks and Edward Freeman[2] who, in speaking of organizational purpose elicited by pragmatic analysis, say, "Once researchers establish that the question of purpose is relevant, the ethics literature—particularly in business ethics—can provide them with an array of research which can help to facilitate detailed analysis of these questions."

The emphasis here upon the use of human intelligence to understand and perhaps to resolve problems should not be confused with the neoclassical economics notion of rationality or with utilitarian thinking. The business brain is as richly expressive of positive

and negative emotions, irrational urges, and problem-irrelevant impulses as any other, so one should not equate a putative economic rationality with pragmatic intelligence. Emotions may indeed enhance decision making, as claimed by Robert Frank,[3] and in that sense the pragmatist would consider them to be just one more component of the experiential context in which the business practitioner attempts to resolve problems by intelligent means.

Nor is pragmatic method synonymous with the narrow brand of utilitarian thinking often used by business practitioners. Wicks and Freeman[4] again concur: ". . . the pragmatic criterion of value is not a pseudonym for utilitarianism." Though utilitarians inhabit large regions of most business firms, the ethical harm they do is more a function of their short-range, socially constricted view than of the limited but potentially useful intelligence they display. Utilitarian principles, *when applied within a broad realm of business and societal experience*, can be one part of a pragmatic approach to ethics issues within business because of their consequentialist focus. Business ethicist Richard DeGeorge[5] has written that "Utilitarianism . . . demands careful, objective, impartial evaluation of consequences. . . . A powerful tool of moral reasoning, it is a technique well worth mastering."

In the pragmatist view, norms of behavior in business are generated within an ongoing organizational context where decision makers are coping with everyday, ordinary problems occurring as a result of organization-environment (or business and society) interactions. Past experience, including successes as well as failures, provides an historical process or continuum for thinking about today's business problems. Conventions and traditions based upon this historical continuity will have accumulated over time, acting as guides and rules of thumb for taking actions and moving the firm toward its goals and purposes. Thus, norms are a function of past experience as well as of newly generated information applied to present problems. This kind of norm-generating, experience-based, problem-solving activity is the ground from which operational business values emerge and become behavioral guides for business practitioners.

Stakeholder theory makes clear that this value-forming experiential process extends well beyond the firm's boundaries. The problems that companies encounter, as well as the values that guide business decisions, are an outcome of firm-and-environment

interactions across a broad range of interests, markets, societies, cultures, and communities. The resultant value-mix becomes more diverse and complex as a function of the environment's diversity and complexity. The experiential base of operations expands, and the pragmatic search for satisfying outcomes becomes more complex and more difficult because it encompasses a greater variety of values (social, political, religious, ethnic) that must be incorporated into the rules and norms that guide business decisions and policies.

To summarize, norms and values used by business practitioners are organizationally and societally contextual, are derived from operational experience, and are used as decisional guides for solving business problems and seeking business opportunities. Appeals to the moral consciousness of business practitioners that fall outside these defining components are not likely to be heard or, if heard, to be heeded.

NATURE

When linked to nature, pragmatism becomes an enormously powerful analytic approach to ethics problems and issues within business. The bridge between pragmatism and nature is the self-same experiential context that defines the practitioner's problem-solving and problem-seeking working world.

If values emerge from human encounters with the world in which they live, then surely nature has played and continues to play a leading role in that interplay of human organism and environment. For over 2.5 million years of human evolution, our ancestors have interacted closely and successfully with natural forces, solving life's most basic problems of survival, sustenance, and continuity.[6] Humans, along with all other organisms, have been caught up in a process of natural selection where adjustment to the environment is the crucial key to adaptation and perpetuation of the species. Provisioning, procreation, caring for the young, organizing for cooperative endeavors, learning protections against nature's many irregular forces while exploiting its seasonal rhythms, finding reassurance through group cohesiveness reinforced by clan and tribal rituals—all of these encounters with the natural world have sustained the human enterprise. They constitute the essential

evolutionary experiences of early (and present day) human exis-
tence. It is through the unforgiving process of natural selection that
such human practices have emerged as tested means of surviving
and flourishing. James Q. Wilson has argued that many of our
most basic moral orientations stem from behavioral patterns driven
by natural selection.[7] As such, these human patterns become the
raw materials from which values are formed, first taking the form of
practical but unwritten rules and group norms and only later being
conceptualized as "values" with prescriptive and proscriptive sig-
nificance, a developmental process described more fully in Derry et
al.[8]

Business ethicist Rogene Buchholz and pragmatist philosopher
Sandra Rosenthal have proposed a similar view: "Value and valuings
or valuing experiences are traits of nature; novel emergents in the
context of organism-environment interaction. Humans have a plu-
rality of values which emerge from their organic embeddedness in
the richness of the natural world."[9] Over the long arc of human exis-
tence, these valuing experiences have varied across a broad range of
natural environments, as continents have shifted, mountain ranges
have been built, ice ages have come and gone, coastal lands have
risen and fallen, atmospheric temperatures and pressures have
waxed and waned, and the earth has been alternately torn asunder
by nature's fury and blessed with nature's bounty. Human cultures
—only another form of nature—have tracked these natural environ-
mental rhythms, varying in their ability to withstand the worst that
nature presents and to build upon the best of nature's offerings.
Natural scientist-physiologist Jared Diamond has recently argued
that "History followed different courses for different peoples because
of differences among peoples' [geographical] environments, not
because of biological differences among peoples themselves."[10] The
value systems of human cultures across the globe are centered in,
because they evolved from, the necessities of adapting their human
carriers successfully to the natural world.

Ecologists refer to these successes as niche building, meaning
that all surviving organisms find special ways to fit into their sur-
rounding environment. So too do human organisms build niches
—sociocultural niches—capable of sheltering and sustaining fami-
lies, clans, tribes, societies, and groupings of all these. When
sociocultural niches are accumulated and brought together inter-
actively, they form communities of humans living within natural

environments. These ecosystems then become the natural setting where the business drama is played out, as well as comprising the broader realm of evolutionary, sociocultural experience from which business values are drawn.

In the course of human evolution driven by natural selection pressures, the key norms acquire both a workable, practical, useful, i.e., pragmatic, meaning, as well as a moral significance. The workability of norms is a test of their contribution to human adaptiveness and niche building, and they become valued for meeting this test set by natural selection. Over time, those norms that guide and shape group behavior—mating, birthing, rearing the young, preserving the family and clan, cooperative provisioning, defense against predators—become proven methods of group survival and sustenance. As established habits and socially approved customs, they may slowly acquire an insinuated moral tone traceable ultimately to the prevailing beliefs about their efficacy in preserving group cohesiveness, and hence, group survival. This imputed morality may persist even where the relation between norm and survivability is difficult, if not impossible, to establish or demonstrate. Natural forces and events have always been, and remain today, hard to understand and are impossible to predict with precision, given their nonlinear character.[11] Hence, many established and socially inherited moral norms having little to do with human adaptiveness may be embraced ardently. An example is given by biologist Edward O. Wilson: ". . . the melanges of moral reasoning employed by modern societies are, to put the matter simply, a mess. They are chimeras, composed of odd parts stuck together. Paleolithic egalitarian and tribalistic instincts are still firmly installed. As part of the genetic foundation of human nature, they cannot be replaced. In some cases, such as quick hostility to strangers and competing groups, they have become generally ill adapted and persistently dangerous."[12]

Naturalist norms in the business world have historically been formed from the same gene-based, in-group, tribalistic perspective cited by Wilson, for that has been the natural pathway taken by the economizing impulse that drives all business activity.[13] These core business values are part of the "mess" of moral reasoning. They compete with other values, some personal, others social, still others ethnic, and yet others broadly global. From this roiling stewpot of competing values, business ethicists have long sought to snatch

the choicest moral morsels, the ones that are the essence of the moral flavors and tastes favored by all who feast at business's economizing table of plenty.

So it is with the recent ideas of legal scholar Thomas Dunfee and business ethics philosopher Thomas Donaldson in *Ties That Bind* (1999).[14] Their twofold aim is, first, to give business practitioners a way to sort through the ethical dilemmas they face in the workplace and to conform their decisions to humankind's most central and deeply felt moral principles, and, second, to offer business ethicists a new/old way to define what ethics is and how to apply ethics in today's high-tech, global, multicultural workplace.

From a pragmatist point of view, there is much to celebrate here. Morals are understood to be contextual, the products of human experience, societally malleable, changeable over time, community rooted, pluralistic, politically conditioned, transcultural but less than universally absolute, workably efficient in sustaining human communities, behavioral guides for people coping with one another in a social world, and derived from both sociocultural and natural sources. Community-based norms, including many of those that guide business operations, are grounded in practices that have met the test of time in coping with a wide variety of human and social problems. Social consensus establishes their authenticity where pluralistic institutions permit dissent, consent, and withdrawal. Even the most morally compelling ethical norms, the cleverly but unfortunately-named "hypernorms," are said to have their origin in shared transcultural experiences where there has been a convergence of views about rights and wrongs and where "collective agreements" concerning various problems have emerged.

A pragmatist would be hard pressed to state the case more forcefully. It is odd then that these two otherwise well informed ethicists do not seem to be aware that they have been "speaking pragmatism" all along. The index does not have an entry for pragmatism nor for any of the heavyweight pragmatic philosophers such as Charles Peirce, William James, John Dewey, George H. Mead, or Richard Rorty; and one of America's leading pragmatists, Sandra Rosenthal, is labeled a "non-philosopher" (page 12) and banished from the index, perhaps a casualty of the publisher's careless copy editing. The philosophic focus of the authors is clearly in another direction, which may explain why their otherwise fruitful approach has drawn fire from some like-minded philosopher critics who

share their philosophical preconceptions but not their particular interpretation of conventional writ.

FICTION VERSUS EXPERIENCE

It may indeed distress the authors to hear that the trouble lies in the main conceptual vehicle they employ: the social contract, attached as it is in this case to Kantian rights and Rawlsian justice. Other commentators may wish to deal with this objection in the sophisticated philosophic detail the issues deserve, while the view expressed here will be more blunt and direct, perhaps naively so. The social contract is at best a device for thinking through ethics issues in a manner that has little or nothing to do with the actual world of experience in which those issues arise. It is entirely artificial. Social contracts in the sense used by the authors do not exist as tangible agreements. They float free of actual human (and business) practice. Unlike actual, legally binding contracts, these imaginary ones impose upon the "contractors" various morally obligatory provisions to which they have not necessarily consented, analogous to the "fine print" often overlooked as agreements are signed. To their credit, Professors Donaldson and Dunfee refer to the hypothetical nature of social contracts but then just as frequently seem to reify what can exist only in imagination. Though willing to abandon a strict Rawlsian original position where nothing is known by the contractors about their own interests, they retain the idea of "rational, knowledgable" actors who sit around and decide what is morally acceptable and what is not (pages 26–28). This non-behavioral, non-experiential, non-contextual approach finds no support in social science where explanations of human behavior turn on the closely knit patterns of social interaction among fallible, less-than-perfectly-rational people who together comprise human communities whose present state is very much a function of past history, much of it flawed by misjudgments and irrationalities of many varieties. One wants to ask if the analytic gains of employing totally unrealistic assumptions about the nature of human behavior outweigh the costs of the distorted answers produced by such analysis.

Once ethics analysis is lifted clear of the workplace context where values are formed and operationalized, there is a breach between

experience and moral concept, between the lived life of the business practitioner and the moral principles he or she is being urged to adopt. The "social contract" in this way acts as a conceptual device that permits the importation of all kinds of non-experiential, non-contextual ethics ideas and notions that may, but probably will not, capture the attention of the business decision maker. It is precisely at that gap between abstract concept and workplace experience where so much business ethics analysis goes astray. Business ethicists need to understand that " . . . the resolution of conflicting moral communities cannot be resolved by appeal to abstract principles. . . . The vital, growing sense of moral rightness comes not from the inculcation of abstract principles, but from attunement to the way in which moral beliefs and practices must be rooted naturally in the very conditions of human existence."[15]

It is therefore ironic that one of the very great strengths of *Ties That Bind*, and the feature that qualifies it as a compelling contribution, is its extensive reliance on the very idea that "moral beliefs and practices must be rooted naturally in the very conditions of human existence." Surely that is the guiding spirit of the community-based norms of "microsocial contracts" and of the "moral free space" that permits moral flexibility to peoples living within, and firms operating within, widely varying sociocultural traditions. Many of the hypernorms themselves appear to be an outgrowth of shared experiences in confronting large-scale, transcultural moral choices. So too is stakeholder management seen as pragmatically responsive to the prevalence of moral understandings in the various sociopolitical locales where corporations conduct business.

With such (unacknowledged) commitment to pragmatist principles, what holds this theory back from a thoroughgoing plunge into pragmatist analysis? To this question there are two answers. One is the lingering grip on the philosophic imaginations of these two scholars of Kantian rights and Rawlsian justice—neither concept consistent with social science theories of human behavior, moral development, or societal evolution nor with natural science theories of evolutionary psychology.[16] Here is the source of the non-contextual, non-experiential abstractions that are inserted into that gap between lived experience and analytic concept, between the practical exigencies faced by business practitioners and the abstracted moral principles they are exhorted to follow.

A clue to the second answer is found in the reluctance of ISCT's inventors to identify the source of hypernorms, probably traceable to their fear of falling into the infamous naturalistic fallacy where lived experience, or its description, is believed to be an erroneous source of moral values, i.e., no "is" can produce an "ought." Absent a tangible source for the most important class of normative standards, reliance on hypernorms verges on commitment to what might conversely be called the "philosophistic fallacy" wherein abstract, non-experiential moral principles are imposed on individuals, organizations, and communities, i.e., an "ought" attempts to produce a desired "is." It is just here that pragmatism is turned aside in favor of inferred abstract principles that reflect conventional philosophic categories and do not speak to the problem-oriented needs of the business practitioner. The business decision maker seeks workable solutions, i.e., "oughts" responsive to all of the "is" forces that converge in the workplace, not just those favored by philosophic convention.

Norms of all varieties can have no other origin than as manifestations of a natural evolutionary development in which humans, their groups, and their variegated ways of life are embedded. The norms (or values) that are meaningful to business, and that define it, emerged as part of this long-term developmental process. The central economizing impulses were laid down in neural circuits long, long ago, as were the power-dominance modes of seeking economizing goals, along with the reciprocal social exchanges that eventually became the framework of market economies and led to contemporary beliefs in distributive justice.[17] Beyond the evident and immediate sociocultural environment—and containing it—is the natural environment. Modern business—its habits, practices, goals, and values—is an outgrowth of and an active participant in this tangled blend of nature and what humans have made of its basic forces. There one finds the experiential base from which business practitioners view the world and to which they must be responsive.

One can take heart that business's dedicated economizing impulses are not the whole story that emerges from nature's garden. Humans are the inheritors of a vast melange of nature-conditioned impulses, values, and norms as shaped by several millennia of sociocultural experimentation and learning.[18] These include cooperative impulses, consensus building, common ways of thinking about and resolving problems, altruistic caring, social

exchanges, and forging community ties of sentiment and affection inclusive of non-kin. Together, they form a human ecology of community life. Laid down over a period exceeding 2 million years, brain circuits to support these ecologizing behavioral patterns are as securely implanted as those circuits giving expression to economizing practices. Both kinds of behaviors—self-centered economizing and community-centered ecologizing—are products of natural selection. Both have contributed to human survival and flourishing. Neither is "superior" to the other. They work sometimes in tandem and other times competitively in all ecosystems. The boundary between economizing and ecologizing is a shifting line, varying with time, place, ecosystem dynamics, technology, and human understanding.

Puzzling out the relations between these two natural forces becomes the essence of moral analysis. In that search, there are no final answers to be found, no ultimate rules, no absolute principles. There is only continued experimentation and continuous learning that draws upon human intelligence in coping with the world as it is found, which is the pragmatist program for eliciting the ways and the values by which the human enterprise can thrive and business enterprise can serve human purposes.

Authors should not be faulted for not writing the book that their critics would have preferred them to write. *Ties That Bind* quite capably stands on its own merits as the most interesting and fruitful theoretical initiative the field of business ethics has seen during the past two decades or more. The observations offered here have been intended to suggest that the book's central theme possesses significantly more analytic potential than the authors have tapped. A relatively small step into the world of nature would release that potential in ways that would benefit both the theory and practice of business ethics.

After all is said and done, the authors of *Ties That Bind* might one day take satisfaction in biologist J. B. S. Haldane's wry description of the four stages of critical reaction to any newly proposed scientific theory (quoted in Calvin, 1996): "(i) this is worthless nonsense; (ii) this is an interesting, but perverse, point of view; (iii) this is true, but quite unimportant; (iv) I always said so."[19]

NOTES

1.   Sandra B. Rosenthal, *Speculative Pragmatism* (LaSalle, IL: Open Court, 1986).

2.   Andrew Wicks and R. Edward Freeman, "Organization Studies and the New Pragmatism: Positivism, Anti-Positivism, and the Search for Ethics," *Organization Science* 9(2) (1998), 129–130.

3.   Robert H. Frank, *Passions Within Reason: The Strategic Role of the Emotions* (New York: W. W. Norton, 1988).

4.   Wicks and Freeman, 129.

5.   Richard DeGeorge, *Business Ethics*, 3rd edition (New York: Macmillan, 1990), 61.

6.   Leda Cosmides and John Tooby, "From Function to Structure: The Role of Evolutionary Biology and Computational Theories in Cognitive Neuroscience," in Michael S. Gazzaniga, *The Cognitive Neurosciences* (Cambridge, MA: MIT Press, 1995).

7.   James Q. Wilson, *The Moral Sense* (New York: Free Press, 1993).

8.   Robbin Derry, Timothy L. Fort, William C. Frederick, and Nancy R. Hauserman, "Nature's Place in Legal and Ethical Reasoning: An Interactive Commentary on William Frederick's *Values, Nature, and Culture in the American Corporation*," *American Business Law Journal* 36(4) (1999), 636–637.

9.   Rogene A. Buchholz and Sandra B. Rosenthal, "Toward a new understanding of moral pluralism," *Business Ethics Quarterly* 6(3) (1996), 270.

10.   Jared Diamond, *Guns, Germs, and Steel: The Fates of Human Societies* (New York: W. W. Norton, 1998), 25.

11.   Stephen J. Guastello, *Chaos, Catastrophe, and Human Affairs* (Mahwah, NJ: Lawrence Erlbaum, 1995).

12.   Edward O. Wilson, "The Biological Basis of Morality," *Atlantic Monthly*, April 1998: 62–64.

13.   William C. Frederick, *Values, Nature, and Culture in the American Corporation* (New York: Oxford University Press, 1995).

14.   Thomas Donaldson and Thomas W. Dunfee, *Ties That Bind: A Social Contracts Approach to Business Ethics* (Boston: Harvard Business School Press, 1999).

15.   Rosenthal, 192.

16.   Edward O. Wilson, *Consilience: The Unity of Knowledge* (New York: Alfred A. Knopf, 1998), 249.

17.   John Tooby and Leda Cosmides, "Mapping the Evolved Functional Organization of Mind and Brain," in Michael S. Gazzaniga, *The Cognitive*

Neurosciences (Cambridge, MA: MIT Press, 1995), 1188–1189, 1192; Cosmides and Tooby, 1202–1203, 1210.

18.   Carl Sagan and Ann Druyan, *Shadows of Forgotten Ancestors: A Search for Who We Are* (New York: Random House, 1992), Cosmides and Tooby, 1208.

19.   William H. Calvin, *The Cerebral Code: Thinking a Thought in the Mosaics of the Mind* (Cambridge, MA: MIT Press, 1996).